(A Maharatna Company)

40th Annual Report 2025-26



THE POWER BEHIND PROGRESS

THE POWER BEHIND PROGRESS

Progress needs power, and power needs capital. For nearly four decades, PFC has provided it, financing the generation, transmission and distribution that carried India from chronic shortage to surplus. Set up in 1986 to fund the nation's power sector, we have grown into its largest power sector financier and its largest renewable financier, with capital reaching every stage of the value chain and the infrastructure around it.

Today, India is building a new energy economy. Non-fossil sources have crossed half the country's installed capacity, five years ahead of target, and the decade ahead calls for financing on an unprecedented scale. This is the ground we are built for. We fund the transition end-to-end: generation, transmission, storage, distribution reform and green hydrogen, with discipline, scale and purpose.

Behind every megawatt added and every grid strengthened is the capital that makes it possible. That is the power behind progress.

Cover Narration

This year's cover carries the theme forward: PFC as the power behind India's progress. It reads as a current of energy and capital moving through the nation, from the natural forces that generate power to the grids, cities and communities it reaches. A single source sends light outward, tracing how finance becomes electricity and electricity becomes growth. The visual holds PFC at the centre of India's energy transition, the steady force that funds generation, carries it across the country, and turns national ambition into infrastructure that lasts.



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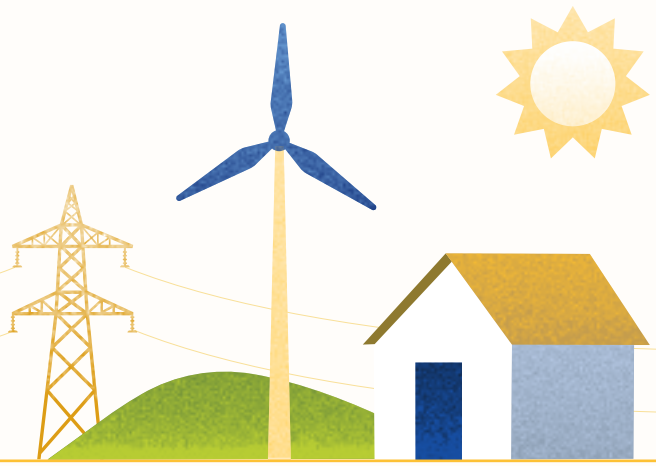
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Board of Directors



Left to right (standing)

Shashank Misra
Director (Govt. Nominee)

Rajesh Kumar Agarwal
Director (Finance)

V. Packirisamy
Director (Commercial)

Dr. Sudhir Mehta
Independent Director

Left to right (sitting)

Parminder Chopra
Chairman & Managing Director

Pankaj Gupta
Independent Director

Senior Management*



Rajesh Kumar Singh
CVO



Saurav Kumar Shah
Executive Director



Manoj Kumar Rana
Executive Director



R. K. Chaturvedi
Executive Director



Rajesh Kumar Shahi
Executive Director



Ali Shah
Executive Director



Hemant Kumar Das
Executive Director



Pawan Kumar
Executive Director



P. Shanmuga Sundaram
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



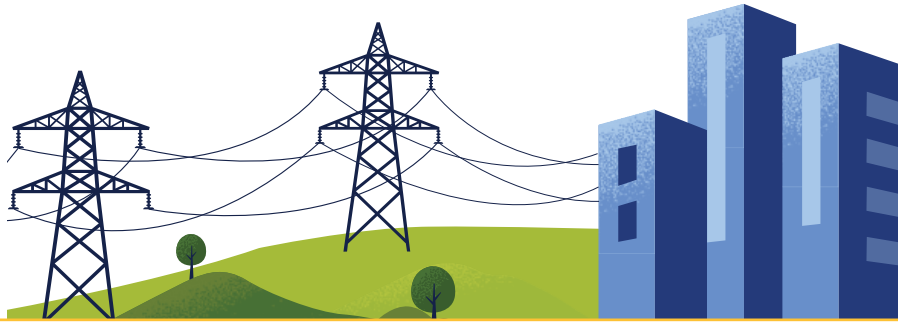
Priya Kumar
Executive Director



Deepak Jain
Executive Director



Manish Kumar Agarwal
Company Secretary



** As on 06.08.2026*

About PFC

The Nation's Power Financier

Power Finance Corporation Limited (PFC) is a Schedule-A Maharatna CPSE under the Ministry of Power and the largest government-owned NBFC in India. We were set up in 1986 to finance the country's power sector, and across the four decades since, we have funded generation, transmission and distribution capacity nationwide.

We are the nodal agency for several of the government's principal power programmes, among them the Revamped Distribution Sector Scheme (RDSS), the Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS), and the Bid Process Coordinator for Independent Transmission Projects (ITPs). These mandates place us at the centre of the sector's reform agenda.

Our lending covers rupee term loans, short-term finance, lease financing and transitional funding. Beyond the power sector, we now finance e-mobility and charging infrastructure, roads, ports, metro rail and smart cities, widening our book as the country's infrastructure needs grow.

We lend to central and state utilities, power equipment manufacturers, government departments and large infrastructure developers.

PFC is the highest profit-making NBFC in India and the country's largest renewable energy financier, carrying a 'AAA' domestic credit rating and an international rating at par with India's sovereign. We rank #33 on the Fortune 500 India (December 2025) and #18 on the Forbes Global 2000: India list (2025). As the first Maharatna from the financial sector, we have helped finance close to half of India's installed power capacity.



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 in 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.

- **India's Most Profitable NBFC**
- **1st Maharatna in Financial Services**
- **Listed on the MSCI Global Standard Index**
- **Largest Renewable Energy Financier in India**
- **Ranked #33 – Fortune 500 India 2025**
- **Ranked #18 – Forbes Global 2000 India 2025**
- **~50% of India's Installed Power Capacity Supported**
- **Government of India: Majority Shareholder**



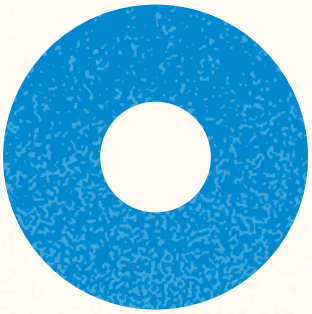
PFC Group Structure:
Strength Across the Group

The PFC Group is the largest NBFC group in India, with a consolidated balance sheet of over ₹12 lakh crore, a combined net worth of ₹1,73,441 crore and a combined profit after tax of ₹33,625 crore. Our subsidiaries and associate companies extend our reach across consulting, international finance and large-scale project development, letting the Group serve the power and infrastructure sectors at every stage.

Power Finance Corporation

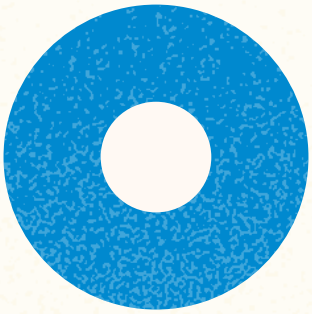
Subsidiaries

PFC Consulting Ltd



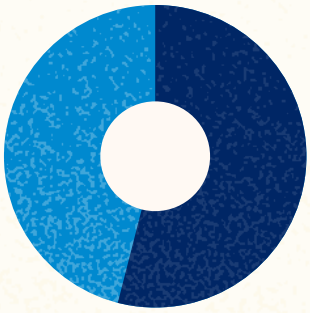
Shareholding
100%

PFC Infra Finance IFSC Ltd. (PIFIL)



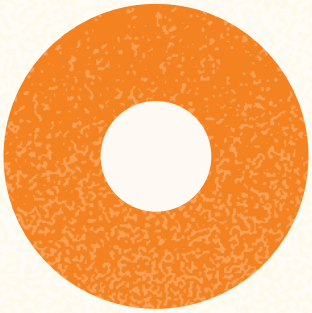
Shareholding
100%

REC Ltd.



Shareholding
52.63%

Associates



Shareholding
100%

PFC Consulting Ltd

PFC Consulting Limited, our wholly owned subsidiary, offers specialised advisory services spanning transaction advisory and project development, built around the changing requirements of India's power sector.

PFC Infra Finance IFSC Ltd. (PIFIL)

Incorporated on 11 February 2024, PIFIL was the first finance company set up by a government-owned NBFC at the International Financial Services Centre (IFSC) in GIFT City, Gujarat. It funds infrastructure projects with a particular focus on renewable energy, drawing on the global capital and expertise available at IFSC. The platform widens our international footprint and brings efficient financing within reach of a broader client base.

REC Ltd.

REC Limited, a key member of the PFC Group, is a registered infrastructure finance company that funds and supports power sector projects across India.

Ultra Mega Power Projects

The Government of India's Ultra Mega Power Project (UMPP) initiative supports the development of large-scale power projects. Through dedicated special purpose vehicles, we secure the necessary clearances, acquire land and water, and arrange coal linkages, readying each project for faster execution by developers.

★ **First Government-Owned NBFC**
at IFSC GIFT City

★ **100%**
Ownership of PFC Consulting & PIFIL

★ **52.63%**
Stake in REC Limited



What We Do

From Generation to the Grid, and Beyond

Our financing runs the length of the power value chain, from how electricity is generated to how it is carried and delivered and into the allied infrastructure that supports it. We fund established and emerging technologies alike, matching capital to the way India's energy system is changing.

How We Do It

Generation

We finance the full generation mix. On the renewable side, this spans solar, onshore and offshore wind, hybrid projects, pumped hydro storage and battery energy storage systems. On the conventional side, we fund ammonia co-firing, flue gas desulphurisation (FGD) and thermal plants, alongside nuclear power projects.

1. **Renewable — Solar, Onshore & Offshore Wind, Hybrid, Pumped Hydro Storage (PSP), Battery Energy Storage (BESS)**
2. **Conventional — Ammonia co-firing, Flue Gas Desulphurisation (FGD), thermal plants**
3. **Nuclear**



Transmission

We finance the full generation mix. On the renewable side, this spans solar, onshore and offshore wind, hybrid projects, pumped hydro storage and battery energy storage systems. On the conventional side, we fund ammonia co-firing, flue gas desulphurisation (FGD) and thermal plants, alongside nuclear power projects.

1. **Green Energy Corridor**
2. **Independent Transmission Projects**



Distribution

We finance the government's distribution reform, led by the Revamped Distribution Sector Scheme (RDSS), which works on the operational and financial health of discoms, and we ease liquidity through the Revolving Bill Payment Facility (RBPF).

1. **Revamped Distribution Sector Scheme (RDSS)**
2. **Revolving Bill Payment Facility (RBPF)**



Infrastructure & Logistics

Now a segment in its own right, this part of our book takes our financing beyond core power into the wider infrastructure that the sector depends on.



Others

We also fund the next wave of clean technologies, including green hydrogen and e-mobility, deepening our part in a lower-carbon economy.

Across these segments, renewable energy now accounts for 32% of our generation loan book, up from 17% five years ago, a measure of how our financing has shifted with the sector.

1. **Green Hydrogen**
2. **E-mobility**



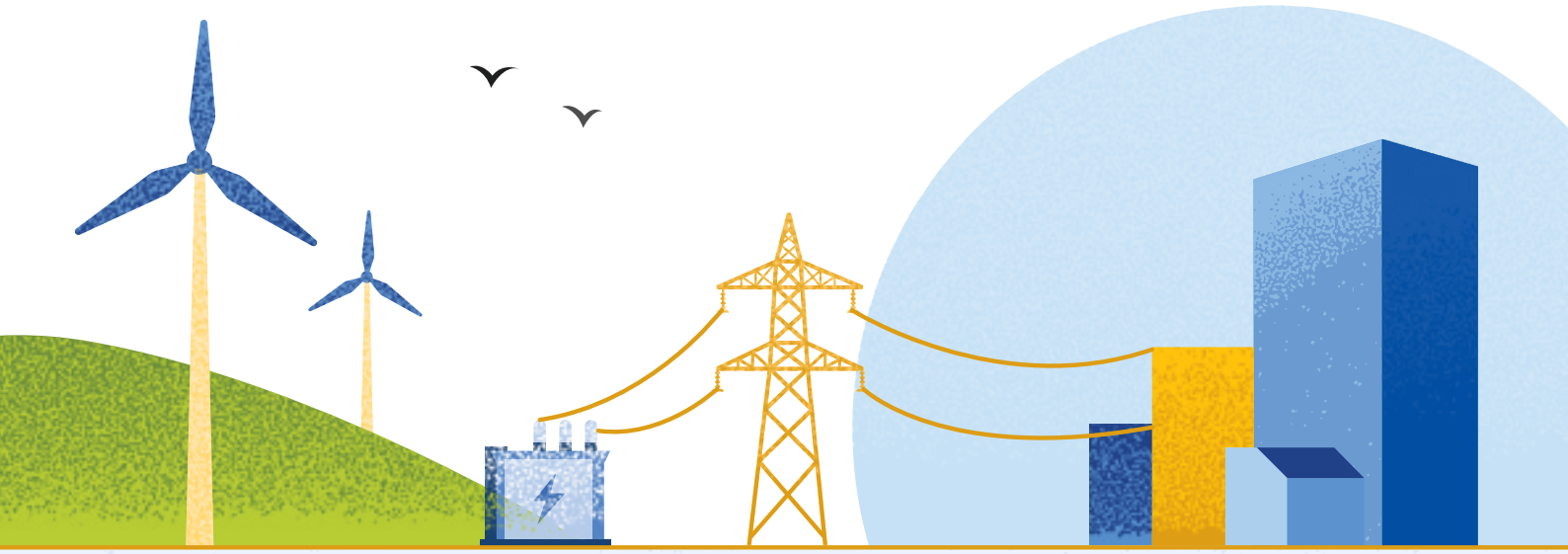
Offerings

Connecting Capital to Capacity

Four decades in power sector financing have given us a full range of solutions, shaped to our clients' needs and to national priorities. As a leading NBFC and a trusted partner to the Government of India, we finance the entire power value chain: generation, transmission and distribution and increasingly the infrastructure around it.

Our offerings run from conventional loan products to newer structures, sized to the demands of individual projects and to long-tenor growth. We work with central and state utilities, government agencies and private developers, putting together financing that is dependable and competitively priced.

Beyond traditional lending, we are moving into adjacent infrastructure: clean energy, e-mobility and logistics, extending our part in nation-building and in the sector's wider shift.



★ **Eligible to Issue Section 85 Tax-Free Bonds**
(erstwhile 54EC)

★ **AAA**
Highest Credit Safety Rating

Core Offerings

Products & Services

- Project term loans
- Debt refinancing
- Buyer's line of credit



Sources of Funds

- Domestic bonds and term loans
- Section 85 bonds (erstwhile 54EC)
- Foreign currency borrowings



Milestones

Along the Arc of Progress

From financing India's path to a power-surplus nation to funding its rise as a renewable energy leader.

Four decades separate the PFC of 1986 from the institution we are today. We began with a single mandate: to finance India's power sector. In the years since, we have helped carry the country from chronic shortage to surplus, taken a majority stake in REC to become India's largest power sector financier, moved into infrastructure and overseas markets, and built the nation's biggest renewable loan book. The timeline below marks the turns that defined that journey.

1986
Incorporation

Set up as a 100% government-owned company, mandated to finance India's power sector.

2007
Incorporation

Listed on BSE and NSE through an IPO that drew the highest subscription then recorded among PSUs and financial institutions.

2014
₹2 Trillion in Loan Assets

Set up as a 100% government-owned company, mandated to finance India's power sector.

2019
Majority Stake in REC

Acquired a controlling stake in REC, becoming India's largest power sector financier.

2026
PFC–REC Restructuring Announced

Restructuring of PFC and REC announced in the Union Budget 2026.

2025
Renewable Book Doubles

The renewable loan book more than doubled over five years; loan assets crossed ₹5 trillion.

2024
Overseas Subsidiary at GIFT City

Established our first overseas subsidiary at IFSC, GIFT City, the first infrastructure finance company set up there by a government-owned NBFC.

2023
Move into Infrastructure

Opened a new business line in infrastructure and logistics, extending lending beyond core power.

Operating Context

Building a New Energy Economy

India's energy transition is the work of meeting fast-rising demand while turning the power system towards cleaner sources, and it is moving faster than its own targets.

★ **RE Loan Book more than doubles over 5 years**

₹90,135 crore
in FY 2025-26 VS

₹37474 crore
in FY 2020-21

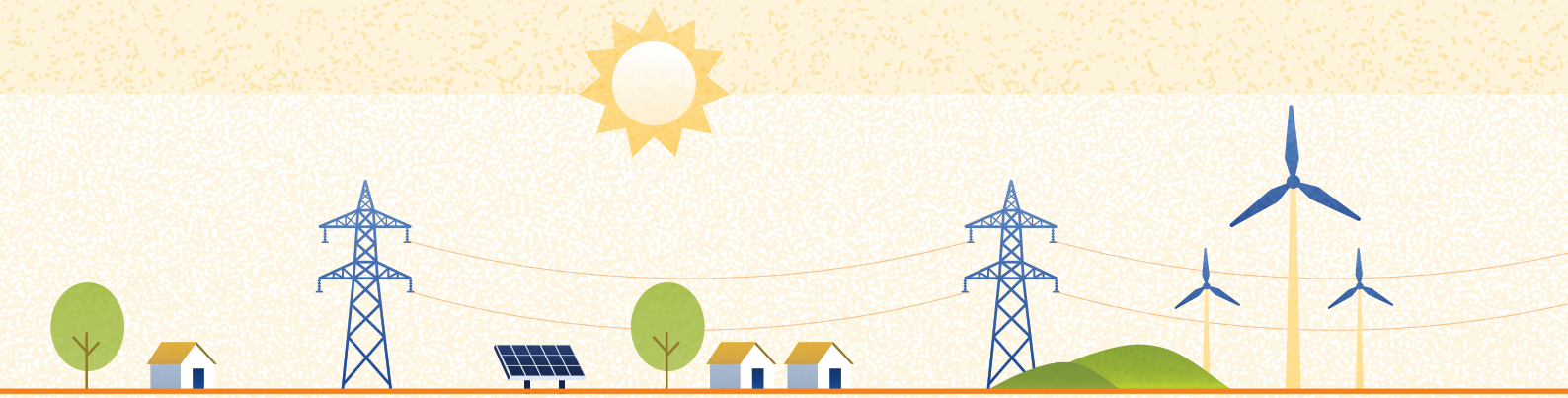
★ **PFC supported renewable energy capacity of**

~66 GW
till FY 2026 (~24% of India's non fossil fuel based installed capacity)

★ **Growing share of renewable in Generation Loan Book**

32%
of o/s Generation Book is towards renewable energy in FY 2025-26

17%
in FY 2020-21



A Decade of Capital Formation

The targets translate into one of the largest financing requirements in any infrastructure market, and it falls almost entirely within the segments we lend to. The National Electricity Plan 2022-32 puts generation investment alone at close to ₹33 lakh crore by 2032, with a further ₹9.15 lakh crore needed in transmission to carry 500 GW of renewable capacity to the grid. Storage adds another layer, with 47 GW of battery and around 31 GW of pumped storage planned alongside renewables. Distribution, meanwhile, remains the sector's weakest link financially, the very area the government's reform programme, and our role as its nodal agency, is built to strengthen.

For PFC, this is the shape of the opportunity ahead. Generation, transmission, storage, distribution reform and green hydrogen are not new frontiers for us; this is already the core of our book. As India's largest power sector financier and its largest renewable financier, we are positioned to fund the transition end to end and the decade of capital formation now underway is, in large part, a decade of lending we are built for.



₹9.15 Lakh Cr
transmission investment opportunity

50%
Non-fossil capacity achieved five years early

PFC REC Restructuring

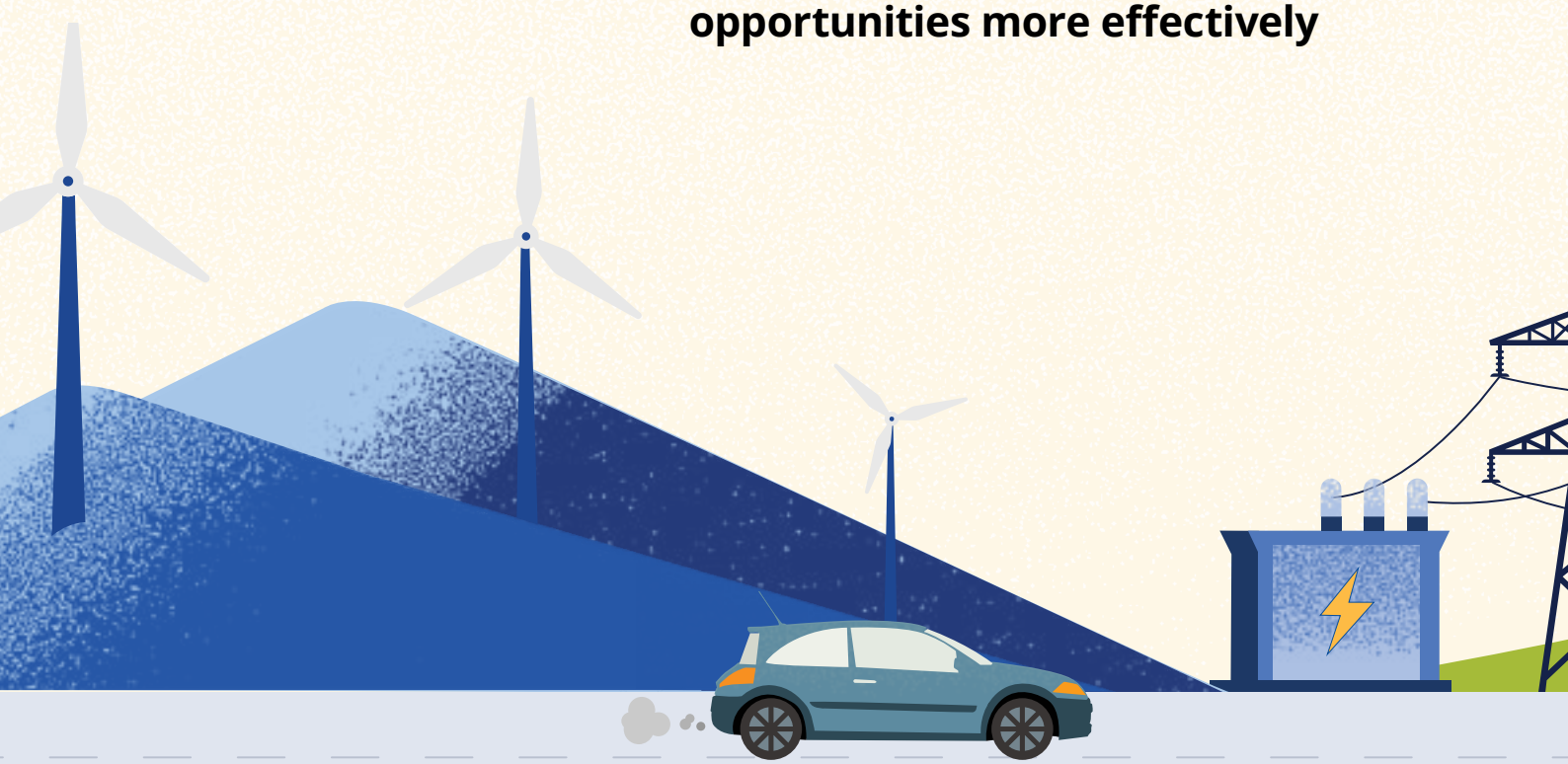
A step towards creating a single, focused institution to address the evolving financing needs of power sector

पी एफ सी PFC + आर ई सी REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

PFC REC restructuring announced in Budget 2026

Foraying into a new era of sectoral leadership

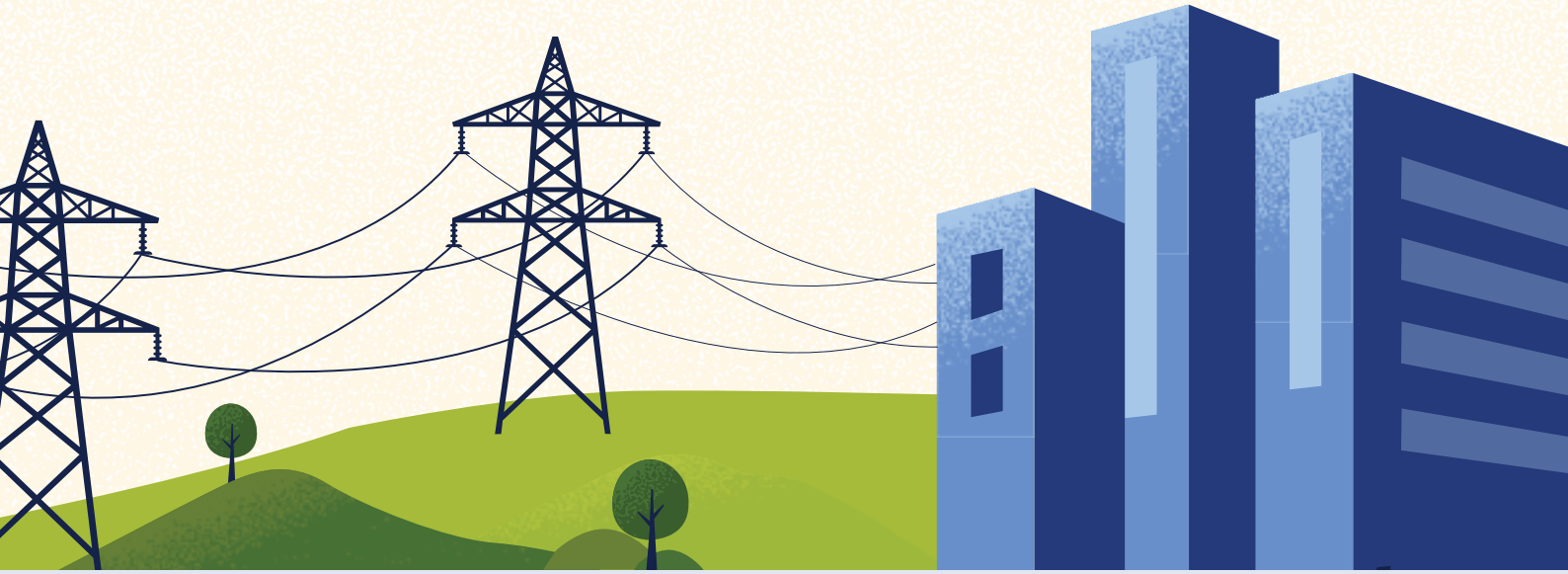
Enable large scale funding & capitalise on emerging opportunities more effectively



Consolidated highlights

- **Balance sheet size of more than ₹12 lakh crore, making PFC Group the largest NBFC in India**
- **Healthy asset quality, with consolidated net credit impaired asset ratio at 0.13%**
- **Combined net worth of ₹1,73,441 crore* and comfortable capital levels to support future lending growth**
- **Combined PAT of ₹33,625 crore, making PFC Group the highest profit making NBFC in India**

*Including Non-controlling Interest



ESG

Where Capital Meets Responsibility

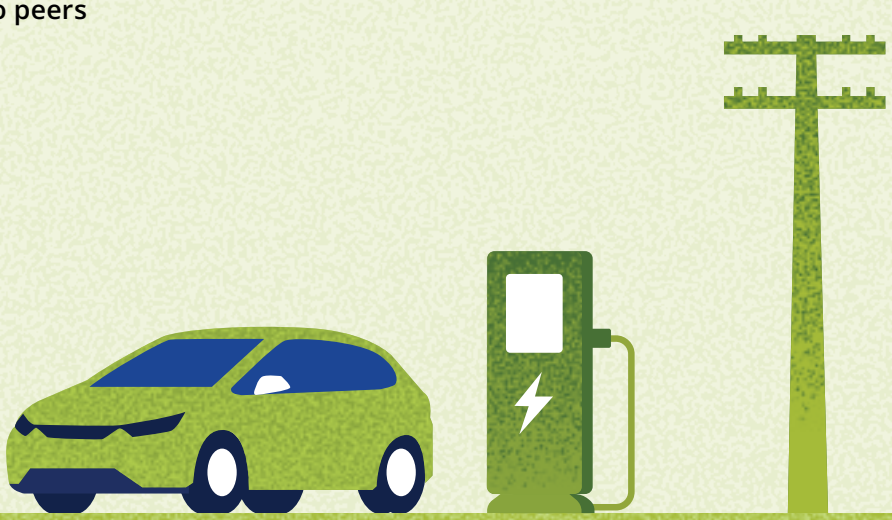
Vision –
Powering Progress through Sustainability

PFC is committed to playing a leading role in shaping a sustainable and resilient future for India. PFC's ESG vision rests on three pillars:



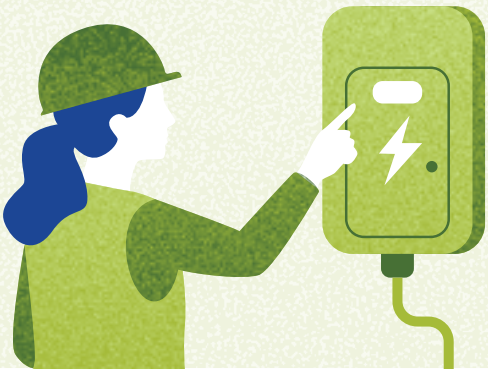
Preserving the Planet

- **₹90,135 crore**
  renewable loan book (31 March 2026)
- **66 GW**
  RE capacity supported
- **0.02 tCO_2e / INR crore**
  lowest GHG Emissions compared to peers
- **~17% CAGR**
  in the renewable book over five years
- **~127 $MtCO_2e$**
  avoided in FY 2026



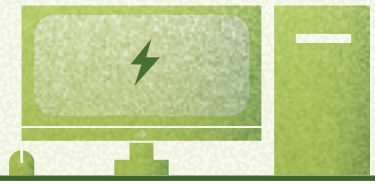
Promoting the Pathway towards Inclusive Society

- **~22%**
  women in the workforce
- **Zero Pay Gap**
  across gender and grade levels
- **Zero LTIFR**
  (Lost Time Injury Frequency Rate)
- **100%**
  return from maternity leave; around 1% attrition
- **48%**
  of procurement routed through MSMEs
- **₹138 crore**
  CSR disbursed in the year; over ₹1,793 crore cumulative



Pursuing Prudence

- **17% women directors; 9 committees;**
- **Zero conflict-of-interest**
  or fraud complaints in the year
- **Information-security framework**
  with 24×7 monitoring and DR resilience
- **171.5 person days**
  Vigilance Training Programmes in FY 2026
- **₹18.55**
  per share dividend for FY 2026
- **Structured Grievance Redressal Mechanism for all key stakeholders**



A Year of Records

★ PAT

₹33,625 crore
in FY 2025-26 VS

₹30,514 crore
in FY 2024-25

10%
Growth in Consolidated PAT

★ Loan Assets

₹11,63,768 crore
as of March 31, 2026

5%
Growth in Loan Assets

★ Net Worth

₹1,73,441 crore
in FY 2025-26 VS

₹1,55,155 crore
in FY 2024-25

12%
Growth in Consolidated Net Worth

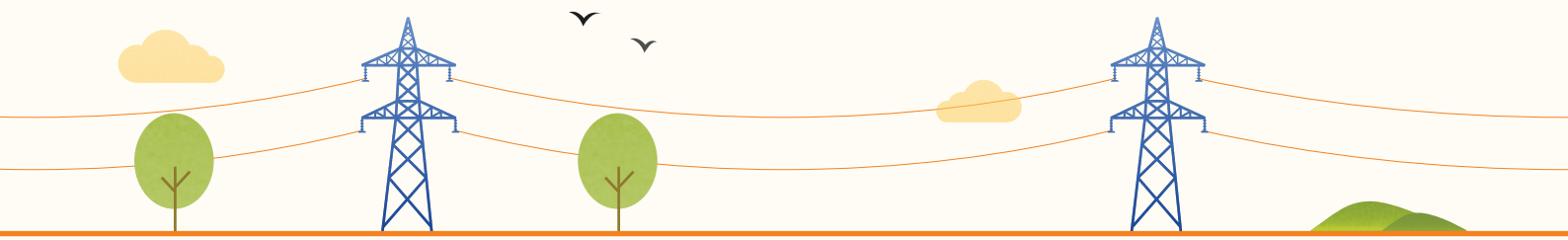
★ Gross NPA Below

0.66%
in FY 2025-26 VS

1.64%
in FY 2024-25

Net NPA: ↓ **0.13%** VS ↓ **0.38%**

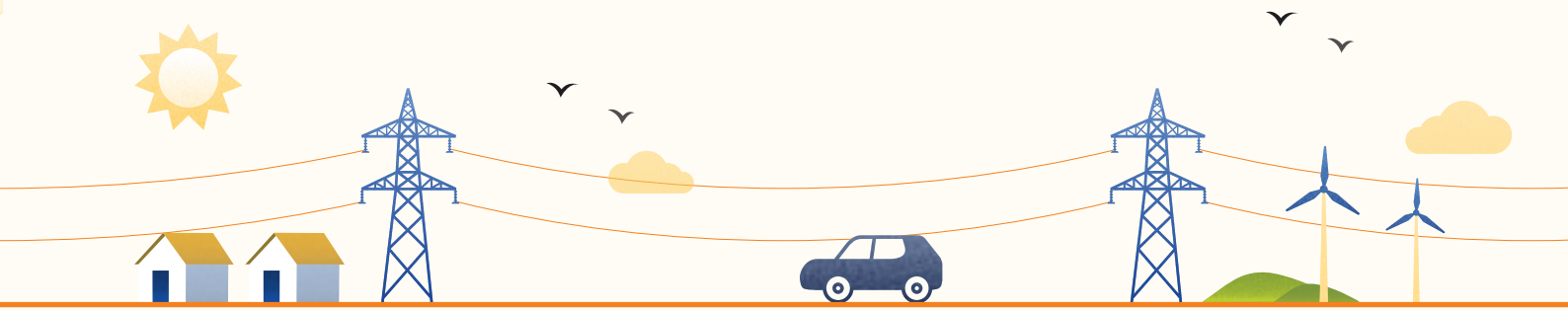
<1%
Consolidated Gross NPA



Performance at a Glance

PARTICULARS	2021-22	2022-23	2023-24	2024-25	2025-26
RESOURCES (At the end of the year) (₹ crore)					
Equity Capital	2,640	2,640	3,300	3,300	3,300
Reserves and Surplus	56,710	65,562	75,903	87,637	99,232
BORROWINGS (Principal outstanding) (₹ crore)					
(i) Domestic Borrowings	2,63,840	2,98,084	3,34,547	3,76,631	3,90,154
(ii) Foreign Currency Borrowings	56,288	64,554	72,836	89,132	97,513
FINANCING OPERATIONS (during the year) (₹ crore)					
Sanctions	51,616	2,31,625	2,82,269	3,61,068	2,85,974
Disbursements	51,242	85,756	1,27,656	1,68,265	1,65,414
WORKING RESULTS (for the year) (₹ crore)					
Total Income	38,591	39,666	46,034	53,128	58,542
Total Expenses	26,364	25,495	28,408	31,955	33,767
Profit Before Tax	12,228	14,171	17,626	21,172	24,774
Tax Expense	2,206	2,565	3,259	3,820	4,723
Profit After Tax	10,022	11,605	14,367	17,352	20,051
NO. OF EMPLOYEES					
No. of Employees	501	519	545	540	552

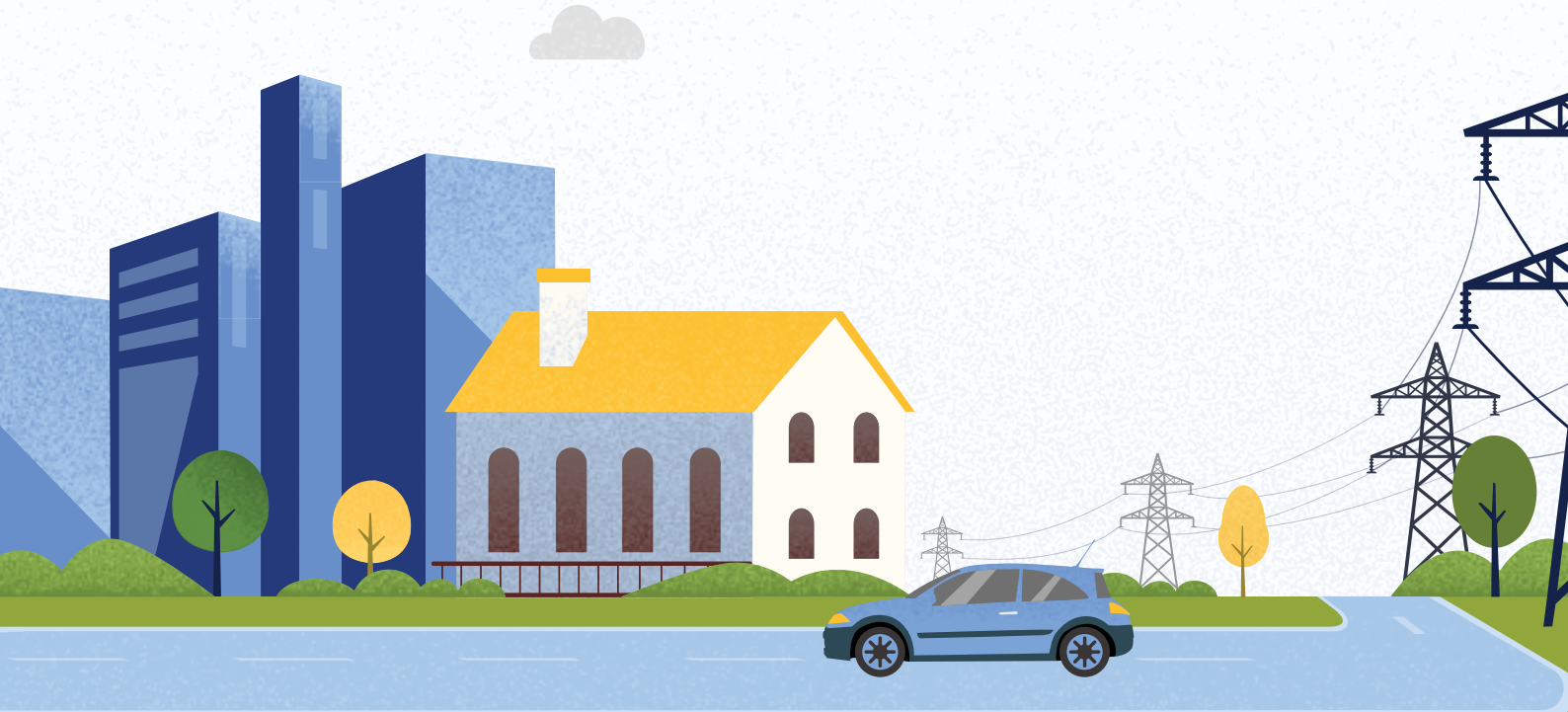
Note: Sanctions and Disbursements are excluding R-APDRP / IPDS/RDSS



Statement of Value Added

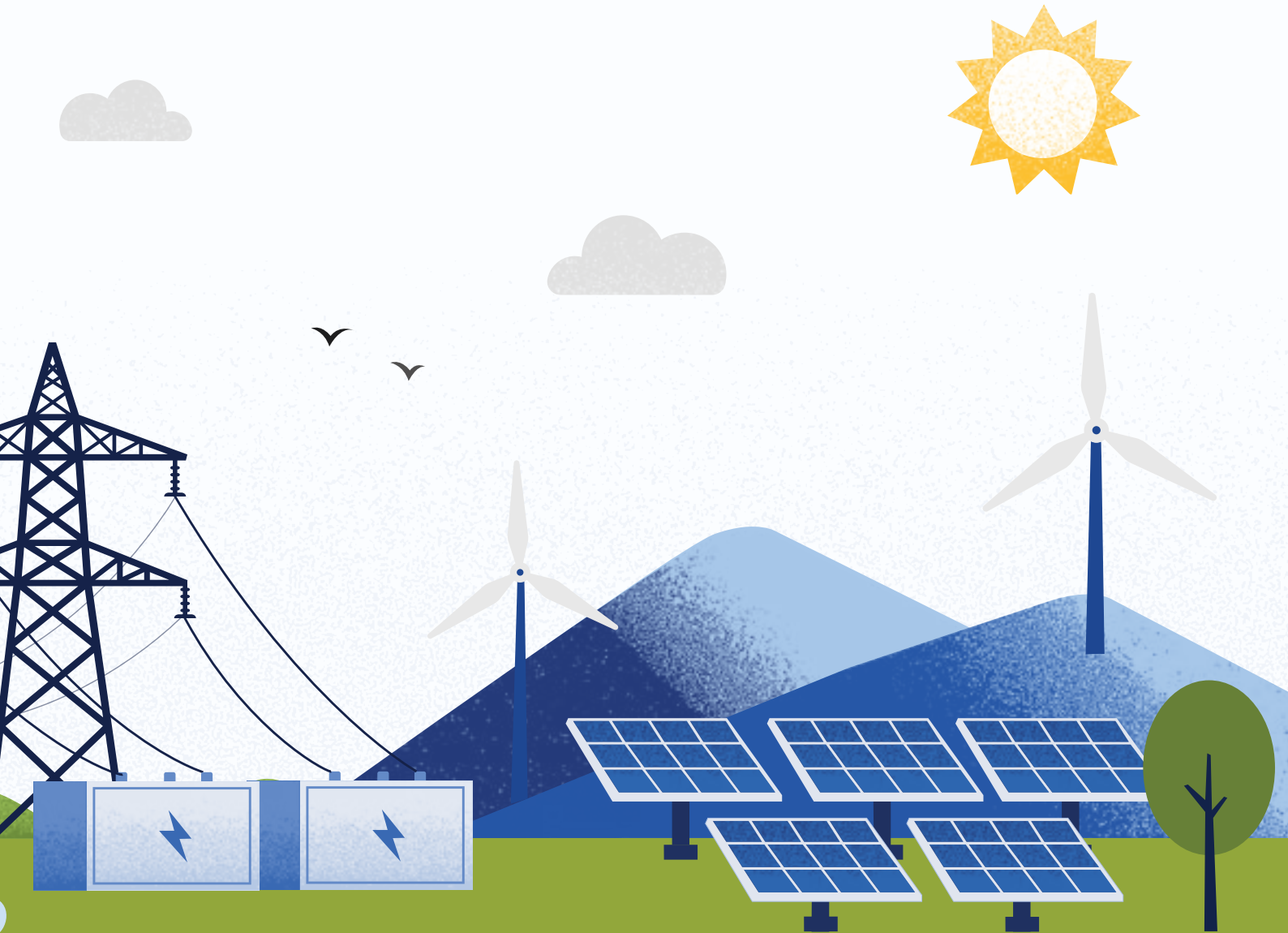
(₹ in crore)

PARTICULARS	2024-25	2025-26
VALUE ADDED		
Net interest income	19,363	21,896
Non interest income	3,253	3,469
Operating expenses excluding staff cost, depreciation, amortisation and Corporate Social Responsibility expenses	-430	-1791
Impairment and write off	-457	1816
Value added available for distribution	21,729	25,390
DISTRIBUTION OF VALUE ADDED		
For Equity Shareholders as Dividend	5,363	5,495
For Employees as Remuneration and other benefits	266	280
For Society as CSR expense	270	311
For Government as Income Tax	3,820	4,723
For Reinvestment, expansion and growth- Depreciation, Amortisation, Retained Earnings, Reserves	12,009	14,581
Distribution of value added	21,729	25,390



Key Ratios

Financial Year	2024-25	2025-26
P/E Ratio	7.88	6.25
Capital Risk weighted Assets Ratio (%)	22.08	23.44
Net Profit Margin (%)	32.66	34.25
Net NPA (%)	0.39	0.15
Net debt Equity Ratio	5.12	4.75
EPS (₹)	52.58	60.76
Book value per share (₹)	275.56	310.69



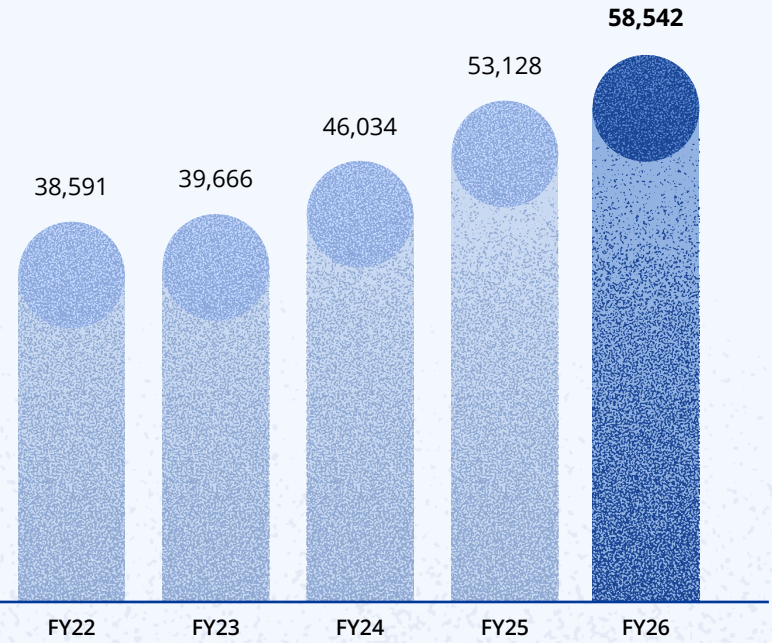
Key Performance Indicators

Financial Performance

Total Income
(₹ crore)

10.2%
Y-o-Y Growth

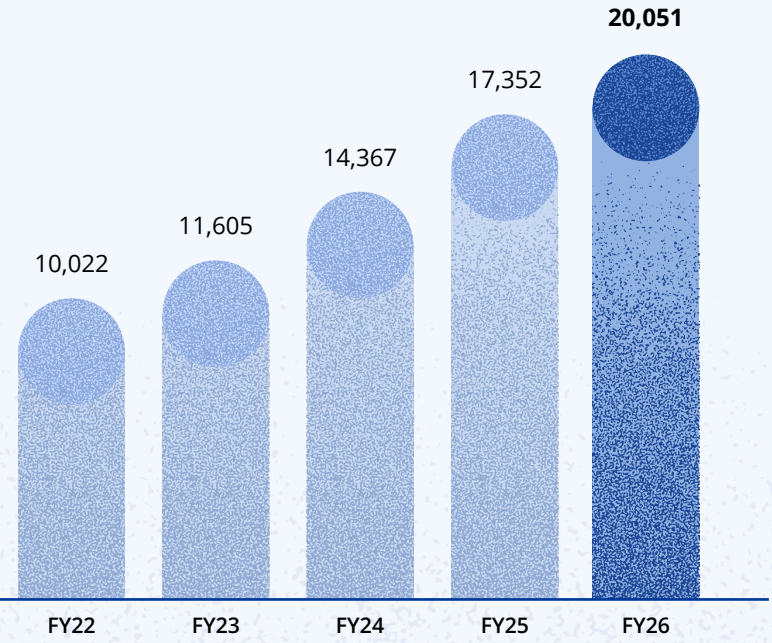
8.7%
5-year CAGR Growth



Profit After Tax (PAT)
(₹ crore)

16%
Y-o-Y Growth

14.9%
5-year CAGR Growth

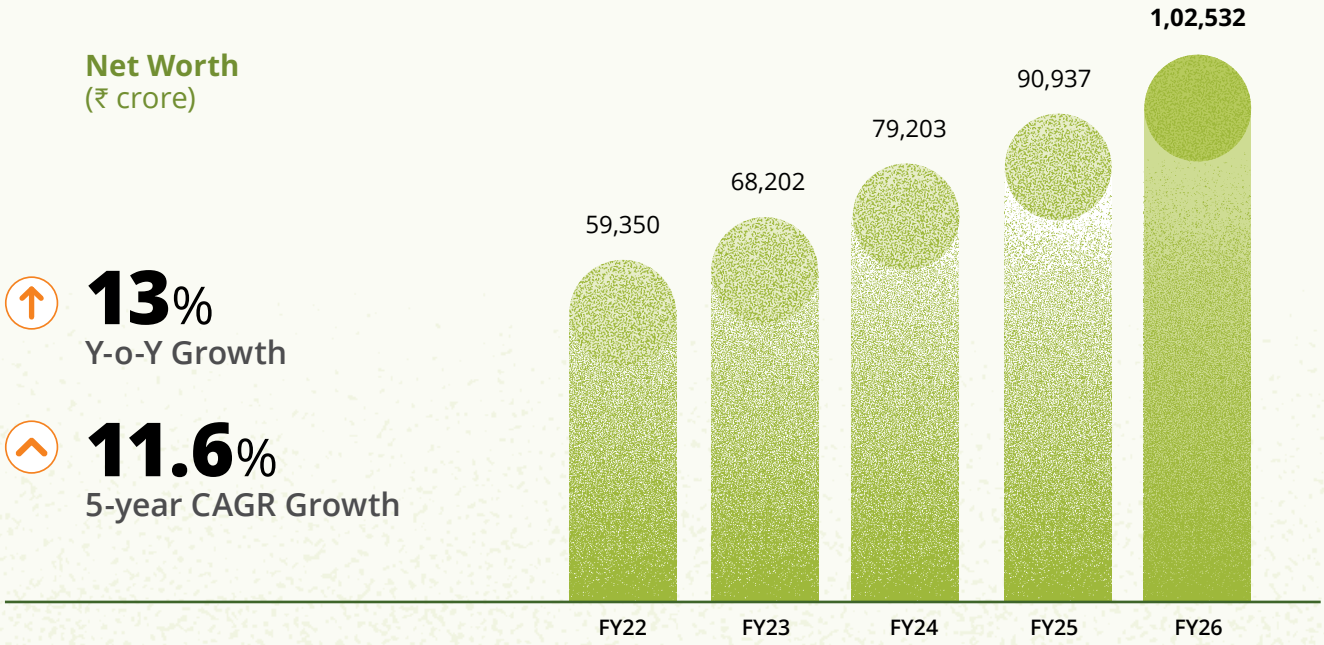


Operational Performance

Net Worth
(₹ crore)

13%
Y-o-Y Growth

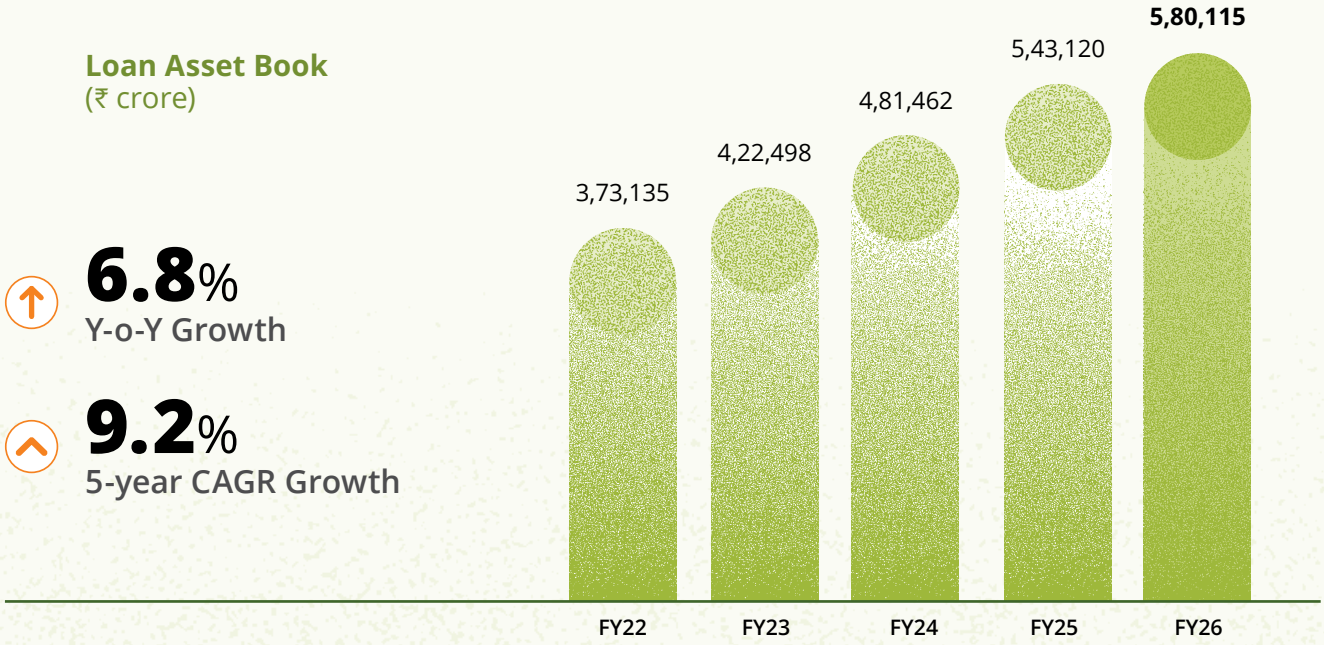
11.6%
5-year CAGR Growth



Loan Asset Book
(₹ crore)

6.8%
Y-o-Y Growth

9.2%
5-year CAGR Growth

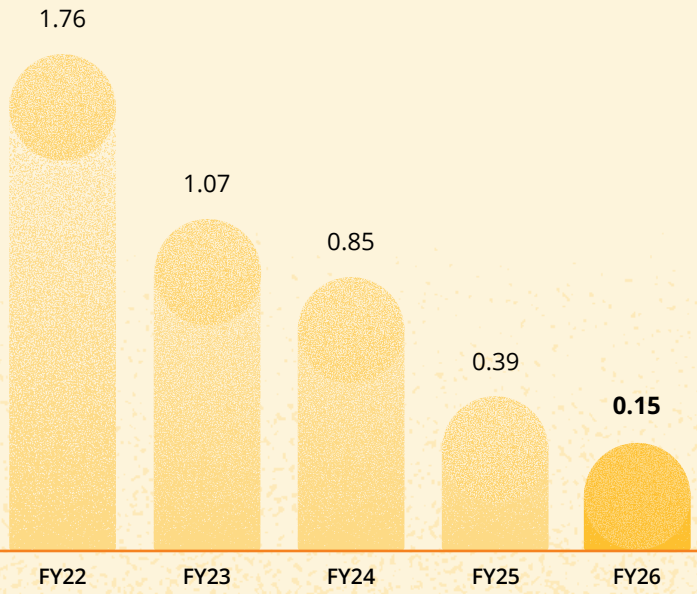


Key Performance Indicators

Operational Performance

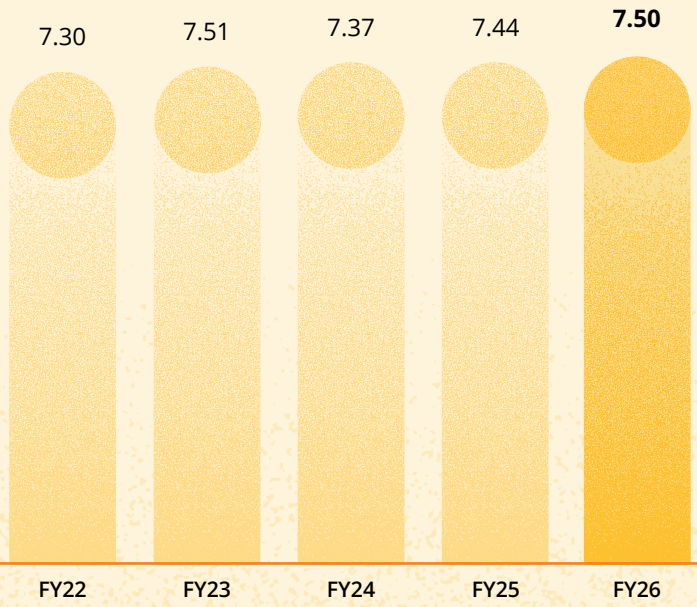
Net NPA Ratio
(%)

24 bps
Y-o-Y Decline



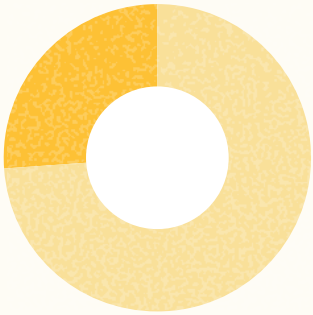
Cost of Funds
(%)

Consistent
over the years



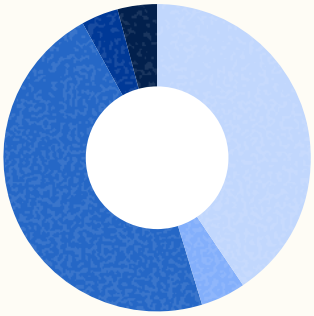
Disbursement

Sector-wise



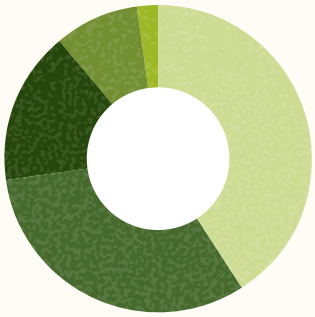
Government	74%
Private	26%

Scheme-wise



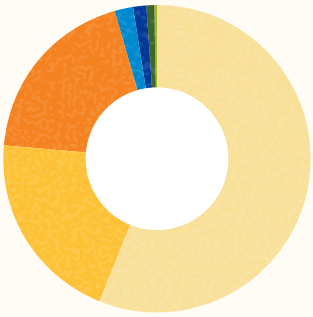
Generation	41%
Transmission	5%
Distribution	47%
Infra & Logistics	4%
Others	4%

Loan Asset Mix



T&D	41%
Conventional Generation	32%
Renewable (including Large Hydro):	16%
Infrastructure	9%
Others	2.51%

Borrowing Mix



Domestic Bonds: **₹2,74,736 cr**	56%
Foreign Currency Borrowing: **₹97,513 cr**	20%
RTL from Banks/FIs: **₹94,668 cr**	19%
Section 85 (erstwhile 54EC) bonds: **₹10,258 cr**	2%
Commercial Papers: **₹6,505 cr**	1.33%
Subordinated Liabilities: **₹3,987 cr***	0.82%
Others**: **₹849 cr**	0.17%

*Includes perpetual debt of ₹100 crores

**As on 31.03.2025

Asset Quality

★ **1.09%**
Gross NPA Ratio

★ **₹5,80,115 crore**
Loan Assets

★ **0.15%**
Net NPA Ratio

★ **86%**
Provisioning maintained on NPA assets (Stage-III)

★ **₹1,65,414 crore**
Disbursements

★ **₹6,323 crore**
Assets under advanced stages of resolution (Stage-III Total)



PFC's Sustainability Journey

★ **66 GW**
RE Capacity Supported

★ **32% of Generation Book**
Share of RE portfolio in PFC's loan book

★ **~24%**
Of india Non-fossil fuel installed capacity supported

★ **₹90,135 crore**
RE loan book in FY26



Letter to Shareholders

Dear Shareholders,

It gives me immense pleasure to welcome you to the 40th Annual General Meeting of Power Finance Corporation Limited.

As PFC completes four decades of nation building, we do so at a time when India itself is entering a new era of economic growth and infrastructure development.

The nation today stands at the cusp of a historic transformation—one where energy security, economic competitiveness and sustainable development are becoming increasingly interconnected.

India's aspiration of becoming a **Viksit Bharat by 2047** will not only be shaped by the pace of economic growth, but by our ability to build resilient infrastructure and ensure affordable, reliable and 24X7 power for every sector of the economy.

Building the Power Sector of Tomorrow

Over the past decade, India's electricity sector has demonstrated a remarkable progress. Installed generation capacity has more than doubled to over 520 GW, while peak electricity demand has crossed 250 GW, making India one of the world's fastest-growing electricity markets.

Unlike earlier decades, this growth is no longer driven solely by population expansion. It is being propelled by rapid industrialisation, increasing adoption of air conditioning, electric mobility, urbanisation, artificial intelligence, green hydrogen production and the emergence of large-scale data centres.

The National Electricity Plan projects peak electricity demand to rise to nearly 277 GW by FY2026-27 and further to around 366 GW by Fy2031-32.

A Strong Policy Foundation for Growth

Recognising the sector's growth, the Government has established a robust and forward-looking policy framework to support the country's long-term energy ambition such as the Nuclear Energy Mission, with an outlay of ₹20,000 crore for the development of Small Modular Reactors (SMRs), and its long-term vision of achieving 100 GW of nuclear capacity by 2047, reflects a renewed commitment towards ensuring reliable and clean baseload power.

Alongside this, the National Green Hydrogen Mission, the promotion of Battery Energy Storage Systems (BESS), pumped storage projects, transmission and other emerging technologies are laying the foundation for a resilient, flexible and low-carbon energy system.

The coming decade will witness one of the largest infrastructure investment cycles in India's history. As per the Draft National Electricity Policy 2026, investments of ₹50 lakh crore is required across generation, transmission, distribution and energy storage by 2032. This represents one of the largest infrastructure investment opportunities anywhere in the world.

Financing India's Energy Transition

Yet, the defining challenge before us is not merely technological—it is financial.

Such a transformation cannot be financed through short-term capital alone. It requires institutions capable of mobilising patient capital, managing long-gestation infrastructure risks and supporting investments that will create value over several decades.



> As we enter our Fifth Decade, we do so with a clear conviction: our role is no longer limited to financing power projects. Our responsibility is to help finance India's energy future.

Parminder Chopra
Chairman and Managing Director



Smt. Parminder Chopra, CMD, PFC, welcoming Shri Manohar Lal, Hon'ble Minister of (Power and Housing & Urban Affairs), Shri Pralhad Joshi, Hon'ble Union Minister of New and Renewable Energy (MNRE) and Shri Shripad Yesso Naik, Hon'ble Minister of State (Power and New & Renewable Energy) at PFC Stall at Ministry of Power's flagship event Bharat Electricity Summit 2026 held in New Delhi.

Financing India's Energy Transition

Yet, the defining challenge before us is not merely technological; it is financial.

Such a transformation cannot be financed through short-term capital alone. It requires institutions capable of mobilising patient capital, managing long-gestation infrastructure risks and supporting investments that will create value over several decades.

Four Decades of Nation Building

For forty years, Power Finance Corporation has fulfilled precisely this role.

> During FY 2025-26, PFC continued to be India's highest profit-making NBFC, while the PFC Group reaffirmed its leadership as India's largest NBFC Group with a consolidated balance sheet of around ₹12 lakh crore.

Established to strengthen India's power sector, PFC has evolved alongside the nation's changing priorities. From financing conventional power generation and transmission projects in its early years to supporting renewable energy, transmission corridors, energy storage, distribution reforms and emerging clean - energy technologies today, PFC has consistently adapted to the evolving needs of the sector while remaining true to its core purpose - to provide long-term financial support for projects that are critical to India's development.

As the nodal agency for the Revamped Distribution Sector Scheme (RDSS), PFC has played a critical role in strengthening the India's distribution sector by enabling investments in smart metering, infrastructure modernisation and operational efficiency. A strong and financially sustainable distribution sector remains the cornerstone of a resilient power system and will be critical to sustaining India's long-term energy security and economic growth.

With four decades of experience, PFC remains uniquely positioned to mobilise long-term capital, develop innovative financing solutions and partner with stakeholders in building India's future power ecosystem.

Delivering Performance with Purpose

The opportunities before India are unprecedented, but so are the responsibilities entrusted to institutions like PFC.

Our performance during FY 2025–26 reflects not only strong financial outcomes but also our continued ability to anticipate the evolving needs of the sector and respond with discipline, agility and purpose.

Against a backdrop of global geopolitical volatility and evolving financial markets, India continued to demonstrate remarkable economic resilience. Policy continuity sustained public capital expenditure and robust infrastructure development created significant opportunities across the power sector value chain. PFC remained well positioned to capitalise on this momentum while maintaining its unwavering commitment to financial prudence and long-term value creation.

During FY 2025-26, PFC continued to be India's highest profit-making NBFC, while the PFC Group reaffirmed its leadership as India's largest NBFC Group with a consolidated balance sheet of around ₹12 lakh crore.

On a consolidated basis, profit after tax increased to ₹33,625 crore, while standalone Profit After Tax crossed ₹20,000 crore for the first time, reaching ₹20,051 crore. Standalone net worth surpassed the landmark ₹1 lakh crore, significantly enhancing our capacity to finance India's growing infrastructure requirements.

Also, during FY 2025–26, we recorded annual disbursements of approximately ₹1.65 lakh crore, while our loan assets expanded to ₹5.80 lakh crore, with ₹90,135 crore of renewable book. Even as we grew, we maintained a healthy Capital Adequacy Ratio of 23.44%, ensuring that our growth continues to be supported by a strong capital base.

The Board has recommended a dividend of ₹18.55 per share, the highest in the Company's history, reflecting our commitment to delivering sustainable value to our shareholders while preserving financial strength for future growth.

Recognising the increasing importance of sustainable finance, we have continued to strengthen our Environmental, Social and Governance (ESG) framework and integrate sustainability considerations into our financing strategy. Our objective is not merely to finance growth, but to finance growth responsibly, balancing commercial excellence with environmental stewardship and long-term societal impact.

During the year, we also expanded our engagement with leading international development finance institutions, including Japan Bank for International Cooperation (JBIC) and Export Finance Australia (EFA), broadening access to diversified sources of long-term capital and reinforcing PFC's standing in global financial market.

> "The proposed merger of REC Limited with PFC represents much more than the coming together of two successful institutions. It is a strategic step towards strengthening India's development finance landscape."



Smt. Parminder Chopra, CMD welcoming Shri Shripad Yesso Naik, Hon'ble Minister of State (Power and New & Renewable Energy) at 06th Meeting of Group of Ministers on viability of DISCOMs organised by PFC in New Delhi.

These achievements are not merely financial outcomes. They reflect disciplined lending, prudent capital allocation, robust governance and the continued confidence reposed in PFC by borrowers, investors, lenders and other stakeholders.

Building the Institution for India's Next Decade

FY 2025–26 also marked one of the most significant strategic developments in PFC's history.

The proposed merger of REC Limited with PFC represents much more than the coming together of two successful institutions. It is a strategic step towards strengthening India's development finance landscape.

Upon completion, the merged entity will create one of India's largest specialised infrastructure financing institutions, with an aggregate loan book of around ₹12 lakh crore. The combined scale will strengthen our ability to mobilise larger pools of domestic and international capital, diversify funding sources and finance increasingly complex infrastructure projects across the evolving value chain.

For borrowers, this will mean stronger and innovative financing capabilities. For investors, it offers enhanced operational efficiencies and long-term value creation. For the nation, it strengthens an institution capable of supporting one of the world's most ambitious energy transition and infrastructure investment programmes.

This is not simply an organisational milestone; it is an opportunity to build an institution that is better equipped to support India's next phase of economic growth.

> Sustainable growth is founded on sound governance, prudent risk management, disciplined capital allocation and financial resilience. Long-term shareholder value is created not by taking greater risks but by managing them better.

Growth Anchored in Prudence

While our scale continues to expand, our philosophy remains unchanged.

Sustainable growth is founded on sound governance, prudent risk management, disciplined capital allocation and financial resilience. We believe that long-term shareholder value is created not by taking greater risks, but by managing them better.

These principles have guided PFC for four decades and will continue to remain the cornerstone of our growth strategy.

Looking Ahead

As we enter our fifth decade, we do so with a clear conviction: our role is no longer limited to financing power projects. Our responsibility is to help finance India's energy future.



Smt. Parminder Chopra, CMD (in centre) along with (Standing from L to R) Shri V. Packirisamy, Director (Commercial), Shri Rajesh Kumar Agarwal, Director (Finance), Shri Shashank Misra, Joint Secretary, Ministry of Power and Dr. Sudhir Mehta, Independent Director at the "Investors Meet 2026" held in Mumbai.



Smt. Parminder Chopra, CMD, PFC briefing Shri Manohar Lal, Hon'ble Minister of (Power and Housing & Urban Affairs), Shri Pralhad Joshi, Hon'ble Union Minister of New and Renewable Energy (MNRE) and Shri Shripad Yesso Naik, Hon'ble Minister of State (Power and New & Renewable Energy) about PFC's achievements and initiatives showcased at PFC Stall during Bharat Electricity Summit 2026.

> The Board has recommended a dividend of ₹18.55 per share, the highest in the Company's history, reflecting our commitment to delivering sustainable value to our shareholders while preserving financial strength for future growth.

Our priorities remain clear-to strengthen our leadership in power and infrastructure financing, accelerate sustainable and green finance, deepen access to global capital, preserve best-in-class asset quality and continue delivering consistent long-term value to all our stakeholders.

With a strong foundation and deep sectoral expertise, we are confident that PFC will continue to remain India's most trusted finance institution and a key partner in financing the India's journey towards Viksit Bharat 2047.

Acknowledgements

Before I conclude, I extend my sincere gratitude to the Government of India, the Ministry of Power, our regulators, auditors, lenders, investors, and customers for their continued trust and partnership.

I would also like to thank our Board of Directors for their guidance and strategic oversight. Their unwavering commitment continues to drive our success.

Finally, I express my heartfelt gratitude to you, our shareholders, for your continued confidence in PFC.

Your trust inspires us to build an institution that delivers sustainable financial performance while contributing meaningfully to India's growth story.

Together, we will continue financing progress, powering possibilities and shaping the energy future of our nation.

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 40th Annual General Meeting of the members of Power Finance Corporation Limited will be held on **Monday, the August 31st 2026 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, 2026 including the Audited Balance Sheet as on March 31, 2026 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, 2026 including the Audited Balance Sheet as on March 31, 2026 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 2025-26.
3. To appoint a Director in place of Shri Shashank Misra (DIN:08364288), 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 of Shri Rajesh Kumar Agarwal (DIN: 09699001) as Director (Finance) 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 applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder, Regulation 17 (1C) 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 Rajesh Kumar Agarwal (DIN: 09699001), who was appointed as Director (Finance) in exercise of powers conferred by the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F. No.24-8/1/2023-PFC MoP-(part-1) dated April 23, 2026 and subsequently on recommendation of the Nomination & Remuneration Committee, appointed as Director (Finance)/ Additional Director by the Board of Directors w.e.f. April 23, 2026, and in respect of whom the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Director (Finance) on the Board of Directors of Power Finance Corporation Limited w.e.f. April 23, 2026 liable to retire by rotation, on terms & conditions determined by the Govt. of India from time to time."

6. **Appointment of Shri V. Packirisamy (DIN: 08910218) as Director (Commercial) 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 applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder, Regulation 17 (1C) 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 V. Packirisamy (DIN: 08910218), who was appointed as Director (Commercial) in exercise of powers conferred by the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F. No.24-8/1/2021-PFC (MoP) dated June 02, 2026 and subsequently on recommendation of the Nomination & Remuneration Committee, appointed as Director (Commercial)/ Additional Director by the Board of Directors w.e.f. June 02, 2026, and in respect of whom the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Director (Commercial) on the Board of Directors of Power Finance Corporation Limited w.e.f. June 02, 2026 liable to retire by rotation, on terms & conditions determined by the Govt. of India from time to time."

7. **Appointment of Shri Pankaj Gupta (DIN:03415536) 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 applicable provisions of the Companies Act, 2013 ("Act") 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 Pankaj Gupta (DIN:03415536) 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.II)(Part-4)(Part-I) dated June 22, 2026 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as Part-Time Non-official Director (Independent Director) / Additional Director by the Board of Directors with effect from June 22, 2026, and in respect of whom the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act be and is hereby appointed as Part-Time Non-Official Director (Independent Director) of the Company with effect from June 22, 2026, on terms & conditions determined by the Govt. of India from time to time."

8. **Enhancement of borrowing limit approved under Section 180(1)(c) of the Companies Act, 2013 & modification under Section 180 (1) (a) of the Companies Act, 2013.**

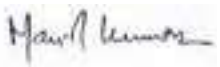
To consider and if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution:**

"RESOLVED THAT approval be and is hereby accorded for authorising the Board of Directors of the Company, under the provisions of Section 180(1)(c) of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provision of Articles of Association of the Company to borrow and raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company and/or as may be directed to raise on behalf of Ministry/Govt. of India, with & without security, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed aggregate of paid up capital, free reserves (that is to say reserves not set apart for any specific purpose) and securities premium provided that the total amount borrowed and outstanding at any point of time shall not exceed Rs. 9,00,000 crore (Rupees nine lakh crore only) from Indian Rupee borrowing and amount equivalent to USD 25 Billion (Twenty Five Billion US Dollars only) in any foreign currency on such terms and conditions as the Board may consider necessary and expedient in their absolute discretion.

"RESOLVED FURTHER THAT approval be and is hereby accorded for authorising the Board of Directors of the Company, pursuant to provisions of Section 180(1)(a) of Companies Act 2013, read with relevant rules for mortgaging and/or charging of all or any of the movable and/or immovable properties of the Company, both present and future, or the whole or substantial whole of the undertaking or the undertakings of the Company for securing the borrowing (outstanding in books of the Company) of Rs. 9,00,000 crore (Rupees Nine Lakh Crore Only) from Indian Rupee borrowing and in any Foreign Currency equivalent to USD 25 Billion (Twenty Five Billion US Dollars only)."

"RESOLVED FURTHER THAT approval be and is hereby accorded for authorising the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolutions."

By order of the Board of Directors



Manish Kumar Agarwal
Company Secretary and Compliance Officer

Registered office:
"Urjanidhi", 1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001
CIN: L65910DL1986GOI024862
Date: August 05, 2026

NOTES:-

1. In accordance with relevant Circulars issued by the Ministry of Corporate Affairs ("MCA"), the provisions of the Companies Act, 2013 ("Act") and the Listing Regulations, the 40th 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 40th AGM shall be the Registered office of the Company.

2. The Company has enabled the Members to participate at the 40th 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 40th 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 10:00 A.M. on August 28, 2026 and will end at 5:00 P.M. on August 30, 2026. The e-voting module shall be disabled by KFintech at 5:00 P.M. on August 30, 2026. 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 40th 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 Tuesday, August 25, 2026 as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 40th 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 CS Indrani Chaudhuri (ACS 8739, COP 6667) , M/s T. Chatterjee & Associates, Company Secretaries to act as the Scrutiniser, to scrutinize the e voting process in a fair and transparent manner.

8. Since this AGM is being held through VC pursuant to the MCA Circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, attendance slips, and the route map of the venue of AGM are not annexed to this Notice. Further, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form is not annexed to this Notice.

9. Corporate Members are required to send a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. The said Resolution/Authorization shall be sent to the Scrutiniser by email through its registered email address to tchatterjeeassociates@gmail.com 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 Monday, August 17, 2026 to Monday, August 31, 2026 (both days inclusive).

12. In line with the MCA Circulars, the notice of the 40th AGM along with the Annual Report 2025-26 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 FY2025-26 is being sent to those shareholders who have not registered their email address. Members may please note that this Notice and Annual Report 2025-26 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. Pursuant to SEBI circular dated January 30, 2026, a special window has been opened for a period of one year from February 5, 2026 till February 4, 2027, for transfer and dematerialisation of physical securities which were sold/purchased prior to April 1, 2019. The special window shall be available for such transfer requests which were submitted earlier and were rejected/ returned/not attended due to deficiency in the documents/ process/or otherwise. 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, and 7 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 @ ₹3.95/- (Rupees three and paisa ninety 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 FY2025-26 subject to approval of shareholders in the ensuing Annual General Meeting. This is in addition to the interim dividend of ₹14.60/- (Rupees fourteen and sixty paisa only) per equity share for the FY2025-26 already declared and paid during the year after deduction of TDS, as applicable. 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, 2025 and the applicable Finance Act, dividend declared, distributed or paid by the Company is taxable in the hands of the shareholders. Accordingly, the Company is required to deduct tax at source ("TDS") from the dividend payable to its shareholders at the rates prescribed under the Income-tax Act, 2025 and the rules made thereunder.

    The applicable rate of TDS shall depend upon the residential status of the shareholder, the category of the shareholder, availability of Permanent Account Number (PAN), and the declarations, forms and other documents submitted by the shareholder in accordance with the provisions of the Income-tax Act, 2025. Certain categories of shareholders, such as Mutual Funds, Insurance Companies and other entities specifically exempt under the provisions of the Income-tax Act, 2025, may be eligible for exemption or deduction of tax at a concessional rate subject to the submission of the prescribed declarations and supporting documents. In the case of non-resident shareholders, including Foreign Portfolio Investors (FPIs) and Foreign Institutional Investors (FIIs), tax shall be deducted at the rates prescribed under the Income-tax Act, 2025 or at the beneficial rate available under the applicable Double Taxation Avoidance Agreement (DTAA), subject to the fulfilment of the prescribed conditions and submission of the requisite documents.

    To enable the Company to determine the correct rate of TDS, shareholders falling under specified categories, including Mutual Funds, Insurance Companies, Alternative Investment Funds (AIFs), Foreign Institutional Investors (FIIs), Foreign Portfolio Investors (FPIs) and other eligible shareholders, are required to furnish the prescribed declarations, certificates, forms and supporting documents (including, wherever applicable, PAN, registration certificate, self-declaration, tax residency documents, declaration of beneficial ownership and such other documents as may be prescribed under the Income-tax Act, 2025) within the timelines specified by the Company.

    Resident Non-Individual Members, including Insurance Companies, Mutual Funds and Alternative Investment Funds (AIFs) established in India, and Non-Resident Non-Individual Members, including Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs), may alternatively submit the prescribed declarations, forms and supporting documents through their respective custodians registered on the NSDL platform on or before the specified due date.

    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 FY2026-27 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 FY2026-27 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/updations 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/isrforms.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 agm2026@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 31, 2026.

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 10:00 A.M. on August 28, 2026 and will end at 5:00 P.M. on August 30, 2026. The e-voting module shall be disabled by KFintech at 5:00 P.M. on August 30, 2026.

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 point 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)]*:**

i. Launch an internet browser and open https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9976, 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.

iii. After entering the above details Click on 'Login'.

iv. 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.

v. On successful login, the system will prompt you to select the EVEN of Power Finance Corporation Limited and click on 'Submit'.

vi. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date i.e. August 25, 2026 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.

vii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

viii. 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.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. 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).

xi. 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:**

i. Please follow the steps for registration of e-mail address as mentioned in point no 19 of Note.

ii. 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 Mr. A. Mohan Kumar (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 25, 2026, may obtain the User ID and Password for exercising their right to vote by electronic means as follows:

a. 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.

b. 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:

1. 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.
2. 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.
3. Members are encouraged to join the Meeting using Google Chrome (preferred browser) for better experience.
4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. 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.
6. 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 28, 2026 to August 29, 2026**.
7. 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 28, 2026 to August 29, 2026**. 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.
8. 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.
9. 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. 5

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

Appointment of Shri Rajesh Kumar Agarwal (DIN: 09699001) as Director (Finance) of the Company.

PFC being a Government Company and as per its Articles of Association, the President of India has the power to appoint one of the Directors as the Chairman and shall appoint other Directors including Managing Director in consultation with the Chairman. Further, in accordance with Regulation 17(1C) of Listing Regulations, the approval of the shareholders for appointment of a person on the Board of Directors is required to be obtained at the next general meeting.

In exercise of powers conferred under the Articles of Association of the Company, Shri Rajesh Kumar Agarwal (DIN: 09699001)was appointed as Director (Finance) of the Company by the President of India through Ministry of Power vide order No. F.No.24-8/1/2023-PFC MoP-(part-1) dated April 23, 2026 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as Director (Finance)/ Additional Director by the Board of Directors with effect from April 23, 2026 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Shri Rajesh Kumar Agarwal 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 Rajesh Kumar Agarwal fulfils the conditions as specified in the Act and the Rules made thereunder and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority, and that he 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 Rajesh Kumar Agarwal 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 an Ordinary 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 of Shri V. Packirisamy (DIN: 08910218) as Director (Commercial) of the Company.

PFC being a Government Company and as per its Articles of Association, the President of India has the power to appoint one of the Directors as the Chairman and shall appoint other Directors including Managing Director in consultation with the Chairman. Further, in accordance with Regulation 17(1C) of Listing Regulations, the approval of the shareholders for appointment of a person on the Board of Directors is required to be obtained at the next general meeting.

In exercise of powers conferred under the Articles of Association of the Company, Shri V. Packirisamy (DIN: 08910218) was appointed as Director (Commercial) of the Company by the President of India through Ministry of Power vide order No. F.No.24-8/1/2021-PFC (MoP) dated June 2, 2026 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as Director (Commercial) /Additional Director by the Board of Directors with effect from June 2, 2026 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Shri V. Packirisamy would be as determined by the Government of India from time to time.

The above appointment of Shri V. Packirisamy as Director (Commercial) on the Board of the Company, requires approval of the Members in the General Meeting in terms of Regulation 17(1C) of SEBI Listing Regulations.

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

Shri V. Packirisamy fulfils the conditions specified in the Act and the Rules made thereunder and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority, and that he 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 V. Packirisamy 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 Pankaj Gupta (DIN:03415536) as Part-Time Non-official Director (Independent Director) of the Company.

PFC being a Government Company and as per its Articles of Association, the President of India has the power to appoint one of the Directors as the Chairman and shall appoint other Directors including Managing Director in consultation with the Chairman. Further, in accordance with Regulation 17(1C) & 25(2A)of Listing Regulations, the approval of the shareholders for appointment of a person on the Board of Directors is required to be obtained at the next general meeting.

In exercise of powers conferred under the Articles of Association of the Company, Shri Pankaj Gupta (DIN:03415536) 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. II)(Part-4)(Part-I) dated June 22, 2026 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as Part-Time Non-official Director (Independent Director) / Additional Director by the Board of Directors with effect from June 22, 2026 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Shri Pankaj Gupta 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 Pankaj Gupta fulfils 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 he 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 Pankaj Gupta 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:

As per Sec 180(1) (c) of the Companies Act, 2013, the Board of Directors of a public company, shall not, except with the consent of the shareholders by a special resolution, borrow money, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of paid-up capital of the Company, its free reserves and securities premium.

Accordingly, in the special resolution passed by the shareholders in the 34th Annual General Meeting of the Company held on September 29, 2020, the consent of the Company was accorded to the Board of Directors of the Company under the provisions of Section 180(1)(c) of Companies Act, 2013 to raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company and/or as may be directed to raise on behalf of Ministry/Govt. of India, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans as explained in Section 180(1)(c) of Companies Act, 2013 obtained by the Company in the ordinary course of business)may, at any time, exceed up to sum of Rs. 6,00,000 crore (Rupees six lakh crore only) from Indian Rupee borrowing and amount equivalent to USD 15 Billion (Fifteen Billion US Dollars only) in any foreign currency respectively over and above the aggregate paid up share capital of the Company and its free reserves (that is to say reserve not set apart for any specific purpose).

The fund requirement of the Company has been continuously increasing over the years, to meet the ever increasing demand of the power sector.

Thus, considering the Company's projected funding requirements over next 4-5 years and to provide adequate flexibility for raising resources from International markets, the Board in its Meeting held on July 23, 2026, accorded approval for seeking the approval of shareholders for enhancing the borrowing limit under section 180(1)(c) of the Companies Act 2013 from Rs.6,00,000 crore to Rs. 9,00,000 crore (Rupees nine lakh crore only) from Indian Rupee borrowing and to increase the foreign currency borrowing limit from USD 15 Billion to USD 25 Billion (Twenty Five Billion US Dollars only).

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

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing the said Resolution, except to the extent of their Shareholding in the Company.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT AT 40TH AGM UNDER ITEM NO. 3 AND 5, 6, & 7

Name	Shri Shashank Misra	Shri Rajesh Kumar Agarwal	Shri V. Packirisamy	Shri Pankaj Gupta
Date of Birth	16.03.1983	08.03.1972	16.03.1968	05.07.1973
Age	43 Years	54 years	58 years	53 Years
Qualification	He 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.	Bachelor's degree in Commerce (Honours) and is a Member of the Institute of Cost Accountants of India.	He holds a Bachelor's degree in Mechanical Engineering from Sastra University and an M.Tech in Management Systems from IIT Delhi.	He is a Chartered Accountant with over 25 years of professional experience. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI).
Date of Appointment	25.06.2024	23.04.2026	02.06.2026	22.06.2026
Terms and Conditions of Appointment	Appointed as Government Nominee Director by President of India through Ministry of Power until further orders.	Appointed as Director (Finance) by President of India through Ministry of Power for a period of five years w.e.f. the date of his assumption of charge of the post or until further orders, which ever is earlier.	Appointed as Director (Commercial) by President of India through Ministry of Power w.e.f. the date of his assumption of charge of the post till the date of his superannuation, i.e. 31.03.2028 or until further orders, which ever is earlier.	Appointed as Part-time Non- official (Independent) Director by President of India through Ministry of Power for a period of three months w.e.f the date of notification of his appointment by the Ministry or until further orders, which ever 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.
Expertise in Functional Areas	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.	He has a distinguished career spanning over 31 years in the Power and Financial sectors. In his career at PFC since 2009, he managed various cross-functional teams and earned diversified experience in the areas like Corporate Accounts, Taxation, Fund Management & Banking, Lending Policy Compliance, Restructured Assets Management, Fund Raisings and Loan Disbursement. He has been instrumental in spearheading digital reforms and worked extensively towards excellence in financial reporting. He is also a distinguished Speaker at various Professional forums. Prior to joining PFC, he has a rich experience in other Power Sector Companies like NTPC, NPCIL & DTL handling core finance functions along with other key areas like Tariff Matters, PPA Negotiations & Implementation of Ahluwalia Committee Reforms in Power Sector.	He has been associated with Power Finance Corporation since January 1997 and brings over 33 years of rich and diverse professional experience. At PFC, he has served as Executive Director - Entity Appraisal and IT. He has also been a Nominee Director on the Boards of Orissa Integrated Power Limited, Coastal Tamil Nadu Power Limited, Bihar Mega Power Limited, and Telangana North Discom. In addition to above, he is also the President of the Power Foundation of India, which functions as an autonomous society and a pro-active agency for policy advocacy in Power Sector. Over the course of his tenure, Shri V. Packirisamy has worked across multiple domains, including credit appraisal, rating of power utilities, power sector reforms and restructuring, and financial analysis of borrowers. He has also played a key role in the preparation of Operational & Financial Action Plans (OFAP) and has contributed to consultancy assignments on financial and commercial aspects of the power sector.	He is a Chartered Accountant with over 25 years of professional experience. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has over 25 years of professional experience in the fields of Taxation, Audit & Assurance, Corporate Law, and Financial Advisory. He is the Managing Partner of Pankaj Manvi & Associates, a distinguished firm providing services in Direct and Indirect Taxation, Audit, Accounting, Fund Raising, and Corporate Litigation to a diverse range of domestic and international clients. Over the course of his career, he has advised corporates, multinationals, and institutions on complex matters involving Income Tax, International Taxation, Transfer Pricing, GST, FEMA, Corporate Compliance, and Capital Market Regulations. He has also guided clients through IPOs, FPOs, Private Placements, PE deals, Due Diligence, and Regulatory Compliances before SEBI, ROC, NCLT, NCLAT, and other authorities. He is widely recognised as a public policy commentator, having regularly appeared

Name	Shri Shashank Misra	Shri Rajesh Kumar Agarwal	Shri V. Packirisamy	Shri Pankaj Gupta
			His contributions have been instrumental in strengthening PFC's institutional framework, he has played a pivotal role in expanding the organisation's operations and strengthening its appraisal and risk management frameworks, significantly contributing to the growth of PFC's loan portfolio, resolution of stressed assets. He has been actively involved in the formulation of lending policies, development of financial analysis systems, establishment of borrower rating mechanisms, and ensuring compliance with regulatory and statutory requirements. He has also led the IT transformation of PFC, enhancing the overall IT capacity development in PFC. Prior to joining PFC, Shri V. Packirisamy worked with the Directorate General of Civil Aviation (DGCA) and Modiluft between November 1991 and December 1996, where he handled aircraft airworthiness, quality control and preventive maintenance. He began his professional career as an Engineer at Pyrites Phosphates and Chemicals Ltd., Bihar.	on various national televisions to share expert insights on Income Tax, GST, and Union & State Budgets. He is also an active contributor to professional journals, business forums, and reputed platforms such as ABC Live.in, and has delivered lectures at numerous seminars and conferences organised by the various industry bodies.
Number of Meetings of the Board held during the tenure and number of Board Meetings attended (FY2025-26)	18/18	Not Applicable	Not Applicable	Not Applicable
Relationship with any other Director, Manager and other KMP of the Company	NIL	NIL	NIL	NIL
Number of shares held in the Company	NIL	460	NIL	NIL

Name	Shri Shashank Misra	Shri Rajesh Kumar Agarwal	Shri V. Packirisamy	Shri Pankaj Gupta
Directorship in other companies as the date of Notice	• REC Limited	• REC Limited • PFC Consulting Limited • PFC Infra Finance IFSC Limited	• PFC Consulting Limited • Orissa Integrated Power Limited • Coastal Tamil Nadu Power Limited • Bihar Mega Power Limited • Northern Power Distribution Company of Telangana Limited • PFC Infra Finance IFSC Limited	• NTPC Limited • Scaliora Capital Advisors Private Limited
Chairman/ Membership of committees* across all public companies (as on the date of Notice)	1.REC Limited • Audit Committee (Member)	1. Power Finance Corporation Limited • Stakeholder relationship and Shareholder's/Investors Grievances Committee (Member) 2. REC Limited • Audit Committee (Member)	1. Power Finance Corporation Limited • Audit Committee (Member) • Stakeholder relationship and Shareholder's/Investors Grievances Committee (Member)	1. Power Finance Corporation Limited • Audit Committee (Member) 2. NTPC Limited • Audit Committee (Chairman)
Details of listed entities from which resigned in the past three years	NIL	NIL	NIL	NIL

* 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, aged 59 years, is the Chairman and Managing Director (CMD) of PFC. She has over 38 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 organisation'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 Rajesh Kumar Agarwal

Director (Finance) **DIN: 09699001**

Shri Rajesh Kumar Agarwal, aged 54 years, is the Director (Finance) of Power Finance Corporation Limited (PFC). He is also the Nominee Director of PFC on the Board of REC Ltd. Further, as Director in-charge, he oversees the operations of PFC Infra Finance IFSC Ltd, PFC's strategic subsidiary established at GIFT City Gujarat.

Prior to his appointment as Director (Finance), he served as Executive Director (Finance) at PFC. Shri Agarwal has over 3 decades of distinguished experience spanning the power and financial sectors with an expertise in core finance & financial operations. He is a Cost & Management Accountant and also holds a Bachelor's Degree in Commerce (Honours).

As Director (Finance) at PFC, Shri Agarwal leads the Finance Vertical and provides strategic leadership across all financial functions of the Company. His responsibilities include Resource Mobilisation from Domestic & International Markets, Lending Operations, Financial Planning & Analysis, Financial Reporting & Taxation, Treasury Operations, Risk Management, Internal Financial Controls etc. He plays a pivotal role in formulating the Company's financial strategy, ensuring robust corporate governance, maintaining fiscal discipline and driving capital optimisation to support PFC's business growth and its mandate of financing India's Power and Infrastructure sectors.

Before assuming charge as Director (Finance), Shri Agarwal has led several critical finance functions and managed diverse cross-functional teams across PFC. He has played a pivotal role in strengthening financial reporting framework, resilient treasury operations, resource mobilisation, lending operations, driving digital initiatives and enhancing governance. He is also an eminent speaker at various professional and industry forums.



Prior to joining PFC in 2009, Shri Agarwal held key finance positions in leading power sector organisations, including NPCIL, NTPC and DTL. During this period, he managed core finance functions while also undertaking key strategic assignments related to tariff matters, Power Purchase Agreement (PPA) negotiations and the implementation of Power Sector Reform recommendations of the Ahluwalia Committee.

Shri Rajesh Kumar Agarwal holds 460 equity shares in the Company.



Shri V. Packirisamy

Director (Commercial) **DIN: 08910218**

Shri V. Packirisamy, aged 58 years, has been associated with Power Finance Corporation (PFC) since January 1997 and brings over 33 years of rich and diverse professional experience. He holds a Bachelor's degree in Mechanical Engineering from Sastra University and an M.Tech in Management Systems from IIT Delhi.

At PFC, he has served as Executive Director - Entity Appraisal and IT. He has also been a Nominee Director on the Boards of Orissa Integrated Power Limited, Coastal Tamil Nadu Power Limited, Bihar Mega Power Limited, Telangana North Discom and the President of the Power Foundation of India, which functions as an autonomous society and a pro-active agency for policy advocacy in Power Sector.

Over the course of his tenure, Shri Packirisamy has worked across multiple domains, including credit appraisal, rating of power utilities, power sector reforms and restructuring, and financial analysis of borrowers. He has also played a key role in the preparation of Operational & Financial Action Plans (OFAP) and has contributed to consultancy assignments on financial and commercial aspects of the power sector.



His contributions have been instrumental in strengthening PFC's institutional framework, he has played a pivotal role in expanding the organisation's operations and strengthening its appraisal and risk management frameworks, significantly contributing to the growth of PFC's loan portfolio, resolution of stressed assets. He has been actively involved in the formulation of lending policies, development of financial analysis systems, establishment of borrower rating mechanisms, and ensuring compliance with regulatory and statutory requirements. He has led the IT transformation of PFC, enhancing the overall IT capacity development in PFC.

Prior to joining PFC, Shri Packirisamy worked with the Directorate General of Civil Aviation (DGCA) and Modiluft between November 1991 and December 1996, where he handled aircraft airworthiness, quality control, and preventive maintenance. He began his professional career as an Engineer at Pyrites Phosphates and Chemicals Ltd., Bihar.

Shri V. Packirisamy holds nil equity shares in the Company.



Shri Shashank Misra

Government Nominee Director **DIN: 08364288**

Shri Shashank Misra, aged 43 years 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.



Dr. Sudhir Mehta

Independent Director **DIN: 00056867**

Dr. Sudhir Mehta, aged 57 years is a serial entrepreneur, policy analyst & a columnist in addition to being the Chairman & Director of Pinnacle Industries Limited, India's leading automotive products and specialty vehicles company. He is also the Founder & Chairman of EKA Mobility (Pinnacle Mobility Solutions Private Limited), a leading commercial electric vehicle & technology company. He has started & successfully led several ventures. His group of companies employ over 6,000 people globally. He holds a bachelor's degree from Depauw University, USA & an MBA from the University of Chicago, USA. He is also the Chairman of the VJTI Board of Governors, Investment Committee Member of Technology Development Board (Government of India), 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.

Shri Sudhir Mehta holds nil equity shares in the Company.



Shri Pankaj Gupta

Independent Director **DIN: 03415536**

Shri Pankaj Gupta, aged 53 years is a Chartered Accountant with over 25 years of professional experience. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI).

He has over 25 years of professional experience in the fields of Taxation, Audit & Assurance, Corporate Law, and Financial Advisory. He is the Managing Partner of Pankaj Manvi & Associates, a distinguished firm providing services in Direct and Indirect Taxation, Audit, Accounting, Fund Raising, and Corporate Litigation to a diverse range of domestic and international clients. He is also an Independent Director on the board of NTPC Limited.

Over the course of his career, he has advised corporates, multinationals, and institutions on complex matters involving Income Tax, International Taxation, Transfer Pricing, GST, FEMA, Corporate Compliance, and Capital Market Regulations. He has also guided clients through IPOs, FPOs, Private Placements, PE deals, Due Diligence, and Regulatory Compliances before SEBI, ROC, NCLT, NCLAT, and other authorities.

He is widely recognised as a public policy commentator, having regularly appeared on various national televisions to share expert insights on Income Tax, GST, and Union & State Budgets. He is also an active contributor to professional journals, business forums, and reputed



platforms such as ABC Live.in, and has delivered lectures at numerous seminars and conferences organised by the various industry bodies.

Shri Pankaj Gupta holds nil equity shares in the Company.



Report of the Board of Directors' FY2025-26

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the 40th Annual Report of your Company for the Financial Year ended March 31, 2026, together with the Audited Financial Statements and the Reports of the Joint Statutory Auditors and the Comptroller and Auditor General of India thereon.

The Financial Year 2025–26 marks a significant milestone in the Company's journey as PFC completes four decades of dedicated service to the Nation. Since its inception in 1986, the Company has remained committed to supporting the development of India's power sector through timely and innovative financial solutions. Over the years, PFC has evolved into a Maharatna Central Public Sector Enterprise and one of India's largest Government-owned Non-Banking Financial Companies (NBFCs), playing a pivotal role in financing the power and infrastructure sectors while contributing to the country's economic growth and energy security.

During the year under review, the Company delivered another year of strong financial and operational performance despite evolving global economic conditions and a dynamic business environment. Growth in the loan asset portfolio, sustained resource mobilisation at competitive costs, continued improvement in asset quality, and disciplined capital allocation contributed to the Company's robust financial performance. The Company maintained a healthy capital adequacy position, strong liquidity profile, and sound asset quality, reflecting the resilience of its business model and the effectiveness of its risk management practices.

The Board remains committed to the highest standards of corporate governance, transparency, accountability, and ethical business practices. The Company continues to strengthen its governance framework, internal controls, digital capabilities, and sustainability initiatives while maintaining a balanced approach towards growth, risk management, and stakeholder value creation.

CELEBRATING 40 YEARS OF EMPOWERING INDIA'S ENERGY FUTURE

The completion of forty years is a significant milestone in the Company's distinguished journey of supporting India's development through Power and infrastructure financing. Since its inception in 1986, PFC has been instrumental in financing landmark projects across the power value chain, expansion of generation capacity, strengthening of transmission networks and modernisation of distribution infrastructure.

Over the years, the Company has successfully transformed its business model in line with the evolving needs of the economy. From financing conventional power generation, PFC has expanded its portfolio to support renewable energy and sustainable infrastructure. PFC also finances non-power infrastructure sector such as roads and highways, railways, airports, ports etc. while continuing to maintain its leadership in power sector financing.

Today, your Company is more than a financial institution-it is a strategic partner in India's development journey. Through its financial strength, sectoral expertise and unwavering commitment to responsible growth, it continues to catalyse investments that advance energy transition, infrastructure development and economic resilience.

As your Company enters its fifth decade, it remains well positioned to support India's expanding energy and infrastructure requirements and to capitalise on emerging opportunities arising from the country's energy transition and infrastructure development agenda. With its strong financial fundamentals, diversified business portfolio, and experienced leadership, PFC is confident of sustaining its growth trajectory while continuing to create long-term value for its shareholders and other stakeholders.

1. FY2025-26 - A Year Of Exceptional Growth

During the Financial Year 2025–26, your Company continued its growth trajectory and delivered robust financial and operational performance despite the evolving macroeconomic environment. The key achievements of the Company during the year are summarised below:

Financial Excellence

- Achieved the **highest ever standalone Profit After Tax of ₹20,051 crore**, registering another year of strong growth.
- Standalone Total Income increased to **₹58,542 crore**.
- Consolidated Total Income crossed **₹1.15 lakh crore**.
- Continued to maintain one of the strongest capital adequacy ratios amongst NBFCs with **CRAR of 23.44%**.
- Standalone net worth crossed the landmark milestone of **₹1,00,000 crore.**

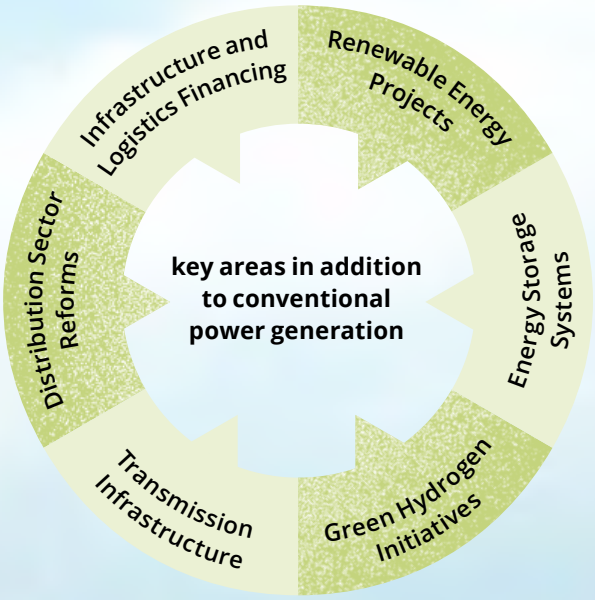
Asset Quality

Your Company further strengthened its asset quality during FY2025-26.

- Gross Credit Impaired Assets reduced to **1.09%** from **1.94%** in the previous year.
- Net Credit Impaired Assets reduced to 0.15% from 0.39%.
- Gross Stage-III Assets reduced significantly.
- Stage-III Assets declined to ₹6,323 crore, reflecting sustained recovery efforts and prudent credit management.

Sustainable Growth

Your Company continued to support critical segments of the energy and infrastructure ecosystem, thereby contributing to India's vision of achieving energy security and fulfilling its Net Zero commitments. During the year, the Company extended its financing support to the following key areas in addition to conventional power generation:



PFC-REC merger

The Hon'ble Finance Minister, in the Union Budget for FY2026-27 proposed to restructure Power Finance Corporation and REC Limited in order to achieve scale and improve efficiency in the Public Sector NBFCs. Further, PFC's Board accorded its in-principle approval for the merger, subject to the merged entity continuing as a Government Company under the Companies Act, 2013.

Subsequently, the Board of both the Companies in their meeting held on 28.06.2026 approved the Scheme of merger, providing merger by absorption of REC into PFC with effect from the Appointed Date on a going concern basis and the consequent dissolution of REC without being wound up. The Eligible Shareholders of REC, as on the Record Date (to be notified) will get 88 equity shares of PFC of INR 10/- each fully paid up for every 100 equity shares of REC of INR 10/- each fully paid up in accordance with the share exchange ratio. The merger process is underway.

The scheme and other relevant documents are available on the websites of both the Companies.

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

i. Financial Value Creation (Standalone)

- Profit After Tax (PAT) increased by 16% in FY2025-26 from ₹17,352 crore in FY2024-25 to ₹20,051 in FY2025-26.
- Net worth increased by 13% on account of increasing profits i.e. ₹1,02,532 crore as at March 31, 2026 vs ₹90,937 crore as at March 31, 2025.
- Earnings per share stood at ₹60.76 in FY2025-26 as compared to ₹52.58 in FY2024-25 showing an increase of 16%.

ii. Stronger Trajectory in Consolidated Performance:

- 10% increment in PAT i.e ₹33,625 crore in FY2025-26 vs ₹30,514 crore in FY2024-25.
- The gross loan assets recorded a growth of 5%, ₹11,63,768 crore as at March 31, 2026 from ₹11,09,996 crore as at March 31, 2025.
- Net Worth of the Company grew by 13% in FY2025-26 to ₹1,32,861 crore as compared to ₹1,17,738 crore in FY2024-25.
- Significant reduction in NPA

Particulars	As at 31.03.2026	As at 31.03.2025
Gross NPA to Gross Loans	**0.66%**	1.64%
Net NPA to Net Loans	**0.13%**	0.38%

iii. Strong Asset Portfolio

- As of FY2025–26, the Company maintained total provisions of ₹5,448 crore against Stage III loan assets, with total gross loan assets of ₹5,80,115 crore. Net Stage III assets stood at ₹874 crore as of March 31, 2026, representing just 0.15% of total gross loan assets, reflecting the strength and resilience of the asset portfolio.
- **Major resolutions in stressed assets achieved during the year include:**

Sr. No.	Borrower Name	Details of Resolution Plan
1	TRN Energy Private Limited	Restructuring with existing promoter outside NCLT
2	Sinnar Thermal Power Limited	Resolution with change in ownership through NCLT
3	Octant Industries Limited	Resolution under SARFAESI & DRT Acts

These resolutions further strengthened the quality of the Company's loan asset portfolio.

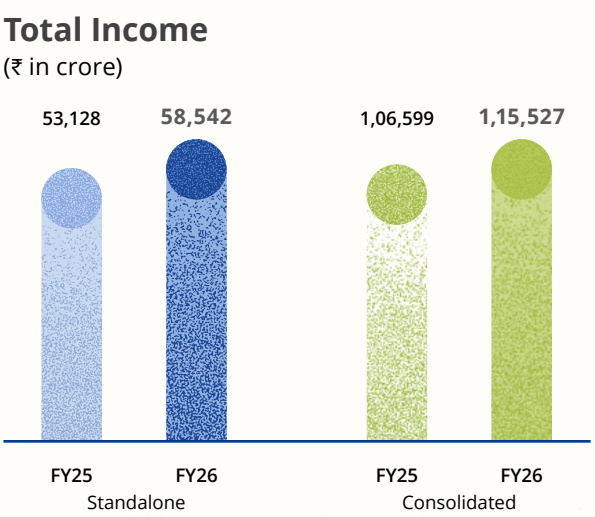
3. Financial Performance - Standalone

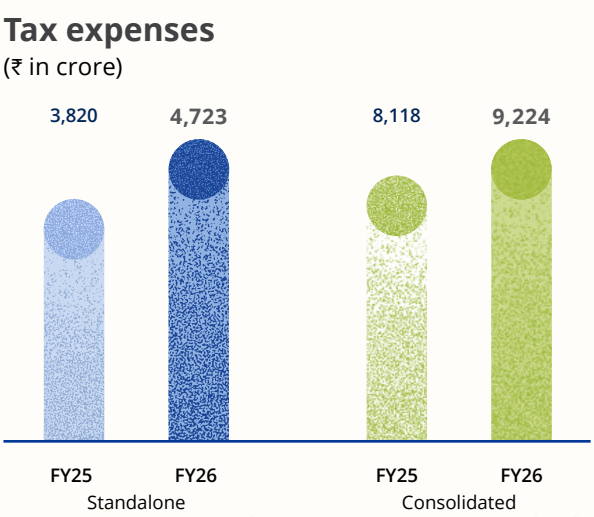
i. Profitability

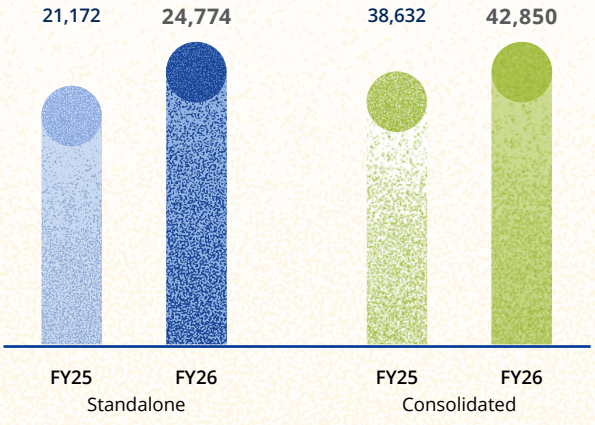
(₹ in crore)

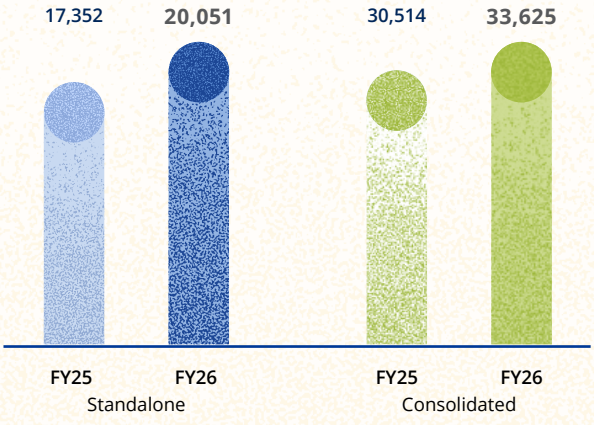
Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Total Income	**58,541.59**	**53,127.76**	**1,15,526.92**	**1,06,598.70**
Profit Before Tax	**24,774.43**	**21,172.37**	**42,849.68**	**38,632.16**
Tax expenses	4,723.09	3,820.18	9,224.34	8,117.76
Profit After Tax	**20,051.34**	**17,352.19**	**33,625.34**	**30,514.40**
Owners of the Company			25,900.95	22,990.81
Non-Controlling Interests			7,724.39	7,523.59
Total Comprehensive Income	**17,189.01**	**17,051.35**	**26,626.67**	**28,698.82**
Owners of the Company			20,875.68	21,893.66
Non-Controlling Interests			5,750.99	6,805.16

Standalone and Consolidated figures across FY2024-25 and FY2025-26









ii. Other Equity (Retained Earnings)

(₹ in crore)

Particulars	Standalone		Consolidated*	
	2025-26	2024-25	2025-26	2024-25
Opening Balance of Surplus	**20,292.33**	15,876.21	**29,090.03**	23,413.33
Profit after tax for the year	**20,051.34**	17,352.19	**25,900.95**	22,990.81
Re-Measurement of Defined Benefit Plans	**3.17**	(4.72)	**3.61**	(4.42)
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	**(967.76)**	(915.33)	**(1,377.58)**	(1,358.41)
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	**(3,459.17)**	(3,295.53)	**(5,239.82)**	(5,164.37)
Transfer to Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	**(4,010.27)**	(3,470.45)	**(5,724.29)**	(5,124.57)
Transfer to General Reserve	**-**	-	**(1,094.81)**	(394.76)
Transfer to Interest Differential Reserve - KfW Loan (net)	**0.13**	(1.75)	**0.13**	(1.75)
Dividends	**(5,494.67)**	(5,362.67)	**(5,494.67)**	(5,362.67)
Reclassification of gain/loss on sale of equity instrument measured at OCI	**-**	114.38	**-**	114.38
Adjustments	**-**	-	**(17.56)**	(17.53)
Closing Balance of Surplus	**26,415.10**	**20,292.33**	**36,045.99**	**29,090.03**

* Attributable to owners of the Company (PFC)

iii. Dividend

The Board of Directors of the Company has recommended final dividend amounting to ₹1303.54 crore (approx.) @ 39.50% on the paid up equity share capital i.e. ₹ 3300,10,17,600/- per equity share of ₹10/- each for the FY2025-26 subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company had also paid interim dividend amounting to ₹4,818.15 crore @ 146% on the paid up equity share capital i.e. ₹ 3300,10,17,600/- per equity share of ₹ 10/- each during FY2025-26.

Dividend (per share)	FY2025-26		FY2024-25	
	In ₹	In %	In ₹	In %
First Interim	**3.70**	**37**	3.25	32.5
Second Interim	**3.65**	**36.5**	3.5	35
Third Interim	**4.00**	**40**	3.5	35
Fourth Interim	**3.25**	**32.5**	3.5	35
Final Dividend	**3.95^**	**39.5^**	2.05	20.5
Total Dividend	**18.55**	**185.50**	**15.8**	**158**

^Recommended for approval of Shareholders

4. Operational Performance

i. Asset Quality

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Gross Loan Assets	**5,80,115**	5,43,120
Stage III Assets	**6,323**	10,517
Provision on Stage III Assets	**5,448**	8,424
Gross Stage III as % of Gross Loan Assets	**1.09%**	1.94%
Net Stage III as % of Gross Loan Assets	**0.15%**	0.39%

ii. Key Financial Ratios of the Company for FY2025-26 Vis-À-Vis FY2024-25 are given below:

(₹ in crore)

Ratio	As at 31.03.2026	As at 31.03.2025
Net Debt Equity Ratio	**4.75**	5.12
Operating Margin %	**42.28%**	39.82%
Net Profit Margin %	**34.25%**	32.66%
Gross Credit Impaired Assets Ratio %	**1.09%**	1.94%
Net Credit Impaired Assets Ratio %	**0.15%**	0.39%
CRAR%	**23.44%**	22.08%
Return on Net Worth (%)	**20.73%**	20.40%

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

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

(₹ in crore)

Sr. No.	Sector / Category	FY2025-26 Sanctions	FY2025-26 Disbursement
1	State Sector	**1,44,074**	**1,09,987**
2	Central Sector	**55,218**	**1,417**
3	Joint Sector	**51,476**	**14,449**
4	Private Sector	**35,206**	**39,561**
	Total	**2,85,974**	**1,65,414**

iv. Infrastructure Financing

AsonMarch31,2026,PFChascumulativelysanctionedloansamountingto₹1,44,997crore(net)anddisbursed ₹ 62,609 crore.

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

(₹ in crore)

Discipline	Sanction	Disbursement
Basic Infrastructure	5,000	0
Desalination & Water Infrastructure	1,320	633
Ethanol and Associated Infra	318	283
Logistics Associated Infrastructure	77	75
Petroleum and Natural Gas Infra.	4,012	1,038
Port	11,053	6,440
Refinery and Petrochemical Complex	13,531	11,799
Roads and Highways	64,284	6,206
Metro/Railway	2,200	2,200
Irrigation	43,204	33,934
Total	**1,44,997**	**62,609**

V. Renewable Energy

As on March 31, 2026, PFC has cumulatively Sanctioned loans amounting to around ₹ 1,55,270 crore(net) and Disbursed ₹ 1,14,179 crore to Renewable Energy Projects(excluding Large hydro).

Summary of loans cumulatively sanctioned and disbursed to Renewable energy projects(excluding Large hydro) are as below:

(₹ in crore)

Discipline	Sanction	Disbursement
Solar	53,254	43,457
Wind	30,726	29,001
WTE	2,400	1,683
Small Hydro (<=25 MW)	2,304	1,585
Bagasse	859	859
Biomass	151	150
Hybrid (Solar & Wind)	65,576	37,444
Total	**1,55,270**	**1,14,179**

5. Awards & Recognition

During FY2025–26, your Company received several recognitions in acknowledgement of its performance and excellence.

Finance & Infrastructure

Award	Recognition
ET Now Most Admired Infrastructure Debt Financer – Power (September 2025)	PFC was conferred this award at the ET Now Infra Focus Summit & Awards 2025.
Dun & Bradstreet India's Leading NBFC – Infrastructure Finance Award (February 2026)	PFC was recognised as India's Leading NBFC – Infrastructure Finance at the 18th Dun & Bradstreet BFSI & Fintech Summit 2026 for its outstanding performance during the period April 01, 2024 to March 31, 2025.

Rankings

Award	Recognition
Fortune India 500 (2025)	Ranked 33rd among India's largest companies in the Fortune India 500 list for 2025, published in the December 2025 issue of Fortune India.

6. Brand Presence & Stakeholder Engagement

During FY2025–26, your Company strengthened its brand presence and stakeholder engagement through a series of strategic industry forums, investor interactions, exhibitions, and public outreach initiatives. Participation in marquee platforms such as India Energy Week, GRIDCON, and ELECRAMA, alongside the Central Sector Meet, Annual Investor Meet, and nationwide energy conservation campaigns, reinforced PFC's leadership in powering India's energy transition and infrastructure development.

These initiatives showcased PFC's evolving role beyond infrastructure financing—as a trusted knowledge partner, an advocate of sustainable development, and a catalyst for innovation across the power and infrastructure ecosystem. By fostering transparent dialogue with investors, policymakers, industry leaders, and communities, the Company enhanced stakeholder confidence, expanded its public visibility, and further strengthened the PFC brand as a future-ready Maharatna driving India's growth agenda.

Through these efforts, PFC successfully advanced its image.

i. Borrowers Meet

During FY2025-26, your Company successfully organised various Meets/Conference on the theme "PFC's Financing in Dynamic Regulatory Environment".

- **Central Sector Entities Meet**

  Central Public Sector Undertakings (CPSUs) under the Ministry of Power are undertaking significant capital expenditure programmes in the power generation and transmission sectors to meet the country's growing power requirements. The power generation sector in India is expected to witness substantial growth, with installed capacity projected to nearly double by 2031–32. The renewable energy sector

remains a key focus area, with around 300 GW of capacity addition planned by 2031–32. Significant investments and projects are also being planned in the transmission sector to support efficient power evacuation and strengthen the country's transmission infrastructure.

Further, CPSUs under various ministries, including the Ministry of Petroleum and Natural Gas, Ministry of Railways, Ministry of Coal, Ministry of Heavy Industries, and Ministry of Ports, Shipping and Waterways, are making important contributions towards the development of the nation's infrastructure.

The Conference served as an important platform for interaction with central sector industry leaders, enabling greater understanding of their evolving requirements and strengthening your Company's preparedness to support future growth initiatives. The engagement is expected to further enhance collaboration and create mutual value for both investing PSUs and your Company.

- **Northern Region Conference**

  PFC has organized a conference in Mahabalipuram, in which many officials from regional utilities participated. The conference served as a platform for discussions and deliberations on emerging trends in the power sector, regional challenges, and financial solutions. PFC also showcased its various financial products and interacted with stakeholders to strengthen relationships. The initiative received an excellent response and contributed to enhancing business engagement and fostering development opportunities in the Northern Region during the financial year 2026.

ii. Investor engagement through Annual Meet 2026

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 FY2025-26 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.

iii. Strategic Industry Engagement

PFC maintained a strong presence across premier national and international forums, conferences, policy dialogues and industry summits including India Energy Week 2026, Bharat Electricity Summit 2026, EDICON 2026, India Global Forum NXT25, India International Trade Fair (IITF), Business Summit at the University of Delhi, and various Ministry of Power-led initiatives. Senior Management actively participated as keynote speakers, panellists and thought leaders, sharing insights on energy transition, green finance, power distribution reforms, digitalisation, infrastructure financing, smart grids, AI-enabled utilities, DISCOM sustainability and financial innovation. These engagements enhanced PFC's visibility as a trusted knowledge partner and thought leader in India's evolving energy landscape.

iv. Brand Visibility through Strategic Partnerships

During FY2025–26, PFC further strengthened its institutional profile through strategic collaborations with leading global and domestic organisations. Engagements with international institutions - KfW (Germany), Japan Bank for International Cooperation (JBIC), Export Finance Australia (EFA) and Citi - supported access to global capital, concessional financing and technology cooperation for clean energy transition, while collaborations with domestic entities, including Mumbai Metropolitan Region Development Authority (MMRDA), MECON Limited, National Test House (NTH) and various Government agencies, strengthened technical cooperation, quality assurance and institutional capacity-building for infrastructure delivery. Together, these engagements reinforced PFC's position as a trusted development finance institution and a strategic partner in India's energy transition.

v. Public Outreach and Citizen Engagement

PFC continued to actively support flagship Government initiatives through large-scale public outreach campaigns, awareness programmes and citizen engagement activities. The Corporation organised and participated in campaigns under Swachhta Pakhwada, Swachhta Hi Seva (Swachhotsav), Mission LiFE, Har Ghar Tiranga, Fit India Movement, National Sports Day, Constitution Day, Vigilance Awareness Week, Nasha Mukt Bharat Abhiyan and Energy Conservation Awareness Programmes. Through cleanliness drives, plantation campaigns, painting competitions, public installations, awareness workshops, health camps, blood donation drives and behavioural change initiatives, PFC promoted environmental sustainability, civic responsibility, energy conservation and social awareness among employees and the wider community.

vi. Media and Investor Engagement

The Corporation maintained proactive engagement with media, investors and the financial community through quarterly financial results announcements, press conferences, analyst interactions, brokers' meetings, Annual General Meeting communications and investor awareness campaigns. PFC also undertook extensive communication initiatives relating to its public issue of Non-Convertible Debentures (NCDs), strengthening investor confidence and reinforcing its reputation for transparency, financial discipline and stakeholder responsiveness.

vii. Digital Communication and Brand Amplification

PFC continued to leverage its digital communication platforms to amplify corporate achievements, Government initiatives, policy advocacy, sustainability efforts and stakeholder engagement. Through integrated campaigns across social media and digital platforms, the Corporation enhanced public awareness regarding power sector reforms, clean energy, energy efficiency, financial inclusion, corporate governance, employee engagement and CSR initiatives, thereby strengthening its digital brand presence and stakeholder connect.

viii. Employee Engagement and Internal Brand Building

The Corporation organised several employee-centric initiatives focusing on health and wellness, yoga, preventive healthcare, sports, learning and development, vigilance awareness, cyber security, ethics, official language promotion and professional capacity building. Such programmes strengthened organisational culture, promoted employee well-being and reinforced PFC's identity as a responsible and people-centric organisation.

ix. Recognition and Corporate Reputation

During the year, PFC's sustained financial performance, governance standards and sectoral leadership received significant recognition. The Corporation earned prestigious industry accolades, including recognition as the "Most Admired Infrastructure Debt Financer – Power", while also strengthening its position among India's leading corporates. These recognitions further enhanced PFC's corporate reputation and reaffirmed stakeholder confidence in its strategic direction.

7. Borrowings

i. Borrowings from Domestic Market

During FY2025–26, the Company successfully mobilised ₹70,683.98 crore from the domestic debt market, reflecting continued investor confidence in PFC's strong credit profile and market standing. The borrowings were raised through a diversified mix of instruments, as detailed below:

(₹ in crore)

Source	Amount
Private Placement of Unsecured Taxable Bonds	36,216.00
Term Loan from Banks & FIs	23,350.00
Commercial Paper	9,373.96
Public Issue of Secured Taxable Bonds	600.77
54EC Capital Gain Tax Exemption Bonds	1,143.25
Total	**70,683.98**

Cash Credit/Overdraft Facilities

The Company continued to maintain a proactive approach towards liquidity management by implementing prudent strategies for efficient deployment of fund-based resources. As part of its liquidity risk mitigation framework and to ensure readiness for any short-term funding requirements, the Company secured committed credit facilities from various scheduled commercial banks. As on March 31, 2026, the sanctioned credit lines stood at ₹7,190 crore, providing an additional layer of financial flexibility and liquidity support for day-to-day operations.

LCR Compliance

The Reserve Bank of India (RBI) has prescribed the Liquidity Coverage Ratio (LCR) framework for NBFCs to ensure maintenance of an adequate liquidity buffer. The framework requires NBFCs to hold sufficient High-Quality Liquid Assets (HQLA) to withstand any acute liquidity stress scenario for a period of 30 calendar days.

PFC is maintaining 100% of the required HQLA to cover the net cash outflows over the next 30 calendar days, in accordance with the RBI guidelines on LCR. As on March 31, 2026, the Company's HQLA stood at ₹3,349.05 crore, with an LCR ratio of 148.60%, demonstrating compliance with the applicable regulatory requirements.

ii. External Borrowings

During FY2025–26, your Company mobilised foreign currency denominated borrowings aggregating to ₹9,438.79 crore. The borrowings comprised foreign currency term loans, while no short-term loans in foreign currency were availed during the year.

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 February, 2026 to align with the latest set of guidelines namely Climate Bonds Standard version 4.3, the Green Bond Principles (GBP), 2025 issued by the International Capital Markets Association (ICMA) and the Green Loan Principles published by the Loan Markets Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) in 2025.

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 (₹ 3,786 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 1.841%	EUR 300 million (₹ 3,270 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 utilised to finance renewable energy projects as per the "Eligible Projects" under PFC's Green Bond Framework. As at 31.3.2026, outstanding loan balances of Solar & Wind energy projects funded by PFC are ₹ 22,269 crores & ₹ 14,556 crores respectively. The total capacity of Solar & Wind energy projects funded by PFC and which are outstanding as on 31.3.2026 is 12,310 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, 2026 is as follows:

Source	Amount
KfW	EUR 8,57,23,761*
Credit National	EUR 118,093
ADB	USD 2,100,599

*Includes EUR 58,747,000 disbursed by KFW in FY2022-23, EUR 17,763,829 in FY2023-24 and EUR 32,039,896 in FY2025-26 under Discom Investment Facility (ODA Loan - Without Govt. Guarantee).

8. Domestic and International Credit Rating

Your Company continued to maintain its strong credit standing, with the highest ratings assigned by domestic credit rating agencies and sovereign ratings from international credit rating agencies as on March 31, 2026. These ratings reflect the Company's strong financial position, credit profile, and sound financial management practices. The Company believes that its robust rating profile strengthens its relationship with lenders and enables access to 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)

MOODY'S
Long-Term Rating:
Baa3

FITCH RATINGS
Long-Term Rating:
BBB-

9. 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
- FY2024-25: '*Excellent*' Rating Received
- FY2025-26: Rating Awaited

In FY2025-26, 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	₹ 58,503.73 crore
Loans disbursed to Total Funds Available	99.35 %
Overdue loans to Total Loans	0.14 %
NPA to Total Loans	0.15 %
Cost of raising funds through Bonds as compared to similarly rated CPSEs	(-) 12.44 bps

Additional Details

i. Onboarding on TReDS Platforms:

Sr. No.	Platform Name	Date of Onboarding
1	Receivables Exchange of India Ltd. (RXIL)	29-01-2025
2	M1xchange (Mynd Solutions Pvt. Ltd.)	06-02-2019
3	Invoicemart	18-02-2025
4	C2treds (C2FO Factoring Solutions Pvt. Ltd.)	13-02-2025
5	DTX (KredX Platform Pvt. Ltd.)	26-03-2026

ii. Details of Payments to MSE Vendors (directly or through TReDS) for FY26 as on 31.03.2026:

Sr. No.	Factors	Number of Invoices				
		Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	FY26 Overall
(i)	Total number of invoices in respect to the MSEs available for payment during the period (whether due or not due)	274	345	318	274	1,119
	(a) Opening	18	35	19	38	18
	(b) New receipts	256	310	299	236	1,101
(ii)	Out of above (i), invoices against which payments were done within 45 days	239	326	280	245	1,090
(iii)	Out of above (i), invoices against which payments were done beyond 45 days	0	0	0	0	0
(iv)	Out of above (i), invoices against which payments not done, but 45 days not yet elapsed	35	19	38	29	29
(v)	Out of above (i), invoices against which payments not done, and 45 days elapsed	0	0	0	0	0

The data related to payment to MSEs is regularly updated on Samadhan portal on a monthly basis.

iii. Procurement from MSE Vendors and through GeM During FY2025-26 (PFC Standalone):

Sr. No.	Particulars	Amount (₹ in crore)
1	Total Procurement of Goods & Services (irrespective of availability on GeM or from MSEs)	62.07
2	Procurement of Goods & Services from MSEs	29.91
3	Procurement of Goods & Services from SC/ST-owned MSEs	0.09
4	Procurement of Goods & Services from Women-owned MSEs	11.30
5	Procurement of Goods & Services through GeM	57.58

iv. Cost of Raising Funds through Bonds compared to Similarly Rated CPSEs:

During the financial year 2025-26, PFC had raised funds of ₹ 36,341.77 crore (other than perpetual debt instruments) through listed domestic bonds, at a cost which is 12.44 bps lower than the rates of similarly rated instrument issued by other CPSEs/entities (margin over LSEG - London Stock Exchange Group, erstwhile Reuters).

v. Other details:

Particulars	Amount (₹ in crore)
Outstanding Borrowings as on March 31, 2026	
a. Current	83,691.16
b. non-current	4,14,087.11
Loans disbursed during the financial year	1,65,414.00
Total loans assets(net)	5,74,018.10
Total funds available for loan disbursement in the year	1,66,492.31
Overdue loans as on March 31, 2026	824.28
Net Non-performing assets as on March 31, 2026	874.26

vi. Shortfall in MSE Procurement Targets:

PFC has achieved overall target from MSE vendors alongwith sub-target from Women MSE entrepreneurs. However, in case of SC/ST MSE vendors, the main reason towards not achievement of exact target is non participation form these vendors. To overcome this challenge, special vendor development programme targeting SC/ST MSE vendors were conducted to enhance the participation from these bidders.

vii. Health and Safety Initiatives for Human Resources:

Steps/Initiatives to be taken during FY2025-26	Units	Prescribed Target for FY2025-26	Achievement during FY2025-26
Workshop on Health and Stress Management	Nos.	**2**	2
Awareness Workshop on Yoga	Nos.	**2**	2
Daily Virtual Yoga Session for employees	Sessions	**All working days**	All working days
Visit of Doctors including AYUSH practitioners	Nos. of visits per month	**All working days**	All working days
General Health Checkups and Medical Camps for PFC employees	Sessions	**5**	5

viii. Targets under the PM Internship Scheme of MCA

The Prime Minister Internship Scheme (PMIS) is a Government of India initiative aimed at providing internship opportunities to youth in top companies of India. Targets under the PMIS constitute one of the compliance parameters under the PFC's MoU with Ministry of Power for FY2025-26. Your Company has complied with the applicable provisions and requirements of the PMIS during FY2025-26.

10. Subsidiaries

A. REC Limited

Your Company is the promoter and holding company of **REC**, holding **52.63%** of the paid-up equity share capital of REC. REC is a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

REC's business operations encompass financing across the entire power sector value chain, including generation, transmission, and distribution as well as emerging areas such as renewable energy and sustainable infrastructure. REC also finances to the non-power infrastructure sectors such as roads and highways, railways, airports, ports etc.

During FY2025–26, REC recorded a total income of ₹59,187 crore, compared with ₹55,980 crore in FY2024–25. The Company reported a net profit of ₹16,282 crore during FY2025–26, as against ₹15,713 crore in the previous financial year, reflecting continued growth and strong financial performance.

The Hon'ble Finance Minister, in the Union Budget for FY2026-27 proposed to restructure Power Finance Corporation and REC Limited in order to achieve scale and improve efficiency in the Public Sector NBFCs. The merger process is underway.

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, 2026 are also subsidiaries of PFC:

i. REC Power Development & Consultancy Limited
ii. Chandil Transmission Limited
iii. Dumka Transmission Limited
iv. Mandar Transmission Limited
v. Koderma Transmission Limited
vi. Luhri Power Transmission Limited
vii. Shongtong Power Transmission Limited
viii. Kankani Power Transmission Limited
ix. Tuticorin Power Transmission Limited
x. Mekhali Power Transmission Limited
xi. Sharavathi Power Transmission Limited
xii. Hampapura Power Transmission Limited
xiii. Ryapte Power Transmission Limited
xiv. Robertsganj Power Transmission Limited
xv. Jalna Power Transmission Limited
xvi. Sakoli Power Transmission Limited
xvii. Kempegowda Power Transmission Limited

xviii. Barmer HVDC Power Transmission Limited
xix. WR ER Part A Power Transmission Limited
xx. WR ER Part C Power Transmission Limited
xxi. Balsane Power Transmission Limited
xxii. Ambernath Power Transmission Limited
xxiii. Musalgaon Power Transmission Limited
xxiv. Dholpur Power Transmission Limited
xxv. Jaisalmer Power Transmission Limited
xxvi. Apta Power Transmission Limited
xxvii. Ranipur Chunar Power Transmission Limited
xxviii. Munak Power Transmission Limited
xxix. Vizag Power Transmission Limited

B. PFC Consulting Limited

PFC Consulting Limited (PFCCL) is a wholly owned subsidiary of Power Finance Corporation Limited (PFC) and has established a strong track record of over 15 years in the consulting domain. PFCCL has developed a diversified portfolio of assignments across various segments of the power sector and associated sectors in India.

Over the years, PFCCL has successfully undertaken more than 200 assignments for 85 clients across 25 States/Union Territories of India. Through its extensive experience and wide geographical presence, PFCCL has strengthened its position as a trusted consulting partner, contributing to the development and transformation of the power sector across the country.

Further, during the FY2025-26, performance of PFCCL is as follows:

(₹ in crore)

Particulars	FY2025–26	FY2024–25
Total Income	**216.25**	298.14
Net Worth (as on March 31, 2026)	**316.49**	340.09
Net Profit	**122.80**	183.38

PFC Consulting Limited, a wholly owned subsidiary of your Company is designated by Ministry of Power (MoP) as the 'Bid Process Coordinator' for Independent Transmission Projects.

Subsidiaries for development of ITP'S: As on March 31, 2026, the following subsidiaries of PFCCL are also subsidiaries of PFC:

1. Chhatarpur Transmission Limited
2. Siot Transmission Limited
3. Joda Barbil Transmission Limited
4. Ramkanali B Panagarh Transmission Limited
5. Gola B -Ramgarh B Transmission Limited
6. Bhuj II Transmission Limited
7. Bhadla and Bikaner Complex Transmission Limited
8. Bhuj ICT Transmission Limited
9. Wahipora and Sallar Transmission Limited
10. Kandla Gha Transmission Limited
11. Kakinada I Transmission Limited
12. NES Navi Mumbai Transmission Limited
13. Kurnool IV REZ Power Transmission Limited
14. Raigad Power Transmission Limited
15. Alibag Power Transmission Limited
16. Nergs III Siang Basin Transmission Limited
17. Tumkur II RE Transmission Limited
18. Latur REZ Transmission Limited

C. PFC Infra Finance IFSC Limited (PIFIL)

PFC Infra Finance IFSC Limited (PIFIL) was incorporated on February 11, 2024, as a wholly owned subsidiary of Power Finance Corporation Limited (PFC). Established at Gujarat International Finance Tec-City (GIFT City), Gujarat, PIFIL is the first Government-owned Finance Company in the International Financial Services Centre (IFSC) ecosystem dedicated to financing power and infrastructure projects in India and overseas in foreign currency, as permitted by the International Financial Services Centres Authority (IFSCA).

The IFSC platform provides access to global capital, financial markets, and international expertise, enabling PIFIL to offer innovative and efficient financing solutions to a diverse clientele comprising both public and private sector entities. The Company commenced its lending operations on April 27, 2026, marking a significant milestone in its journey with the successful execution of its first lending transaction.

PIFIL is strategically positioned to play a pivotal role in financing power and infrastructure projects globally, with a strong emphasis on supporting energy transition initiatives and sustainable infrastructure development. Through its operations, PIFIL aims to strengthen PFC's global presence while contributing to the development of GIFT IFSC as a leading international financial hub.

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).

As the Company had ceased business operations and no future business activities were envisaged, the Board approved the proposal for striking off its name from the Register of Companies under the provisions of Sections 248 to 252 of the Companies Act, 2013.

The Registrar of Companies struck off the name of PFC Projects Limited from the Register of Companies with effect from June 01, 2026, and the Company stood dissolved from that date.

E. Other Subsidiaries established for development of UMPP'S:

In view of the country making energy transition from fossil to non-fossil fuel, it was deliberated in MoP to close the UMPPs. MoP vide its letter dated 27.11.2025 accorded approval for the closing down all the UMPP SPVs except Orissa Integrated Power Limited and Coastal Tamil Nadu Power Limited. As on March 31, 2026 following are the subsidiaries established for UMPP:

1. Orissa Integrated Power Limited
2. Coastal Tamil Nadu Power Limited
3. Deoghar Mega Power Limited*
4. Cheyyur Infra Limited*
5. Deoghar Infra Limited*
6. Bihar Infrapower Limited*
7. Bihar Mega Power Limited
8. Jharkhand Infrapower Limited*

*Subsequent to March 31, 2026 Register of Companies struck off the Companies under section 248 to 252 of Companies Act, 2013

11. 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:

1. Liquidity Risk: Monitored using the cash flow approach to assess the timing of cash inflows and outflows.
2. Interest Rate Risk: Measured through traditional gap analysis, as prescribed by the RBI guidelines.

Aforesaid 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

The Company has established a comprehensive "Policy for Management of Risks on Foreign Currency Borrowings" to identify, assess, and mitigate risks arising from foreign currency exposures. In line with this framework, the Company actively manages exchange rate and interest rate risks associated with foreign currency borrowings through appropriate hedging instruments, including forwards, options, and swaps.

As at March 31, 2026, the Company's total outstanding foreign currency liabilities stood at USD equivalent 10,302 million, comprising borrowings denominated in USD 6,332 million, JPY 344,288 million, EUR 1,421 million, and GBP 135 million. Out of the total foreign currency borrowing portfolio 97% is hedged i.e. USD eqv 10,027 mn. Also, 98% of the foreign currency portfolio with residual maturity up to 5 years is hedged.

iii. Information Security Risk Management

Information is an asset to PFC and Information Security (IS) solutions are implemented to protect these assets in order to achieve organisational goals. The purpose of the Information Security (IS) is to provide controlled access to sensitive information only to legitimate, authorised and authenticated users. With the implementation of Information Security & Risk Management mechanism the data Confidentiality, Integrity & Availability (CIA) is ensured through proactive risk assessments such as VAPT activities, Quarterly Risk Register review, regular patching, system updates, policy updates & implementation, SoPs, preventive maintenance activities, regular system reviews etc

iv. Integrated Enterprise Wide Risk Management

To effectively identify, assess, and mitigate risks, the Company has established an Integrated Enterprise-Wide Risk Management Policy (IRM Policy). For the effective implementation and oversight of the policy, the Company has constituted a Risk Management Committee.

Under the IRM Policy, the Company has identified significant risk parameters arising from its business operations, business model, and the use of financial instruments. These parameters encompass a wide spectrum of risks, including operational, financial, market, and regulatory risks, among others. The identified risks are periodically assessed and monitored to ensure timely mitigation and effective risk management.

Further, the Company maintains a comprehensive risk register, which acts as a centralised repository of relevant information pertaining to identified risks, their potential impact, mitigation measures, and ongoing monitoring mechanisms.

12. Catalysing 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 programmes for the power sector including acting as the Nodal Agency for operationalisation and implementation of Revamped Distribution Sector Scheme (RDSS) launched by Govt. of India in July, 2021. PFC was also the designated nodal agency for operationalisation 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 operationalisation 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 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. The implementation period of the Scheme was 5 Years (FY2021-22 to FY2025-26). To ensure achievement of Scheme objectives and to facilitate the completion of remaining scheme components, MoP vide OM dated 16.07.2025 has extended the Sunset date of RDSS Scheme by 02 years upto 31.03.2028.

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 31.03.2026 are tabulated below (amount in ₹ crore):

Project	Approved Cost	GoI Component (GBS)	GoI Grant Disb.^
Metering	56,887	10,435	812
Power Distribution incl. Household electrification	66,231	41,059	14,199
Total	**1,23,118**	**51,494**	**15,011**

^In addition, MoP has also disbursed ₹ 286 crore for other than the Project activities viz. nodal agency fee (₹246 crore), training & capacity building etc.

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

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

Core Activities for RDSS

- Overall facilitation and Programme 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 under RDSS by engaging NPTI. Till Mar, 2026; 860 training programmes were conducted through NPTI, DISCOM institutes and other agencies covering around 24,000 DISCOM personnel.
- MoP has also designated PFC to evaluate additional borrowing proposals for the States (allocated under RDSS) under Additional Borrowing Scheme for FY2025-26 and has recommended additional borrowing proposals of States to MoP.

Supporting Activities for RDSS/allied programmes of GoI/other Concurrent Activities

- 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 ₹18,039 crore and disbursed ₹4,339 crore for LR works under RDSS. To support the RDSS Programme 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 (Sanctioned ₹19,016 crore and Disbursed ₹4,741 crore).
- 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 Programme and more than 1 lakh identified households; 3,400+ public institutions under DA-JGUA Scheme being funded under RDSS.
- Facilitation with DISCOMs for Projects covered under PM-KUSUM; PM-AJAY; PM Surya Ghar Yojana; Border area electrification; left-out household electrification; supply to BSNL Telecom towers in remote areas; monitoring of Ease of Living (EoL) parameters; monitoring with DISCOMs & Oil Marketing Companies (OMCs) to facilitate early release of pending EV charging connections etc.
- PFC has supported 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. KfW for funding under RDSS and FCDO etc. for training & capacity building of DISCOM personnel
- PFC was instrumental in development of Digital Utility Manager (DUM) training programme 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 and is designed to help professionals stay competitive and resilient amidst the evolving energy transition. The programme consists of 16 key modules covering a wide range of topics. The efforts of RDSS Unit was duly recognised by MoP and over 1.50 Lakh learners have been enrolled on the iGOT Portal for the course and over 1 lakh learners have been certified on the module(s). Efforts are underway for deep diving into few modules for the benefit of the professionals.

Impact of RDSS in Power Distribution Sector

The impact of various regulatory as well as corporate governance related reform measures being implemented in the distribution Utilities (*interalia* including RDSS), have shown desired results:

- Positive PAT on accrual basis achieved for the first time at All India level for FY25
- Reduction in Average AT&C loss of distribution utilities in country from 22.3% in FY21 to 15.04% in FY25.
- The ACS-ARR Gap of distribution utilities in country has also reduced from ~₹ 0.90 per unit in FY21 to ₹ 0.06 per unit in FY25.
- Tariff orders are being issued regularly.
- Regular submission of Quarterly accounts by DISCOMs.
- Timely payments of subsidy and Govt. department dues by State Governments have also contributed to reduction of ACS-ARR Gap.
- 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 notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules) for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees. PFC being nodal agency responsible for all the activities related to implementation of the 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. With the implementation of LPS Rules, 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 ₹1,39,077 crore (47 EMIs) upto June 2026 i.e. 99% 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 ₹1,39,077 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, the Distribution companies are paying their current dues in time. Since implementation of the rule, as on June 02, 2026, total bills amounting to ₹18,62,999 crore have been settled against total billed

amount of ₹19,29,855 crore from May 2022 (excluding EMI payments against legacy dues and including disputed invoices).

iii. 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, Facility Management Services (FMS) of the complete system and handover of the System to DISCOMs. PFCCL is undertaking implementation of Smart Metering for about 7.11 lakh consumers in the following States/UTs:

a. 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.

b. UT of Puducherry for about 4.07 lakh consumers under RDSS Scheme of Govt. of India. The project implementation activities are in progress and Operational Go-Live of the project was successfully achieved on 31.3.2026.

c. State of Tamil Nadu for 1.25 lakh consumers under RDSS Scheme of Govt. of India. The project implementation activities would commence shortly

d. UT of Lakshadweep for about 28000 consumers under RDSS Scheme of Govt. of India. DPR for the project has been prepared and is expected to be approved by MoP shortly.

iv. Independent Transmission Projects (ITPs)

Ministry of Power has also initiated Tariff Based Competitive Bidding Process for development and strengthening of Transmission system with an objective to promote competitive procurement of transmission services and encourage private investments in transmission lines.

Ministry of power appoints Bid Process Coordinator (BPC) for transmission projects. The BPC undertakes 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 and bidding process for selection of the developer for the project.

During the FY2025-26, PFC Consulting Limited, being Bid Process Coordinator (BPC) has incorporated 13 SPVs: 8 for inter-state and 5 for intra-state projects.

Further, during the FY2025-26, following SPVs established for development of transmission projects have been transferred to the successful bidders selected through TBCB

1. MEL Power Transmission Limited
2. Raghanesda RE Transmission Limited
3. NER Expansion Transmission Limited
4. Angul Sundargarh Transmission Limited
5. Mandsaur I RE Transmission Limited
6. Vindhyachal Varanasi Transmission Limited
7. KPS III HVDC Transmission Limited
8. Morena I SEZ Transmission Limited
9. SR and ER Power Transmission Limited
10. Saswad Transmission Limited
11. NES Pune East New Transmission Limited
12. NES Dharashiv Transmission Limited
13. Wagdari Transmission Limited
14. South Kalamb Power Transmission Limited

13. 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), India's first institutionally promoted power exchange, provides an innovative, transparent, and credible platform for the development of the Indian power market. PXIL operates a nationwide electronic trading platform that facilitates efficient power trading while enabling simultaneous power transmission clearance, ensuring a transparent, neutral, and seamless market mechanism.

PXIL offers a diverse range of market products, including Day Ahead, Day Ahead Contingency, Any Day, Intra-Day, and Weekly Contracts. In addition, it provides a dedicated trading platform for Renewable Energy Certificates (RECs), thereby supporting the growth of renewable energy markets in the country.

As on March 31, 2026, PFC's investment in the equity share capital of PXIL stood at ₹6.48 crore, compared with ₹5.06 crore as on March 31, 2025.

iii. ENERGY EFFICIENCY SERVICES LIMITED

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009, as a joint venture promoted by Power Grid, NTPC, REC, and PFC, with

each promoter initially holding an equal 25% equity stake. The Company was established to implement and promote energy efficiency projects in India and overseas, supporting the country's transition towards sustainable energy practices.

As on March 31, 2026, the combined shareholding of PFC and its subsidiary, REC Limited, in EESL stood at 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 GoI through offer for sale route. PFC has sold 15,78,62,576 number of equities shares till March 31, 2026. As on March 31, 2026 PFC holds 10,26,79,475 shares of NHPC Limited valued at ₹ 756.95 crore (₹ 73.72 per share). NHPC has reported profit after tax of ₹3617.80 crore for the FY2025-26 as compared to Profit after Tax of ₹3,083.98 crore for FY2024-25. During FY2025-26, the Company received dividend income amounting to ₹19,61,17,797.

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, 2026, PFC holds 1,39,64,530 equity shares of Coal India Limited Valued at ₹ 629.03 crore (₹450.45per share). CIL has reported profit after tax of ₹ 18,863.93 crore for the FY2025-26 as compared to Profit after Tax of ₹ 17,016.56 crore for FY2024-25. During FY2025–26, the Company received dividend income amounting to ₹36,86,63,593.

14. Initiatives for Monitoring Discom's Performance

i. Annual Integrated Rating of Power Distribution Utilities

As part of the power sector reform initiatives, the Ministry of Power has instituted an Integrated Rating Framework to assess the performance of power distribution utilities across the country. 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 Fourteenth Integrated Ratings for FY2024–25, covering 65 power distribution utilities across the country, were released by the Hon'ble Union Minister of Power and Housing & Urban Affairs on January 23, 2026.

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 GoI schemes in the power sector. The Report for FY2024-25 has been published in February 2026.

iii. Categorisation 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 categorisation (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 categorisation policy.

With respect to State Power Distribution entities (including PDs/entities with integrated operations), your Company's categorisation 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 categorisation of Borrowers in the Logistics and Non-Power Infrastructure sector is carried

out considering the strengths and weaknesses of the project.

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

15. Right to Information: Empowering Citizens through Transparent Communication

The **Right to Information Act, 2005 (RTI Act)** provides citizens with a statutory framework to access information held by public authorities, thereby promoting transparency, accountability, and good governance in public administration. The Act reinforces the principles of openness and responsible decision-making by enabling citizens to seek information on matters concerning public authorities, subject to the exemptions prescribed under the Act.

The RTI Act serves as an important instrument for enhancing transparency in the functioning of public authorities, fostering accountability of public officials, and empowering citizens to participate more effectively in the democratic process. It has strengthened public oversight by facilitating informed engagement from citizens, civil society, journalists, and other stakeholders on matters of public interest. The preamble of the RTI Act notes to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority. The information seekers, have, subject to few exceptions, an overriding right under the Act, to get information lying in the possession of the Public Authorities.

PFC has set up an elaborate mechanism to deal with requests received under the RTI Act, 2005. PFC has implemented the RTI Act to provide information to the citizens of India and also to maintain accountability and transparency in the working of the Company. The Company has designated a Public Information Officer (PIO) and a First Appellate Authority-RTI (FAA-RTI) at its registered office for effective implementation of the RTI Act. The relevant information/disclosures are also made available on the official website (www.pfcindia.co.in) of the Company. During the period from April 01, 2025 to March 31, 2026, all 125 applications received under the RTI Act, were duly processed and replied to. PFC has also complied with the requirement of filing of online RTI Quarterly Returns on the portal of Central Information Commission (CIC) during the said period.

Further, in order to strengthen compliance of the provisions of disclosures as contained in Section 4 of the RTI Act, 2005, Department of Personnel & Training (DoPT) vide its OM No. 1/6/2011-IR dated 15.04.2013 issued guidelines on the following:-

(i) Suo moto disclosure of more items under Section 4;

(ii) Guidelines for digital publication of proactive disclosure under Section 4;

(iii) Guidelines for certain clauses of Section 4(1)(b) to make disclosure more effective;

(iv) Compliance mechanism for suo-moto disclosure (proactive disclosure) under RTI Act, 2005.

In compliance of the aforesaid Guidelines, PFC has placed the requisite information on the website of the Company.

Besides the above, PFC is also linked with the online RTI Portal of Govt. of India, Department of Personnel & Training (https://rtionline.gov.in), which enables citizens of India, to file RTI applications/first appeals online along with payment gateway. Payment can be made through internet banking of SBI & its associate banks, debit/credit cards of Master/Visa and RuPay cards.

16. 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.

17. Investing in our People: Training & Development

PFC regards sustained investment in the capabilities of its people as fundamental to the achievement of its strategic objectives and to retaining its competitive edge. During FY2025-26, the emphasis remained on customised, need-based programmes designed to build specific competencies aligned with corporate priorities.

Functional and Domain-Specific Programmes

In-house programmes spanned a wide spectrum of functional areas, including Financial Derivatives (Swaps and Bond Forwards); Anti-Money Laundering (AML), Know Your Customer (KYC) and Combating the Financing of Terrorism (CFT); the application of Artificial Intelligence and emerging technologies for Preventive Vigilance; the evolving regulatory landscape for PSUs; the Conduct, Discipline & Appeal (CDA) Rules of PFC; Record Management; Advanced MS Excel and MS Word; Reservation Guidelines (SC/ST/OBC); and Communication Skills, besides an orientation programme for new recruits. A field visit to the NTAMC GIS facility at Manesar offered employees first-hand exposure to advanced grid-management infrastructure.

External Programmes

Complementing these efforts, employees were sponsored to external programmes on the Foreign Exchange Market, Risk-Based Internal Audit, Financial Modelling for Project Finance, Cyber Security, Business Responsibility and Sustainability Reporting (BRSR) and public procurement through the GeM Portal, along with other need-based interventions.

Behavioural and Well-being Initiatives

Recognising that well-being and teamwork are integral to sustained performance, PFC organised an Outbound Experiential Learning Programme together with a team-building visit to the Tehri Dam, observed International Yoga Day, and conducted workshops on Stress Management and Lifestyle Disease Management.

Statutory and Compliance-Oriented Training

An Awareness Workshop on the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 was held, along with a dedicated session for members of the Internal Committee. Training on Fire & Disaster Management and Internal Auditor training on the ISO 9001:2015 and ISO 45001:2018 standards were also imparted.

Induction and Industry Exposure

All fresh recruits of PFC attended the Foundation Course of the National Power Training Institute (NPTI), covering the Basics of the Power Sector, Renewables & Solar Energy, Government Schemes, Energy Transition, Energy Conservation & Energy Efficiency, SCADA and Project Appraisal, among other subjects. Employees were further encouraged to participate in sectoral conferences such as the India Power and Renewable Conference and the Net Zero Power Summit, promoting continuous learning and exposure to industry developments.

Leadership Development

With a view to strengthening the leadership pipeline, a General Management Programme was organised for employees due for promotion, equipping them for higher responsibilities, while senior executives were nominated to mandatory Leadership Development Programmes at the Indian Institute of Management, Calcutta.

Training Performance during the Year

As of March 31, 2026, Twenty Six (26) in-house training programmes were organised for employees, and a total of 2,377 training man-days was achieved through in-house programmes and programmes conducted by external training agencies.

18. Employee Engagement 2025-26

a) PFC celebrated National Sports Day with great enthusiasm and active participation from employees. The event began with the Fit India Pledge, reaffirming PFC's commitment to promoting health, fitness and overall well-being.

To add energy and enjoyment to the occasion, a range of activities were organized for both men and women across various age groups. The events were lively, engaging and filled with team spirit, bringing employees together in the true spirit of sportsmanship. At PFC, we believe that physical fitness forms the foundation for personal well-being and collective excellence, and this celebration truly reflected that ethos.

b) Inter CPSU sports competition details - 125 employees participated in PSCB sports like Athletics, Badminton, Bridge, Carrom, Chess, Cricket, Football etc. during FY2025-26.

c) During FY2025-26, PFC organized 29th Inter CPSU Bridge Tournament under the aegis of Power Sports Control Board (PSCB).

d) PFC celebrated its Foundation Day for its employees & their family member on July 16, 2025 at Bharat Mandapam, New Delhi.

e) Celebration of various days like Rashtriya Ekta Diwas Celebration, 150 years of Vande Mataram, Celebration of Constitution Day.

f) Every year, PFC celebrates various occasions such as festival of Diwali, New Year etc. to encourage a feeling of togetherness among the employees.

19. Employee Well-being

Health camps: PFC continued its focus on employee well-being through a series of health camps conducted in collaboration with leading healthcare institutions, such as:

- Health Check-up Camps, workshop etc. were organized offering a range of diagnostic services including ECG, PFT, BP and sugar tests, along with dental screening and gynaecologist consultations.
- Voluntary Blood Donation Camp was organized wherein employees participated wholeheartedly for the noble cause.
- Panel Discussion organized on Women Health (with special focus on cancer)

Talent Management: Your Company remains committed to building a future-ready workforce through continuous learning, leadership development and employee engagement. The talent management strategy is designed to attract, develop and retain high-caliber professionals capable of supporting the Corporation's evolving business requirements and long-term growth objectives.

During FY2025-26, the Company continued to attract talented professionals from reputed institutions and professional bodies, thereby strengthening its human capital base. A total of 31 executives joined the organisation during the year. Structured onboarding and induction initiatives were conducted to facilitate seamless integration of new employees into the organisation. These programmes provided participants with insights into the Company's business operations, policies, processes and strategic priorities.

The Company accorded significant importance to capability building and professional development. Employees were encouraged to enhance their functional, managerial and leadership competencies through a diverse range of learning and development interventions. The Company's E-Learning Scheme continued to provide employees with access to self-paced learning opportunities through reputed digital learning platforms. Leadership development initiatives and competency enhancement programmes were undertaken across various levels of the organisation to strengthen managerial effectiveness, build future leadership capabilities and support career growth.

Recognising the importance of employee experience in organisational success, the Company continued to undertake employee engagement surveys and feedback assessments to understand employee perspectives and strengthen organisational effectiveness.

The effectiveness of the Company's people practices is reflected in its strong employee retention and positive work environment. During FY2025-26, the Company recorded a low voluntary attrition rate of 1.1%, demonstrating its ability to attract, engage and retain talent. Industrial relations remained cordial and harmonious throughout the year, underscoring the dedication of employees and the Company's continued focus on maintaining a constructive and inclusive workplace culture.

20. 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 as under as on March 31, 2026:

i. Status of Reservation of Posts for various categories

Group	Total Employees as on March 31, 2026	SC	SC%	ST	ST%	OBC	OBC%	EWS	EWS%
A	539	94	17%	36	6.67%	115	21%	11	2%
B	4	0	0	1	25%	1	25%	0	0
C	9	1	11%	1	11%	2	22%	0	0
D	0	0	0	0	0	0	0	0	0
Total	**552**	**95**	**17%**	**38**	**6.88%**	**118**	**21%**	**11**	**1.99%**

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/ESM/PwD 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.

ii. Representation of Women Employees

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 Government of India philosophy on the subject. The Women represents 21.92% of the total work force.

Group	Total Employees as on March 31, 2026	Number of Women Employees	Percentage of overall staff strength
A	539	119	22%
B	4	1	25%
C	9	1	11%
D	0	0	0
Total	**552**	**121**	**21.92%**

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

The company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) 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 FY2025-26	Nos.
Number of complaints of sexual harassment received in the year	Nil
Number of complaints disposed off during the year	Nil
Number of cases pending for more than ninety days	Nil

21. Corporate Vigilance: A Foundation of Trust

During the FY2025-26, the Vigilance Unit of Power Finance Corporation Limited continued to play a significant role in promoting integrity, transparency, accountability, and ethical governance across the Corporation. The Unit remained focused on strengthening preventive vigilance mechanisms, enhancing systemic improvements, and ensuring adherence to the guidelines issued by the Central Vigilance Commission (CVC).

As part of its preventive vigilance initiatives, the Vigilance Unit conducted regular and surprise inspections across various departments and operational areas of the Corporation. Based on observations and findings, suitable advisories, operational guidelines, and system improvement measures were issued with a view to streamlining procedures, minimising operational vulnerabilities, and reinforcing transparency and efficiency in organisational processes.

The Corporation observed Vigilance Awareness Week (VAW) 2025 from October 27, 2025 to November 02, 2025, in accordance with the directives of the Central Vigilance Commission. The theme for the year, "Vigilance: Our Shared Responsibility", was widely disseminated across the organisation through display banners, digital communication platforms, and awareness initiatives. The observance was aligned with the nationwide campaign launched by the CVC for promoting ethical governance and integrity in public administration. To encourage wider participation and awareness, the Integrity Pledge (e-Pledge) facility was prominently hosted on the Corporation's intranet and official website. Extensive awareness outreach was also undertaken through social media platforms including Facebook, X (formerly Twitter), and Instagram.

During the Vigilance Awareness Week, the Vigilance Unit organized various employee engagement activities such as slogan writing, poetry writing, and pictorial competitions on vigilance and integrity-related themes. These activities witnessed enthusiastic participation from employees at the Corporate Office as well as Regional Offices and helped foster awareness regarding ethical conduct, transparency, and good governance practices.

As a part of the observance, a Borrower Grievance Redressal Portal was also launched as a new initiative aimed at enhancing transparency, accountability, responsiveness, and ease of communication with stakeholders. The Vigilance Unit also undertook detailed examination and investigation of complaints received during the year and ensured appropriate follow-up action in accordance with the prescribed procedures and vigilance guidelines. In continuation of the broader three-month Vigilance Awareness Campaign undertaken in line with the CVC's preventive vigilance initiatives, various sensitisation and capacity-building programmes were organized for employees and stakeholders.

During the FY and VAW following capacity building programmes were organised:

- One day Seminar on issues related to "Investigation and Reporting" was organised for CVOs of the Power Sector.
- One day workshop on the topic of "Conduct, Discipline and Appeal Rules of PFC" was organised for newly recruited employees.
- One day workshop on the topic of "Cyber Hygiene, Awareness and Detecting & Mitigating Digital Financial Frauds through Advanced AI-Driven Countermeasures" was organised for the employees.
- Workshop on the topic of "Understanding Vigilance Angle" was organised for all the level of employees.
- A knowledge sharing session on "Awareness on fraud risk management policy in PFC and Borrower Loan Accounting System and its applications".
- Workshop on "Conduct, Discipline and Appeal Rules of PFC and filling of Annual Property Return".

In addition, outreach and interaction sessions were conducted with vendors of PFC and PFC Consulting Limited (PFCCL) with the objective of promoting ethical business practices, transparency, and vigilance awareness among external stakeholders.

In compliance with the guidelines of the Central Vigilance Commission, sensitive posts within the Corporation were periodically reviewed and officers occupying such positions were rotated to promote objectivity and mitigate vigilance risks. Further, Agreed Lists and Lists of Officers of Doubtful Integrity (ODI) for the year 2025 were prepared in consultation with the Central Bureau of Investigation (CBI) for the Corporate Office at Delhi and Regional Offices at Mumbai and Chennai.

The Vigilance Unit also ensured timely submission of prescribed periodical/statistical returns and reports to the Central Vigilance Commission, Central Bureau of Investigation, and Ministry of Power within the stipulated timelines.

The Vigilance Unit continued to work proactively towards systemic improvements and strengthening of internal controls with a view to enhancing transparency, objectivity, accountability, and efficiency in the Corporation's functioning, thereby contributing to robust corporate governance and organisational excellence.

22. Implememtation of Official Language

PFC accords the highest priority to the promotion and progressive use of Official Language Hindi in its official functioning and remains committed to the effective implementation of the Official Language Policy of the Government of India. In recognition of its exemplary performance, PFC was conferred the First Prize for the best implementation of the Official Language Policy for the period October 01, 2024 to March 31, 2025. This recognition reflects the Corporation's sustained commitment towards promoting the use of Hindi in its official work.

Continuing its tradition, the Corporation celebrated Hindi Day on September 14, 2025, and observed Hindi Month from September 14, 2025 to October 13, 2025. During the celebration period, the Corporation organized five competitions, one workshop, and one seminar/ conference to encourage employees to enhance and expand the use of Hindi in their day-to-day official work.

During the year, various important programmes and activities were organized by the Corporation for promotion and implementation of Official Language Hindi. The Drafting and Evidence Sub-Committee of the Honourable Parliamentary Committee on Official Language organized a discussion programme with the Chairpersons of the Town Official Language Implementation Committees (TOLICs) of Delhi, Faridabad, Aligarh and surrounding areas and some of their member offices. Further, a meeting of the Hindi Advisory Committee of the Ministry of Power was held during the period.

During the year, inspections regarding implementation of Official Language in the Corporation were carried out by the Ministry of Power at PFC's Regional Office (West), Mumbai, Regional Office (South), Chennai and PFC Headquarters. In addition, the Second Sub-Committee of the Parliamentary Committee on Official Language also conducted an inspection of PFC Headquarters regarding implementation of Official Language in the Corporation.

To promote the use of Hindi, a "Prashasanik Shabd Antakshari Pratiyogita" was organized under the aegis of NARAKAAS in which officers from 16 member offices participated. Apart from this, employees of the Corporation won prizes in various competitions organized by TOLIC (Undertaking-1), Delhi, which brought further recognition to the Corporation in the field of Official Language implementation.

A Hindi workshop was organized with a view to developing interest and knowledge in Hindi language among the children of the Corporation's employees, in which a total of 60 children participated. To motivate the Corporation's employees towards Hindi, the book "Raag Bhopali" written by renowned author Shri Sharad Joshi was distributed to all the employees. All these efforts acted as motivational tools for creating possibilities of progressive use of Official Language Hindi in the Corporation.

23. 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) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. 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 FY2025-26 by the Office of the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY2025-26 and have given their report without any qualification, reservation or adverse remark or disclaimer. The copy of the audit report is annexed herewith.

ii. Secretarial Auditor:

Your Company had engaged T. Chatterjee & Associates, Company Secretaries as Secretarial Auditors for FY2025-26. Secretarial Audit Report is annexed herewith.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY2025-26 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.

25. Streamlining Governance through Technology

Power Finance Corporation Limited (PFC) continues to leverage technology to strengthen its corporate governance framework by enhancing efficiency, transparency, security and stakeholder engagement. The Company has adopted digital platforms and technology-enabled processes to facilitate seamless governance, including electronic dissemination of statutory communications, digital record management, virtual meetings of the Board and its Committees, electronic approvals, and secure information sharing. These initiatives have improved operational efficiency while ensuring compliance with the applicable regulatory framework. Our initiatives have focused on secure digital record-keeping, virtual collaboration tools for board and committee meetings etc.

In line with the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI from time to time, the Company dispatches the Notice of the Annual General Meeting (AGM), Annual Report and other shareholder communications through electronic mode to the Members whose e-mail addresses are registered with the Company or their Depository Participants/Registrar and Share Transfer Agent (RTA). This initiative supports the Government's 'Green Initiative' by promoting paperless communication and sustainable business practices.

Further, pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and the applicable SEBI Regulations, the Company provides remote e-voting and e-voting during the AGM to enable Members to exercise their voting rights electronically on all resolutions placed before them. The AGM is conducted through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), enabling wider shareholder participation without requiring physical presence. Detailed instructions relating to electronic voting and participation in the AGM are provided in the Notice of the AGM.

26. Statutory Disclosures

i. Deposits

Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY2025-26 and the Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines. An amount of ₹ 475 crore was raised through PDI during FY2025-26.

The outstanding balance of PDI is ₹575 Crore as on March 31, 2026. The Interest payment on PDI has been made on time on the due date.

As on March 31, 2026, the PDI to Tier-1 capital is 0.60% 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 FY2025-26.

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 familiarisation 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 the last three years, no Presidential Directives were issued to the Company.

However, during FY2026–27, the Ministry of Power, vide its letter dated June 10, 2026, conveyed the approval of the Hon'ble President of India for the proposal to merge REC Limited into PFC, pursuant to the decision of the Board of Directors to reserve the merger proposal for the approval of the Hon'ble President of India.

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.12 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 FY2025-26.

ix. Cost accounts and records

The Central Government has not prescribed the maintenance of cost records for the Company's products/services under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended. Accordingly, the Company is not required to maintain cost accounts and records.

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 FY2025-26, five Independent Directors were appointed on the Board of PFC during the first quarter of 2025.

Further, in the first quarter of FY2026-27 three Independent Directors viz; Smt. Usha Sajeev Nair, Shri Prasanna Tantri and Shri Naresh Dhanrajbhai Kella on completion of their tenures ceased to be Directors on the Board of PFC w.e.f. April 17, 2026.

Shri Bhaskar Bhattacharya tendered his resignation from the position of Independent Director of the Company w.e.f. April 01, 2026 due to his proposed candidature in the West Bengal Assembly election so as to avoid any potential conflict of interest.

xiii. Conservation of Energy and Technology Absorption

As a financial institution, the Company does not undertake any manufacturing activity and, therefore, the provisions relating to conservation of energy and technology absorption are not directly applicable. Nevertheless, the Company continues to adopt energy-efficient practices, digital technologies and green initiatives in its operations and actively supports the financing of renewable energy and sustainable infrastructure projects, thereby contributing to the nation's clean energy transition.

xiv. Foreign exchange earnings and outgo

The Foreign exchange outgo for the FY2025-26 aggregated to ₹ 13,620.62 crore. The payments are majorly for the purpose of servicing principal and interest component of foreign currency borrowings and travelling expenses. The Foreign exchange earnings for the FY2025-26 were nil.

xv. Total expenditure for the FY2025-26 amounted to ₹ 33,767.16 crore as against total expenditure of ₹ 31,955.39 crore in FY2024-25. Out of it, finance cost amounted to ₹ 33,176.92 crore in FY2025-26 as compared to ₹ 30,511.94 crore in FY2024-25. This constituted 98.25 % of total expenses in FY2025-26. During FY2025-26, employee benefit expenses and other expenses were ₹ 280.42 crore and ₹ 162.98 crore respectively against ₹ 266.18 crore and ₹ 165.08 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, 2026 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 FY2024-25 is available on the link https://www.pfcindia.co.in/en/pages/investors/annual-return and for FY2025-26 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.

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 48.20 % of the total annual procurement value, against the mandate of 25 % set by Ministry of Micro, Small and Medium Enterprises, Government of India. During the year, 386 MSEs were benefited out of which 09 MSEs belonged to SC/ST category and 69 MSEs were owned by women.

PFC is also registered on all five Trade Receivables Discounting System (TReDS) platform (i.e. Receivables Exchange of India Ltd. (RXIL), M1xchange, Invoicemart C2FO) and DTX of CReDX 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 2 vendor development programmes in co-ordination with Ministry of Micro, Small and Medium Enterprises, Government of India to encourage participation of Micro and Small Enterprises.

The details of the procurements made from Micro, Small and Medium Enterprises (MSMEs) during the FY2025-26 and the targets for FY2026-27 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:

Details of Procurement from MSEs (Micro, Small and Medium Enterprises Development Act, 2006):

Sr. No.	Particulars	FY2025-26 (₹ in crore)	Target for FY2026-27 (₹ in crore)
I.	Total annual procurement (in value)	**62.07**	68.28
II.	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	**29.91**	17.07
III.	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	**0.085**	2.74
IV.	Percentage of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	**48.20%**	25%
V.	Percentage of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	**0.14%**	4%
VI.	Total number of vendor development programmes for MSEs	**02**	02
VII.	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same		https://pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Public_Procurement_Policy_for_MSME/Procurement%20Target.pdf

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.

27. Information Technology Initiatives

PFC is dedicated to delivering strategic advantage by fostering creative and innovative use of technology to achieve the Corporation's objectives. PFC is committed to streamlining operations to improve efficiency and optimise resource utilization. PFC's IT Unit promotes effective stewardship of information access and provides a secure, reliable technology infrastructure and quality user services and support to meet the ever-changing business needs. PFC continuously works on improving the existing system while evaluating the industry standard of the technology and tries to adopt the same in the organisation to carry out & support the business operations in the best possible manner. Accordingly, PFC has undertaken several Information Technology (IT) initiatives.

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.

IT Strategy Committee (ITSC):

As per the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, a Board Level ITSC headed by an Independent Director, has been constituted in PFC to ensure that the IT Strategy aligns with the overall strategy of the organisation towards accomplishment of its business objectives. ITSC has been meeting and deliberating on the strategic IT aspects such as IT Governance, IT Capacity planning, Cybersecurity, Business Continuity etc.

IT Steering Committee:

In line with the Reserve Bank of India's Master Directions for NBFCs, the IT Steering Committee comprising members at senior management level from IT and business functions 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.

Chief Information Security Officer (CISO):

A dedicated CISO office has been set up to ensure rigorous monitoring and enforcement of information security compliance. CISO is driving cyber 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 cyber/ information security for development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed.

Information Security & Risk Management:

Information is an asset to PFC and Information Security (IS) solutions are implemented to protect these assets in order to achieve organisational goals. The purpose of the Information Security (IS) is to provide controlled access to sensitive information only to legitimate, authorised and authenticated users. With the implementation of Information Security & Risk Management mechanism the data Confidentiality, Integrity & Availability (CIA) is ensured through proactive risk assessments such as VAPT activities, Quarterly Risk Register review, regular patching, system updates, policy updates & implementation, SoPs, preventive maintenance activities, regular system reviews etc.

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 streamlining file processing, conducting paperless digital board meetings through BoardPac, and enhancing paperless work are among the initiatives undertaken by PFC to improve organisational efficiency through technological utilization.

Digital Transformation & ERP Implementation:

PFC is using host of software applications operating in an integrated environment. Further, PFC has taken up initiatives for a complete digital transformation as per the laid down IT roadmap to adopt state-of-the-art technology which can ensure PFC to adopt the industry best practices & standards. As part of this, PFC is in the process of upgrading to a "Comprehensive Single Stack ERP platform" to ensure end-to-end integration and digitisation of the processes and services.

IT Application Augmentation:

i) Implementation of Borrower Grievance Portal – an online workflow based system designed to efficiently monitor and ensure faster resolution of Borrower grievances.

ii) Implementation of Early Warning Signal (EWS) platform for enablement of timely risk mitigation actions, helping safeguard asset quality and reduce credit losses.

iii) Implementation of Borrower KYC Module and screening of Sanction list as per the regulatory compliance requirements.

PFC Website:

The bi-lingual PFC website is maintained with up-to-date information as per "Guidelines for Indian Government Websites". PFC's Website is face-uplifted to provide more comprehensive information to meet the needs of external stakeholders.

Business Continuity & Disaster Recovery:

A Disaster Recovery (DR) site has been established on a cloud platform, replicating the existing data centre setup in a different seismic zone to seamlessly continue its business operations in the event of a disaster. Further, PFC conducts Disaster Recovery (DR) drills to ensure organisational 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 organisation's ability to respond swiftly and efficiently during critical situations. This proactive approach reinforces PFC's commitment to business continuity and operational resilience.

28. Establishment of Vigil Mechanism

The Company has established a robust vigil mechanism to promote the highest standards of ethical conduct, transparency, accountability, and good corporate governance. The framework is supported by a comprehensive set of policies and codes, including the 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, and other governance policies, as applicable.

These policies provide a structured framework for ensuring compliance with applicable laws and regulations, promoting ethical business practices, and facilitating the reporting and resolution of concerns relating to misconduct, fraud, or unethical behaviour.

The details of the vigil mechanism and the related policies are available on the Corporation's website.

29. Grievance Redressal

The Company has established a robust Public Grievance Redressal Mechanism to facilitate the prompt and effective resolution of grievances received from the public. The grievance redressal system is supported by designated Nodal Officers who monitor and ensure timely disposal of grievances within the prescribed timelines.

The status of public grievances is available in the public domain through the Corporation's web portal, enabling transparency and easy access to grievance-related information. The relevant link is provided below:

https://cms.pfcindia.co.in/media/documents/PFC_Category_wise_report_CPGRAMS_01_04_25_to_31_12_25_TRjwP4D.pdf

To further strengthen transparency, accountability, and service delivery, the Company has also adopted a Citizen's Charter, which outlines its commitment to stakeholders and the standards of service it strives to maintain. The Citizen's Charter is available on the Corporation's website for the convenience of stakeholders.

30. 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

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

The Board of Directors further wish to convey their heartfelt thanks to the shareholders, investors, clients, and customers for their steadfast trust and support. The Board also places on record its sincere appreciation for the unwavering commitment, dedication and invaluable contributions of all members of the PFC family, whose collective efforts have enabled the Company to sustain its growth and continue creating long-term value for its stakeholders.

For and on behalf of the Board of Directors



(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Place: New Delhi
Dated: 07.08.2026

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 2025-26.

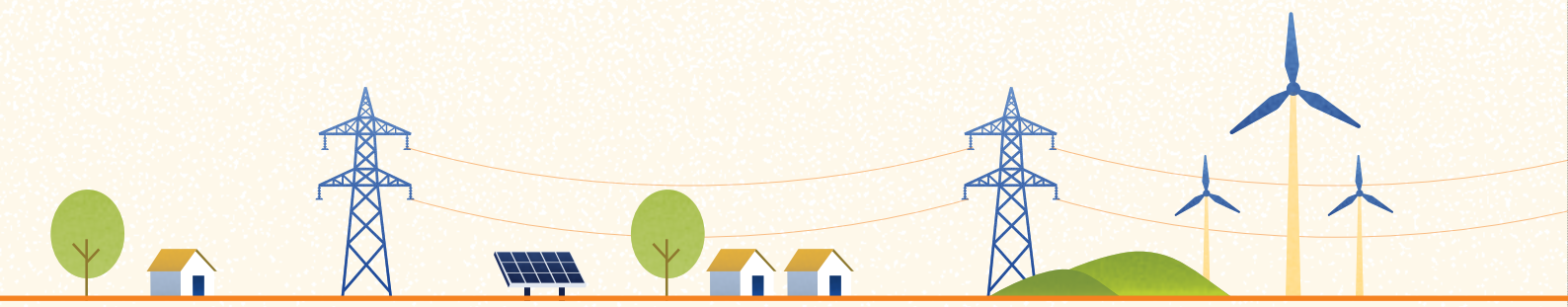
(A) INDUSTRY STRUCTURE AND DEVELOPMENT

India remained one of the fastest-growing major economies during FY 2025-26, supported by sustained public capital expenditure, improving industrial activity, infrastructure development and increasing electricity demand. Against this backdrop, the Indian power sector continued its growth trajectory during FY 2025–26, supported by sustained investments in generation capacity, transmission infrastructure, distribution reforms, and renewable energy development. The sector remains a key enabler of India's economic growth, with increasing electricity demand driven by industrial expansion, urbanisation, digitalisation, and the transition towards cleaner sources of energy. Renewable energy has emerged as a major contributor to the country's installed power capacity, reflecting India's commitment to achieving its clean energy and net-zero objectives. Continued capacity additions in solar, wind, hydro, and energy storage systems, along with the modernisation of the national transmission network, have strengthened grid reliability and facilitated greater integration of renewable energy into the power system. Simultaneously, the implementation of smart metering, advanced digital technologies, and distribution sector reforms has enhanced operational efficiency, improved billing and collection mechanisms, and strengthened the financial sustainability of power utilities.

The Government of India's continued emphasis on universal access to electricity, expansion of transmission infrastructure, energy efficiency initiatives, Green Energy Corridors, and the Revamped Distribution Sector Scheme (RDSS) has created significant investment opportunities across the power value chain. These policy initiatives, coupled with the growing focus on battery energy storage systems, green hydrogen, electric mobility, and smart grid technologies, are expected to drive long-term capital expenditure in the sector.

These developments present substantial opportunities to support investments across generation, renewable energy, transmission, distribution, energy storage, and emerging clean energy technologies. The increasing participation of private sector developers, public sector utilities, and state-owned entities in large-scale infrastructure projects is expected to sustain strong demand for long-term project financing, refinancing, and innovative financial solutions. The Indian power sector is well positioned for sustained growth, supported by stable policy initiatives, increasing private investments, technological advancements, and rising electricity demand. The continued transition towards a resilient, low-carbon, and digitally enabled power ecosystem is expected to strengthen the sector's investment potential and reinforce its critical role in achieving India's long-term economic and energy security objectives. As a leading infrastructure financing institution, the Company remains well positioned to capitalise on these opportunities by providing timely, innovative, and sustainable financing solutions that support the country's energy transition and infrastructure development.

Key schemes and initiatives undertaken by the Government of India include:



Key Industry drivers

(i) Renewable Energy Expansion

The **PM Surya Ghar: Muft Bijli Yojana (PM Surya Ghar)**, launched by the Ministry of New and Renewable Energy (MNRE) in February 2024, is a flagship initiative aimed at accelerating the adoption of rooftop solar systems across the residential sector. The scheme targets the installation of rooftop solar systems in one crore households by FY 2026–27, supporting India's clean energy transition while promoting energy access, consumer savings, and distributed renewable energy generation.

The demand-driven scheme is available to all residential consumers with grid-connected electricity connections through a dedicated National Portal, providing a fully digital and transparent application process. To accelerate implementation, the Government has introduced several consumer-friendly reforms, including a fully online approval process, waiver of technical feasibility requirements for eligible consumers, automatic load enhancement up to 10 kW, and integration of net metering agreements within the application workflow. These measures have significantly simplified project execution and enhanced consumer participation.

PM-KUSUM continues to play a significant role in promoting decentralised renewable energy generation and enhancing energy security in the agricultural sector. The demand-driven scheme supports the deployment of solar power plants and solar-powered irrigation systems, reducing dependence on conventional energy sources, lowering irrigation costs for farmers, and advancing India's renewable energy and climate goals. The scheme has benefited approximately 21.77 lakh farmers across the country by providing reliable, clean, and affordable energy for agricultural applications.

The continued expansion of PM-KUSUM is expected to drive investments in decentralised solar infrastructure, rural distribution networks, and agricultural energy systems. The scheme also presents significant financing opportunities for infrastructure finance institutions through funding of distributed renewable energy projects, solar pump installations, and associated rural energy infrastructure, while contributing to sustainable agricultural development and India's broader clean energy transition.

★ **1 crore**
households targeted for rooftop solar installations by FY 2026–27

★ **21.77 lakh**
farmers benefited from reliable, clean and affordable energy for agricultural applications



The National Green Hydrogen Mission (NGHM), launched by the Government of India, is a strategic initiative aimed at establishing India as a global hub for the production, utilisation, and export of green hydrogen and its derivatives. The Mission supports the country's long-term decarbonisation objectives and seeks to develop a competitive green hydrogen ecosystem by leveraging India's expanding renewable energy capacity. India has set an ambitious target of achieving 5 million metric tonnes (MMT) of annual green hydrogen production capacity by 2030, positioning the sector as a key pillar of the country's clean energy transition.

The National Green Hydrogen Mission is expected to catalyse substantial investments across the renewable energy, electrolyser manufacturing, storage, transportation, and industrial decarbonisation value chains. As large-scale commercial projects are developed, the Mission is likely to generate significant demand for long-term project financing and infrastructure investment, creating new growth opportunities for infrastructure financing institutions while supporting India's transition to a low-carbon and energy-secure economy.

Indian Carbon Market- Carbon Credit Trading Scheme (CCTS): The Ministry of Power has operationalised the Indian Carbon Market through the Carbon Credit Trading Scheme (CCTS), creating a framework to incentivize greenhouse gas emission reductions and promote low-carbon investments. The scheme comprises both compliance and voluntary offset mechanisms, enabling industries to meet emission intensity targets while fostering the generation and trading of carbon credits. This initiative is expected to accelerate India's transition to a low-carbon economy, strengthen climate action, and support the development of a robust domestic carbon market.

India targets 500 GW of non-fossil fuel power capacity by 2030, making Battery Energy Storage Systems (BESS) essential for integrating renewable energy and ensuring reliable electricity supply. The National Electricity Plan 2023 estimates a requirement of 208 GWh of BESS by 2030. To promote energy storage, the government has introduced policy reforms, financing support, market mechanisms, Viability Gap Funding (VGF) schemes for about 43 GWh of BESS, and a ₹18,100 crore PLI scheme for battery manufacturing. Currently, India has 798 MWh of operational BESS capacity and 35.8 GWh under construction, supporting the country's clean energy transition and grid reliability goals.

Pump Storage Projects (PSP): India has an estimated pumped storage potential of about 258 GW, of which nearly 7 GW has been developed so far. To support the growing integration of renewable energy and enhance grid stability, the Government has set a target of adding 57 GW of pumped storage capacity by 2031-32. Of this, around 12 GW is under construction, while the remaining capacity is at various stages of development.

5 MMT
annual green hydrogen production capacity targeted by 2030



(ii) Transmission Infrastructure

- Green Energy Corridors & Inter-State Transmission System (ISTS): The Government of India continues to strengthen the national transmission network through the expansion of the Green Energy Corridors (GEC) and the Inter-State Transmission System (ISTS) to facilitate the large-scale integration of renewable energy into the national grid. These initiatives are critical to achieving the country's target of over 500 GW of non-fossil fuel-based installed electricity capacity by 2030, while creating a robust transmission framework capable of supporting approximately 600 GW of renewable energy capacity by 2032.

  The continued development of transmission infrastructure is expected to unlock substantial investment opportunities across the power sector by facilitating renewable energy integration, reducing transmission constraints, and improving the resilience of the national grid. For infrastructure financing institutions, the expansion of GEC and ISTS is expected to generate sustained demand for long-term financing of transmission projects, grid modernisation initiatives, renewable energy evacuation systems, and associated power infrastructure, supporting India's transition to a secure, reliable, and low-carbon energy ecosystem.

(iii) Distribution Reforms

- Revamped Distribution Sector Scheme (RDSS) & Smart Metering:

  The Revamped Distribution Sector Scheme (RDSS), launched by the Government of India in 2021, continues to be one of the most significant reform initiatives aimed at improving the operational efficiency, financial sustainability and service quality of power distribution utilities (DISCOMs). The scheme seeks to modernise the distribution network through infrastructure strengthening, digitalisation and smart metering, while improving the financial health of DISCOMs by reducing Aggregate Technical & Commercial (AT&C) losses and bridging the gap between the Average Cost of Supply (ACS) and Average Revenue Realised (ARR).

Key RDSS Highlights

Particulars	Status
Total Projects Sanctioned	₹2.83 lakh crore
Distribution Infrastructure & Loss Reduction Works	₹1.53 lakh crore
Smart Metering Projects	₹1.31 lakh crore
Smart Meters Sanctioned	20.33 crore
Smart Meters Installed under RDSS	4.69 crore
Total Smart Meters Installed across Government Programmes	6.13 crore
National AT&C Losses	Reduced from 22.3% (FY 2020-21) to 15.04% (FY 2024-25)
Billing Efficiency	Improved from 84.08% to 87.59%
Collection Efficiency	Improved from 92.90% to 97.00%
Key Objectives	Reduce AT&C losses to 12–15%; eliminate ACS-ARR gap

The scheme encompasses comprehensive distribution reforms, including network modernisation, feeder segregation, High Voltage Distribution Systems (HVDS), Supervisory Control and Data Acquisition (SCADA), Distribution Management Systems (DMS) and large-scale deployment of Advanced Metering Infrastructure (AMI). Consumer-centric initiatives such as prepaid smart metering, rebates, check meters and simplified arrear recovery mechanisms have further accelerated smart meter adoption and improved billing efficiency.

Role of PFC and REC

Power Finance Corporation Limited (PFC) and REC Limited have been entrusted by the Government of India with the implementation and monitoring of RDSS under the oversight of Central and State-level Monitoring Committees. As nodal agencies, PFC and REC play a critical role in appraisal, sanction, monitoring and implementation of projects, thereby facilitating timely execution of distribution sector reforms and strengthening the financial and operational performance of DISCOMs.

Sectoral Impact and Outlook

The continued implementation of RDSS is expected to significantly enhance the financial viability of the distribution sector by improving operational efficiencies, reducing losses and strengthening the credit profile of DISCOMs. The scheme is also driving substantial investments in distribution infrastructure, digitalisation, smart metering and smart grid technologies, thereby creating sustained opportunities for long-term infrastructure financing. These developments are expected to support robust credit demand and provide significant business opportunities for financing institutions such as PFC.

- Late Payment Surcharge Rule, 2022

  The Ministry of Power, vide Gazette Notification dated 3 June 2022, notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 to facilitate settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees, and Electricity Trading Licensees, thereby improving payment discipline across the power sector. Power Finance Corporation Limited (PFC) has been designated as the Nodal Agency for implementation, review, and monitoring of the Rules.

  Further, the amendment notified by the Ministry of Power on 2 May 2025 extended the payment security mechanism under the LPS Rules to intra-state transmission licensees. This measure is expected to enhance payment assurance, encourage investment in transmission infrastructure, and support evacuation of power from the planned expansion of renewable energy capacity.

Industry Performance

Generation

The year 2025–26 marked significant progress in India's power generation sector, driven by capacity expansion, diversification of energy sources, and initiatives to strengthen energy security. During the year, India successfully met a peak power demand of 242.49 GW, while the national energy shortage declined to 0.03%, reflecting improvements in generation capacity, transmission infrastructure, and operational efficiency. The expansion of power generation capacity has enabled the country to meet rising electricity demand while advancing its transition toward a reliable, resilient, and sustainable energy system.

Installed Capacity

India's installed power generation capacity witnessed robust growth during FY 2025–26, driven by accelerated additions in renewable energy and continued expansion of conventional generation. As of March 31, 2026, the country's total installed power generation capacity reached 516.95 GW, comprising 233.49 GW (45.2%) from fossil fuel-based sources and 283.46 GW (54.8%) from non-fossil fuel sources, including 274.68 GW of renewable energy and 8.78 GW of nuclear power. This marks a significant milestone in India's energy transition, with non-fossil sources accounting for more than half of the country's installed electricity capacity.

During the year, India added a record 55.3 GW of non-fossil capacity, led by 44.61 GW of solar power and 6.05 GW of wind power. Solar energy remained the primary driver of capacity expansion, raising the country's cumulative solar capacity to 150.26 GW, while wind capacity continued to grow steadily. These additions enabled India to meet rising electricity demand, successfully serving a peak demand of 242.49 GW during the year while maintaining a national energy shortage of only 0.03%.

The rapid expansion in installed capacity reflects sustained policy support, improved project implementation, enhanced transmission infrastructure, and growing private sector participation. India also achieved the milestone of 50% cumulative installed electricity capacity from non-fossil fuel sources in June 2025, five years ahead of its 2030 target under the Paris Agreement. The Government remains committed to further expanding capacity to achieve 500 GW of non-fossil electricity capacity by 2030, strengthening energy security while advancing the country's transition to a reliable, resilient, and sustainable power system.

Key National Milestone

★ **50%**

India's cumulative installed electricity capacity from Non-Fossil Fuel Sources

Achieved in June 2025

Five Years Ahead of India's 2030
Commitment under the Paris Agreement



To sustain this momentum, the Government of India introduced several policy initiatives during the year, including a reduction in GST on renewable energy equipment, incentives for battery manufacturing, measures to strengthen domestic manufacturing, and new programmes promoting green hydrogen, geothermal energy, bioenergy, and skill development. These initiatives reinforce the Government's commitment to achieving 500 GW of non-fossil electricity capacity by 2030, while advancing India's transition towards a secure, sustainable, and low-carbon energy future.

India's Power Generation Performance (April-March 2026 Prov.)

Category-wise	Target Generation during Current Year 2025-26 (Upto March 2026) (BU)	Generation during Current Year 2025-26 (Upto March 2026)* (BU)	Ach. w.r.t Target (%)	Generation during Previous Year 2024-25 (Upto March (BU)	Growth w.r.t. Previous Year Generation (%)	% of Total Generation
GENERATION FROM FOSSIL FUEL:						
Coal	1,429.000	1,250.189	87.49	1,298.052	(3.69)	67.7
Gas	37.262	26.009	69.80	31.580	(17.64)	1.4
Lignite	37.000	30.323	81.95	32.995	(8.10)	1.6
Diesel	0.400	0.430	107.42	0.443	(2.93)	0.0
Total (Fossil Fuel):	**1,503.662**	**1,306.951**	**86.92**	**1,363.069**	**(4.12)**	**70.8**
GENERATION FROM NON—FOSSIL FUEL:						
Generation from Renewable Sources (Including Hydro):						
Wind	91.712	106.089	115.68	83.347	27.29	5.7
Solar	152.499	173.525	113.79	144.150	20.38	9.4
BioPower & others	30.789	29.199	94.84	27.512	6.13	1.6
Total: Solar, Wind & Other RE	**275.000**	**275.813**	**112.30**	**255.009**	**21.10**	**16.7**
Hydro	155.674	167.163	107.38	148.634	12.47	9.1
Bhutan Import	9.472	7.813	82.48	5.484	42.46	0.4
Total RE Generation (Incl. Hydro)	**440.146**	**483.789**	**109.92**	**409.127**	**18.25**	**26.2**
Nuclear	56.592	55.181	97.51	56.681	(2.65)	3.0
Total (Non-Fossil Fuel):	**496.738**	**538.970**	**108.50**	**465.808**	**15.71**	**29.2**
TOTAL GENERATION (FOSSIL FUEL & NON-FOSSIL FUEL):						
Total Generation:	**2,000.400**	**1,845.921**	**92.28**	**1,828.877**	**0.93**	**100.0**

BU: Billion Units * Provisional

Source: Central Electricity Authority (CEA) — Monthly Generation Report, March 2026 (Provisional) https://cea.nic.in/

Key Interpretations



Total generation (Apr—Mar 2026 Prov.) stood at 1,845.9 BU, achieving 92.3% of the annual target of 2,000.4 BU and registering a growth Of 0.93% over the previous year.



Fossil fuel—based generation was 1,306.9 BU, achieving 86.9% Of target and declining by 4.12% compared to the previous year. Coal continues to dominate with 67.7% share in total generation.



Non-fossil fuel generation reached 539.0 BU, achieving 108.5% of target and growing 15.71% over the previous year. Renewable Energy (incl. Hydro) grew 18.25%, led by strong growth in Wind (27.29%) and solar (20.38%).



Non—fossil fuel sources contributed 29.2% Of total generation in Apr—Mar 2026 Prov., reflecting continued progress towards India's clean energy transition and the goal Of 500 GW non—fossil capacity by 2030.

Key Policy Initiatives During the Year

- **Reduction in GST on renewable energy equipments**
- **Incentives for battery manufacturing**
- **Measures to domestic manufacturing**
- **New programmes promoting green hydrogen, Geothermal energy, Bio-energy, and skill development**

These initiatives reinforce the Government's commitment to achieving 500 GW of non-fossil electricity capacity by 2030, while advancing India's transition towards a secure, sustainable, and low—carbon energy future.

RE-Bundling

To ensure adequate availability of thermal power capacity and optimize fuel utilisation, reforms were undertaken for efficient allocation of coal resources and strengthening of generation assets. The Cabinet Committee on Economic Affairs approved the Revised SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) Policy in May 2025, streamlining coal allocation mechanisms for the power sector.

The revised framework consolidated the earlier provisions of the SHAKTI Policy into simplified windows, improving ease of doing business, enhancing operational flexibility and enabling more transparent coal linkage allocation. The reform supports optimal utilisation of thermal capacity, reduces dependence on imported coal and strengthens India's long-term energy security.

Transmission

The transmission sector continued to expand with a focus on strengthening grid infrastructure, improving reliability and facilitating renewable energy evacuation. The Government finalised the National Electricity Plan for Transmission (2023–2032) to support future electricity demand, including a projected peak demand of 458 GW by 2032. The plan envisages an investment of approximately ₹9.16 lakh crore for development of transmission infrastructure.

Under the planned expansion, the transmission network is expected to increase from 4.98 lakh circuit kilometres (ckm) in November 2025 to 6.48 lakh ckm by 2032, while transformation capacity is projected to rise from 1,398 GVA to 2,345 GVA. Inter-regional transfer capacity is planned to increase from 120 GW to 168 GW, enabling efficient transfer of electricity across regions and supporting renewable energy integration.

During 2025-26, significant additions were made to the transmission system, including 6,511 ckm of transmission lines (220 kV and above), 1,00,368 MVA of transformation capacity and 1,600 MW of inter-regional transfer capacity. Renewable energy evacuation infrastructure was strengthened through approval of 25.8 GW of renewable energy-linked Inter-State Transmission System (ISTS) projects with an investment of around ₹38,849 crore.

Further, revised Right of Way (RoW) compensation guidelines were implemented to accelerate development of transmission corridors. The revised framework enhanced compensation linked to land value and introduced mechanisms for transparent assessment of market rates, supporting timely execution of transmission projects required for renewable energy expansion.

Distribution

The power distribution sector remained a key focus area during FY 2025–26, with continued reforms aimed at improving operational efficiency, reducing losses, and enhancing the financial sustainability of DISCOMs. These reforms centred on modernising distribution infrastructure, strengthening billing and revenue collection systems, expanding smart metering, and leveraging digital technologies to improve service delivery and consumer experience.

The reform measures yielded significant improvements in sector performance. AT&C losses declined from 22.3% in FY 2020-21 to 15.04% in FY 2025–26, reflecting better network management, enhanced energy accounting, and improved collection efficiency. Similarly, the gap between the Average Cost of Supply (ACS) and Average Revenue Realisation (ARR) narrowed substantially from ₹0.69 per kWh to ₹0.11 per kWh during the same period, indicating stronger financial discipline and improved operational performance of DISCOMs.

The sector also continued to advance the objective of universal, reliable, and quality electricity access. Investments in network strengthening, feeder augmentation, system modernisation, and consumer centric initiatives enhanced the reliability and availability of power supply, particularly in rural and underserved areas. The ongoing rollout of smart metering and digital service platforms further improved billing accuracy, operational transparency, and consumer convenience, supporting the broader objective of building a financially viable, efficient, and consumer-oriented power distribution ecosystem.

Overall sector outlook: The reforms and initiatives undertaken during 2025-26 have strengthened India's power sector across the entire value chain- from generation capacity enhancement and renewable energy integration to transmission expansion, distribution reforms and digital transformation. These measures have improved reliability, affordability and sustainability of electricity supply, supporting India's vision of becoming a secure and clean energy-driven economy.

(B) OPPORTUNITIES & THREATS

Opportunities

Going forward, the rapid transformation of India's power and energy sector presents significant growth opportunities for your Company. Rising investments in renewable energy, transmission infrastructure, energy storage, distribution reforms, and emerging technologies are expected to drive sustained demand for long-term project financing. These developments are aligned with the Government's vision of achieving 500 GW of non-fossil electricity capacity by 2030, creating substantial financing opportunities across the power and infrastructure value chain.

As one of India's leading financial institutions in the power sector, your Company is well positioned to support this transition by financing both conventional and clean energy projects while continuing to play a pivotal role in the implementation of Government-led initiatives.

During FY 2025-26, PFC continued to capitalise on opportunities arising from India's accelerating clean energy transition and sustained expansion of the power sector. A key milestone during the year was the growth of its renewable energy loan portfolio, which crossed the ₹90,000 crore mark for the first time. As on March 31, 2026, the renewable energy loan book stood at ₹90,135 crore, compared with ₹81,031 crore in the previous year, registering a year-on-year growth of approximately 11.2%. Renewable energy assets now account for 32% of PFC's total outstanding generation loan portfolio, supporting nearly 66 GW of installed renewable energy capacity across the country.

The Company also continued to strengthen its strategic positioning through initiatives aimed at diversifying its funding sources and enhancing its financial flexibility. The establishment of a subsidiary in GIFT CITY is expected to facilitate access to global capital markets, broaden the investor base, and enable the mobilisation of competitive long-term funds. This initiative is aligned with PFC's strategy of supporting India's evolving energy and infrastructure financing requirements while maintaining a diversified and resilient funding profile.

Nuclear power funding by PFC: With India accelerating the development of nuclear capacity through multiple projects under construction and pre-project stages, nuclear energy is expected to play an increasingly significant role in ensuring reliable, low-carbon baseload power.

During FY 2025-26, PFC continued to support the Government of India's objective of diversifying the country's clean energy mix by extending its financing portfolio to include nuclear power projects. In a noteworthy achievement, your Company has demonstrated its commitment to supporting nuclear power in India by sanctioning financial assistance of ₹25,999.60 crore to Nuclear Power Corporation of India Limited (NPCIL) for setting up a nuclear power plant involving total estimated cost of ₹37,142.28 crore.

Infrastructure and Logistics: PFC continued to expand its support to the infrastructure and logistics sector during FY 2025-26, reflecting its commitment to financing critical infrastructure beyond the power sector. Loan assets under the infrastructure and logistics segment increased to ₹52,076 crore as on March 31, 2026, from ₹48,448 crore as on March 31, 2025, registering a growth of approximately 7.5%. The sector accounted for around 9% of the Company's total loan asset mix, underscoring PFC's strategic focus on financing infrastructure that enhances connectivity, strengthens logistics networks, and contributes to sustainable economic growth.

Going forward, the continued emphasis on renewable energy, transmission expansion, energy storage, green hydrogen, and power distribution reforms is expected to generate significant financing opportunities. Backed by a strong balance sheet, sectoral expertise, and a leadership position in infrastructure financing, your Company remains well placed to support India's energy transition while delivering sustainable growth and long-term value to its stakeholders.

The long term business strategy of PFC

PFC aims to strengthen its leadership position as a premier financial institution in India's Power and Infrastructure sector while actively supporting the country's energy transition. Its long-term strategy is centered on sustainable growth, portfolio diversification, and alignment with national energy objectives, with a strong emphasis on financing cleaner and future-ready energy solutions.

PFC's long-term business strategy is anchored on the following five strategic pillars:

1. Business Growth & Market Leadership

- Preferred Lending Partner: Consolidate its position as the lender of choice in the Power, Energy, and Infrastructure sectors by financing solutions to government and private borrowers at reasonable costs.
- Diversified Growth: Expand the lending portfolio into new and emerging areas across the Power and Infrastructure sectors, adapting to evolving market dynamics to capitalise on new opportunities that help reduce the cost of power to the end consumer and ensure the viability of emerging technologies.
- Grow lending by maintaining its share in conventional and non-conventional sectors while expanding the portfolio to emerging power and infrastructure sectors.
- Adapt a paradigm shift in account management and customer experience by providing differentiated services, innovative products, and re-imagining existing processes to cater to the changing customer mix.

2. Sustainability & Energy Transition: Net-Zero Leadership

- Lead investments towards achieving India's Net-Zero emissions goal by prioritising investments in green infrastructure projects.
- Leverage PFC's expertise to catalyse sustainable energy solutions aligned with global climate objectives.
- Position PFC as the focal agency for Net-Zero initiatives and pursue immediate dispensations in the interim to lower the cost of funds.

3. Funding & Financial Strength

- Optimise the cost of funds by increasing the share of 54EC bonds, institutionalising a dedicated team for sourcing MDB loans, re-imagining the hedging strategy, and fine-tuning the resource mobilisation process.

4. Sectoral Reforms and Innovation

- Spearhead transformative reforms in the Power, Energy, and Climate sectors by collaborating closely with the Government of India to implement policies and programmes for the power sector.

5. Organisational Excellence

- Re-align the organization in line with PFC's strategic objectives.
- Tap new talent resources and revamp the performance management system.

Threats, Risks & Concerns

PFC, being a leading financial institution in India's power sector, is exposed to various financial, operational, and sector-specific risks arising from the evolving dynamics of the power and infrastructure industry. The ongoing energy transition, regulatory developments, and changing market conditions continue to present both challenges and uncertainties for the Corporation. Understanding and proactively managing these risks remain critical for ensuring sustainable growth and long-term financial stability.

The key threats, risks, and concerns faced by the Company include the following:

Risk Matrix

Key Financial Risks and Our Mitigation Appraoch

Risks	Nature/Risk Drivers	Potential Impact	Mitigation Measures
Credit Risk	• Borrower defaults • Delays in project execution • Operational inefficiencies • Financial stress among borrowers • Evolving regulatory and market conditions	• Loan losses and higher NPAs • Increased provisioning requirements • Impact on profitability and capital adequacy • Adverse impact on credit ratings and reputation	• Robust credit appraisal and due diligence • Continuous monitoring of borrower performance • Diversified loan portfolio across sectors and borrowers • Regular risk assessments and early warning systems • Prudent provisioning and risk-weighted asset management
Liquidity Risk	• Asset-liability mismatches • Market volatility • Changes in interest rates • Fluctuations in funding availability	• Difficulty in meeting financial obligations on time • Increased cost of funds • Impact on credit rating and stakeholder confidence	• Maintain a diversified funding profile • Access to multiple funding sources – domestic bonds, ECBs, bank loans and other instruments • Maintain adequate liquidity buffers and committed credit lines • Regular monitoring of liquidity gaps and cash flow projections
Foreign Currency Exchange Risk	• Fluctuations in exchange rates • Exposure on ECBs and other foreign currency borrowings • Volatility in USD and other major currencies	• Increase in cost of borrowings • Exchange losses impacting financial position • Impact on profitability and net worth	• Comprehensive hedging using derivatives (currency swaps, forwards) • Align borrowings with natural hedges where feasible • Continuous monitoring of forex exposures • Prudent forex risk management policies
Legal Risk	• Non-compliance with laws and regulations • Contractual disputes • Borrower defaults • Enforcement of security interests • Litigation-related matters	• Financial penalties and litigation costs • Delays in recovery • Reputational damage • Adverse impact on business and operations	• Strong internal legal and compliance framework • Detailed contract vetting and due diligence • Adherence to applicable laws and regulations • Monitoring regulatory developments • Timely action to safeguard legal and financial interests
Interest Rate Risk	• Fluctuations in market interest rates • Mismatch between cost of funds and returns on loan portfolio • Repricing and reinvestment risk	• Impact on borrowing costs • Compression in lending margins • Asset-liability mismatch • Impact on profitability and economic value	• Asset-Liability Management (ALM) framework • Balanced mix of fixed and floating rate exposures • Use of hedging instruments such as interest rate swaps • Regular monitoring of market trends and portfolio repricing
Changes in Legislation and Regulatory Framework	• Amendments in laws, regulations, policies or government directives • Changes in compliance requirements • Evolving regulatory landscape	• Impact on business model and lending practices • Increased compliance burden • Changes in reporting obligations • Impact on profitability	• Continuous monitoring of regulatory developments • Engagement with policymakers and regulators • Timely adaptation of internal policies and systems • Ensure compliance with changing legal environment

(C) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company is primarily engaged in the business of providing financial assistance to the power and infrastructure sectors. Given the homogeneous nature of its operations, the Company does not have any separately identifiable or reportable business segments. All its activities are integrally linked to its core financing business, and therefore, segment reporting is not applicable.

(D) OUTLOOK

Power Finance Corporation (PFC) is a leading Government of India-owned Non-Banking Financial Company (NBFC) established in 1986 under the Ministry of Power. The company primarily finances projects across the power sector, including generation, transmission, distribution, renewable energy, and energy efficiency. Over the years, PFC has diversified its lending portfolio to include infrastructure sectors such as logistics, ports, urban infrastructure, and transportation. With a strong balance sheet, high credit ratings, and a significant role in supporting India's energy transition and infrastructure development, PFC remains one of the country's largest infrastructure financing institutions.

Pursuant to the announcement made in the Union Budget 2026-27 and subsequent approval of the Scheme of Merger by the Boards of Power Finance Corporation Limited (PFC) and REC Limited, REC Limited is proposed to be merged into PFC and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme shall become effective from the Effective Date, as defined under the scheme, upon completion of all prescribed formalities and approvals. As per the proposed scheme, shareholders of REC Limited will receive 88 equity shares of PFC for every 100 equity shares of REC held by them, subject to receipt of all statutory and regulatory approvals.

The proposed merger of Power Finance Corporation (PFC) and REC Limited marks a defining milestone in India's infrastructure financing landscape, bringing together two of the country's most prominent power sector lenders into a unified and stronger entity. This strategic consolidation is set to create a financial powerhouse with enhanced scale, deeper sectoral expertise, and improved operational efficiency. By combining their complementary strengths, the merged institution will be better positioned to accelerate investments across the power value chain and emerging infrastructure segments, while playing a pivotal role in supporting India's energy transition and long-term development goals. The merger is expected to enhance operational efficiencies, strengthen the combined balance sheet, improve capital allocation, and generate long term value for shareholders through greater scale and synergies.

Your Company continues to play a pivotal role in supporting the Government of India in the formulation and implementation of key power sector policies and schemes. It has been actively associated as a nodal agency for the Revamped Distribution Sector Scheme (RDSS), aimed at improving the operational efficiency and financial viability of DISCOMs.

Earlier, the Company also served as a nodal agency for major initiatives such as the Integrated Power Development Scheme (IPDS), Restructured Accelerated Power Development and Reforms Programme (R-APDRP), Ujwal DISCOM Assurance Yojana (UDAY), and Ultra Mega Power Projects (UMPP), many of which have now been subsumed under subsequent reform-oriented programmes.

(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, Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co., Chartered Accountants, have issued their Report on Internal Financial Controls, confirming that the Company has, in all material respects, an adequate internal financial controls system over financial reporting. They have further stated that such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control set out in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

The effectiveness of the Company's internal control environment is also reflected through its internationally recognised ISO certifications.

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 achieve healthy growth during FY 2025-26. The total income stood at ₹58,541.59 crore and the net profit earned was ₹20,051.34 crore.

Further, the Net Worth (share capital plus all reserves) of the company grew by 12.75% in FY 2025-26 to ₹1,02,531.94 crore as compared to ₹90,936.87 crore in FY 2024-25. The gross loan assets recorded a growth of 6.81% to ₹5,80,115.30 crore as at March 31, 2026 from ₹5,43,120.41 crore as at March 31, 2025.

The Net Debt Equity Ratio improved to 4.75 times in FY 2025-26 as compared to 5.12 times in FY 2024-25. The Operating Margin % increased from 39.82% in FY 2024-25 to 42.28% in FY 2025-26 and the Net Profit Margin % increased from 32.66% in FY 2024-25 to 34.25% in FY 2025-26.

Healthy Financial Growth (FY 2025-26)

₹58,541.59 crore
Total Income

₹20,051.34 crore
Net Profit

₹1,02,531.94 crore
Net Worth

↑ 12.75%
(FY 2024-25: ₹90,936.87 crore)

₹5,80,115.30 crore
Gross Loan Assets

↑ 6.81%
(FY 2024-25: ₹5,43,120.00 crore)

4.75 times
Net Debt Equity Ratio

↓ 7.23%
(FY 2024-25: 5.12 times)

42.28%
Operating Margin %

↑ 2.46%
(FY 2024-25: 39.82%)

34.25%
Net Profit Margin %

↑ 1.59%
(FY 2024-25: 32.66%)

↑ YoY growth ↓ YoY decline

The financial statements of the Company have been prepared in compliance with the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015, as amended, and applicable from April 1, 2018.

(G) ESG AT PFC

We are committed to lead by example in fostering a sustainable low-carbon economy & driving national growth by ensuring fair and sustainable financing solutions, while preserving the environment. At our core, we prioritize upholding unwavering integrity, maintaining stakeholders' trust, and establishing transparency and accountability through robust corporate governance & risk management practices. We strive to make a meaningful impact not only for ourselves but also for our stakeholders. At the forefront of our corporate ethos is fostering a diverse, inclusive, and engaged workforce, as well as enabling the community through our CSR efforts.

During FY 2025–26, PFC continued to strengthen its ESG performance by advancing sustainable financing, promoting employee well-being and diversity through various engagement and welfare initiatives, and maintaining high standards of corporate governance. A detailed ESG Report is enclosed alongwith the Directors Report.

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

Your company has a CSR policy in place in line with Section 135 of the Companies Act, 2013 and the Companies (CSR) Rules, 2014 and DPE. Your Company through its Corporate Social Responsibility initiatives, aims to become a socially responsible corporate entity committed to improving the quality of life of the society at large.

Your Company has been implementing wide range of CSR activities in the field of Environment Sustainability, Healthcare, Education, PM Internship, Rural Development, contribution to Swachh Bharat Kosh etc.

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

Human Resources Management FY 2025-26

Employee Engagement & Development	Diversity & Inclusion	Industrial Relations	Governance & Ethics
• National Sports Day • Health check-ups • Sports tournaments • Blood donation • Awareness programmes • Physical & mental well-being	• Diversity & Equal opportunity • GoI reservation guidelines	• Cordial & harmonious industrial relations • No disputes • No man-days lost • No complaints under WB/PoSH	• Vigil Mechanism • Whistle Blower Policy • Code of Conduct • Fraud Prevention • Fair Practices Code

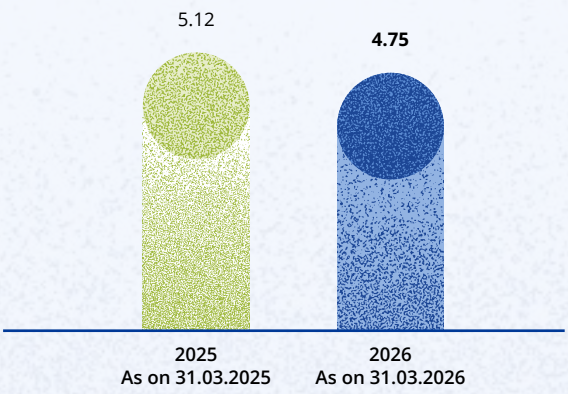
(J) RENEWABLE ENERGY: PFC'S CONTRIBUTION

During the 2025–26 fiscal period, PFC emerged as a critical institutional engine driving India's clean energy transition as a leading financiers of renewable energy projects. As at March 31, 2026, the renewable energy loan portfolio stood at ₹90,135 crore, compared with ₹81,031 crore as at the end of the previous year, registering a year-on-year growth of approximately 11.2%. Renewable energy assets accounted for 32% of PFC's total outstanding generation loan portfolio, reflecting the Company's continued focus on supporting the transition towards a sustainable energy ecosystem. By the close of the 2025-26, PFC's funding footprint backed ~66 GW of non-fossil capacity, representing nearly 24–25% of India's entire renewable energy infrastructure.

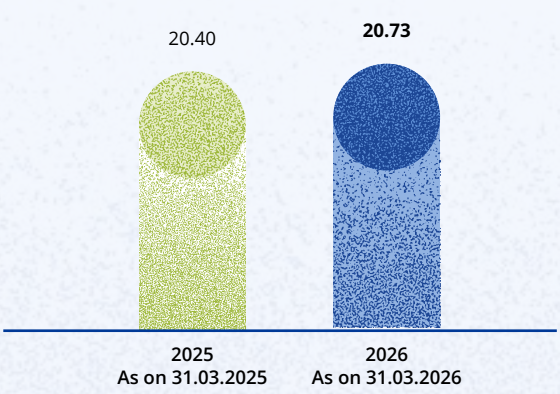
(K) KEY FINANCIAL RATIOS

The following illustrative images present the Company's key financial ratios for the year ended March 31, 2026. A detailed discussion and analysis of these financial ratios and the related financial performance are provided in the relevant sections of this Annual Report.

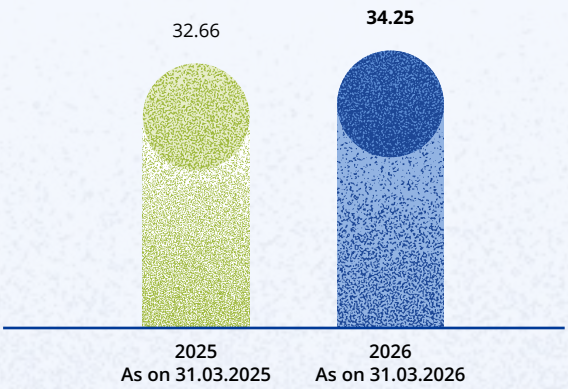
NET DEBT EQUITY RATIO
(Times)



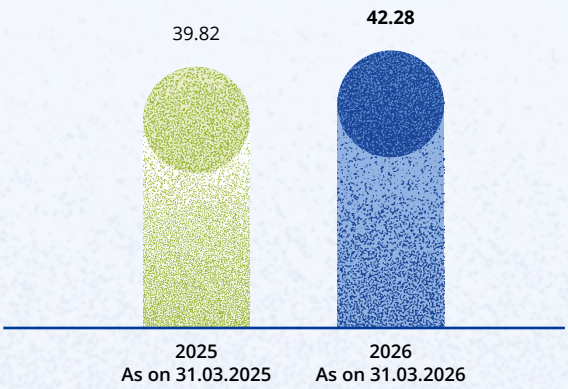
RETURN ON NET WORTH
(%)



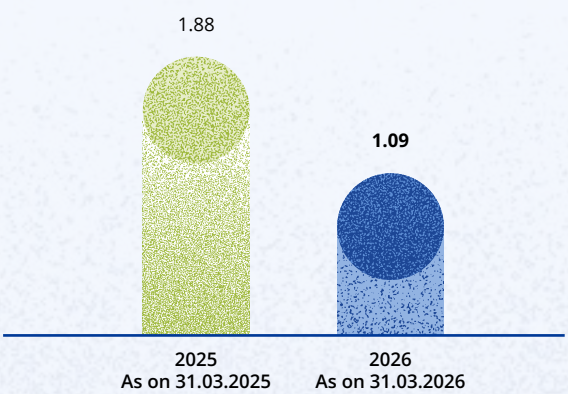
NET PROFIT MARGIN
(%)



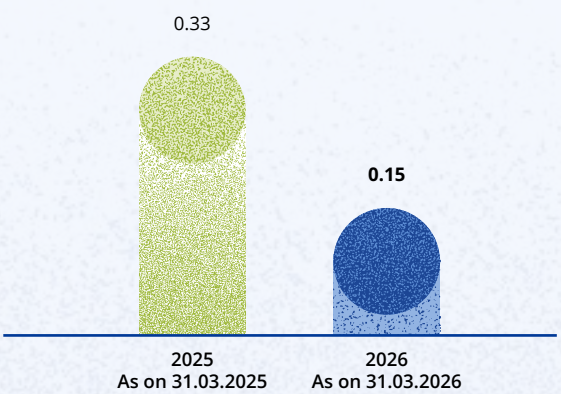
OPERATING MARGIN
(%)



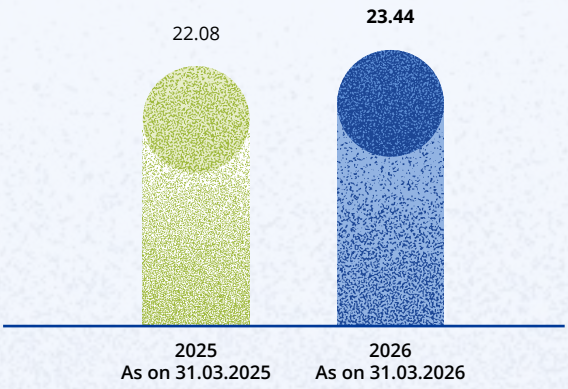
GROSS CREDIT IMPAIRED ASSETS RATIO
(%)



NET CREDIT IMPAIRED ASSETS RATIO
(%)



CAPITAL TO RISK-WEIGHTED ASSETS RATIO (CRAR)
(%)



Debtors Turnover, Inventory Turnover, Interest Service Coverage ratio, Current Ratio are not applicable to the Company.

Cautionary Note

The "Management Discussion and Analysis" section may contain certain forward-looking statements, which are provided in accordance with applicable laws and regulations. These statements are based on current expectations and assumptions regarding future events and performance. However, actual outcomes may differ materially due to various known and unknown risks and uncertainties. Readers are advised not to place undue reliance on such forward-looking statements.

Annexure B of Board's Report

Integrated Reporting

Integrated Reporting (IR) integrates financial and non-financial information to provide a holistic view of the organization's performance, strategy, governance, and long-term value creation. It demonstrates how the organization utilises and influences various forms of capital to create sustainable value for its stakeholders over the short, medium, and long term.

This voluntary disclosure outlines our dependence on and impact across the capitals that are fundamental to our ability to generate and preserve value. The report is structured in line with the capitals model of value creation prescribed by the International Integrated Reporting Framework.

In accordance with the Framework, the capitals are classified into six categories: Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Social & Relationship Capital, and Natural Capital.

The Six Capitals



Financial Capital

The Financial resources and liquidity that support our growth, stability, and value creation.





Manufactured Capital

The physical infrastructure, assets, and technology that enable efficient and effective operations.



Intellectual Capital

Our intangible assets including knowledge, intellectual property, systems, and innovation that create long-term value.



Human Capital

The knowledge, skills, experience, and well-being of our people that drive innovation and growth.



Social Capital

The relationships, trust, and partnerships we build with stakeholders and the communities we serve.



Natural Capital

The natural resources and ecosystem services that support our operations and a sustainable future.





Financial Capital

Financial Capital comprises the funds available to the Company to support its business operations, strategic investments, and long-term growth. It includes equity, borrowings, grants, and other financial resources that enable the Company to create sustainable value and invest in other forms of capital, including Manufactured, Intellectual, Human, Social & Relationship, and Natural Capital.

Through prudent financial management, the Company generates value for its stakeholders by delivering returns to shareholders and lenders, meeting its statutory obligations through taxes and duties, and reinvesting in the business to drive sustainable growth and resilience.

HOW FINANCIAL CAPITAL CREATES VALUE

Enabling Investments

Provides the financial resources to invest in power and infrastructure projects that drive economic growth.

Managing Risks

Strong financial position enables effective risk management and business sustainability.

Delivering Returns

Consistent performance ensures sustainable returns for shareholders and stakeholders.

Supporting Growth

Adequate capital supports expansion, innovation and diversification for long-term value creation.

Building Resilience

A strong financial base strengthens resilience and enables the company to seize future opportunities.

KEY FINANCIAL TRENDS

- Healthy growth in income and profit driven by efficient operations and strong asset quality.
- Significant growth in Net Worth strengthening the capital base and financial resilience.
- Expansion in loan assets supporting power sector, infrastructure, logistics and other key sectors.
- Improved net debt equity ratio reflecting prudent leverage and financial discipline.
- Enhanced operating and net profit margins demonstrating better operational efficiency.

OUR COMMITMENT

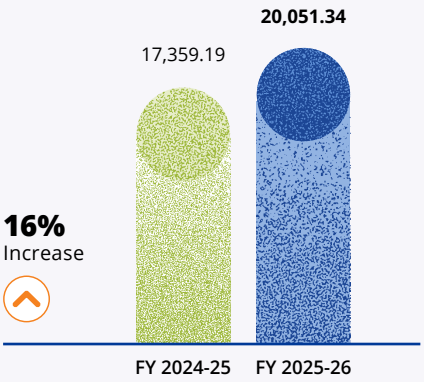
- Maintain strong capital adequacy and financial discipline
- Optimise resource allocation for sustainable and responsible growth
- Enhance operational efficiency to deliver long-term value
- Uphold transparency, accountability and stakeholder trust

Financial Highlights

Strong Performance in FY 2025-26

NET PROFIT (PAT)

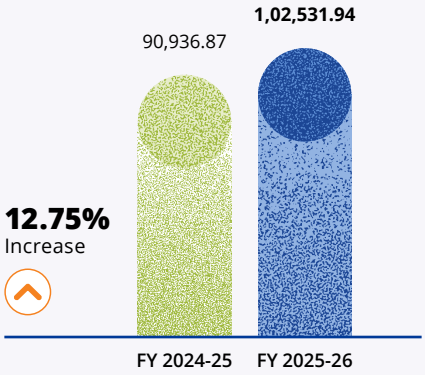
(₹ in crore)



Increase of **₹2,699.15 crore**

NET WORTH

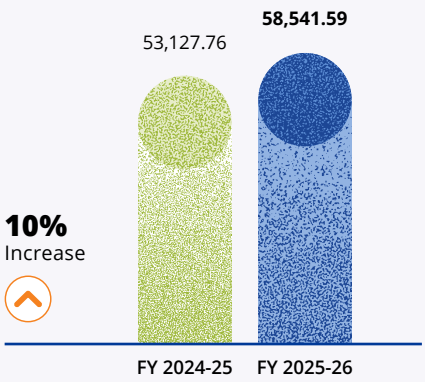
(₹ in crore)



Increase of **₹11,595.07 crore**

TOTAL INCOME

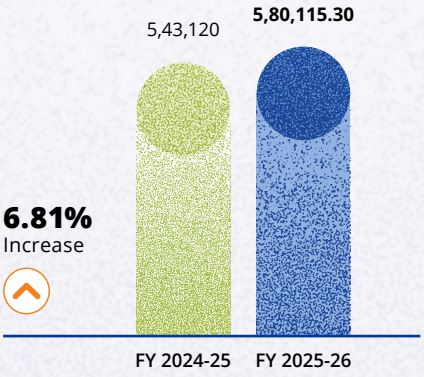
(₹ in crore)



Increase of **₹5,413.83 crore**

GROSS LOAN ASSETS

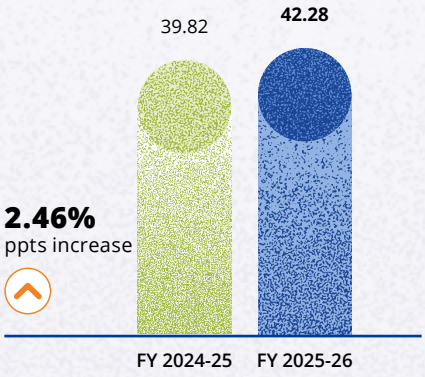
(₹ in crore)



Increase of **₹36,995.3 crore**

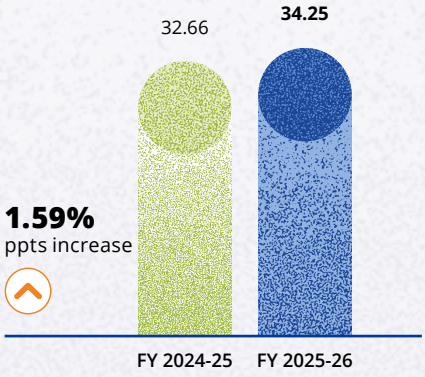
OPERATING MARGIN

(%)

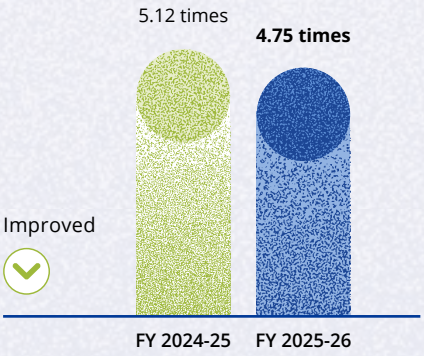


NET PROFIT MARGIN

(%)



NET DEBT EQUITY RATIO



The financial performance highlighted above reflects the Company's continued commitment to creating sustainable value for its stakeholders. Through prudent financial management and its leadership in financing the power sector, PFC continues to support the development of India's energy infrastructure while contributing to the nation's economic growth.



Manufactured capital

Manufactured capital comprises physical infrastructure, technology systems, and related assets such as buildings, equipment, and digital infrastructure that enable efficient operations and value creation. Although PFC is a financial institution and not a manufacturing company, its role in financing power sector initiatives, along with its growing support for logistics and infrastructure sectors, contributes significantly to the creation and development of critical infrastructure across the country. Power infrastructure supported by PFC serves as an essential enabler for industrial activities, the services sector, and everyday life.

PFC's corporate infrastructure, including its headquarters in New Delhi and regional offices, facilitates effective business operations.

To integrate and streamline corporate functions, PFC has established a state-of-the-art data center equipped with ERP applications and various IT services. Continuous investments in physical and digital assets enhance operational efficiency, strengthen delivery mechanisms, and improve services for stakeholders.

PFC's existing manufactured capital enables it to respond effectively to evolving market requirements while supporting flexible working arrangements, operational resilience, and enhanced employee productivity. It also provides a strong foundation for the development of other forms of capital, including intellectual and human capital.

- **Power Infrastructure**
- **Logistics and Infrastructure**
- **Corporate Infrastructure**
- **Digital and technology Infrastructure**
- **State-Of-The-Art Data Centre**

Our existing manufactured capital, encompassing physical infrastructure, advanced technology systems and digital platforms, empowers us to deliver sustainable value, drive growth and contribute to nation-building.



Power Infrastructure

Enabling reliable power for industries, services and everyday life.

Power Infrastructure supported through our financing serves as an essential enabler for industrial activities, the services sector, and everyday life.



Digital and technology Infrastructure

Continuous investments in physical and digital assets enhance operational efficiency, strengthen delivery mechanisms, and improve services for stakeholders.



Logistics and Infrastructure

Supporting connectivity, trade and economic development.



State-Of-The-Art Data Centre

To integrate and streamline corporate functions, we have established a state-of-the-art data center equipped with ERP applications and various IT services.



Corporate Infrastructure

Our corporate infrastructure, including our headquarters in New Delhi and regional offices, facilitates effective business operations.

OUR MANUFACTURED CAPITAL ENABLES

- Effective response to evolving market requirements
- Support for flexible working arrangements
- Operational resilience and business continuity
- Enhanced employee productivity and stakeholder service
- Strong foundation for the development of intellectual and human capital



Intellectual capital

PFC's intellectual capital comprises its organizational expertise, institutional knowledge, technology platforms, proprietary processes, governance frameworks, and other intangible assets that strengthen its reputation, enhance operational efficiency, and support sustainable value creation. These capabilities foster innovation, organizational learning, and a strong competitive advantage.

Recognizing that human capital is the cornerstone of intellectual capital, PFC continues to invest in attracting, developing, and retaining a skilled workforce aligned with evolving business requirements and industry best practices. By continuously enhancing its institutional knowledge, digital capabilities, and organizational processes, PFC remains well-positioned to drive innovation, adapt to changing business models, and create long-term value for all stakeholders.

KEY ELEMENTS OF OUR INTELLECTUAL CAPITAL

Organizational expertise

Deep domain knowledge of the power and infrastructure sectors built over decades.

Institutional knowledge

Rich repository of experience, insights and learnings that drive informed decision-making.

Technology platforms

Robust digital platforms and IT systems enabling seamless operations and data-driven solutions.

Proprietary processes

Standardised and streamlined processes ensuring efficiency, consistency and risk management.

Governance frameworks

Strong governance practices, policies and controls that ensure transparency, compliance and accountability.

Reputation & brand equity

Trusted partner in the power sector with a strong brand built on reliability and performance.



These strengths enable us to

- Drive Innovation
- Adapt to Changing Business Models
- Enhance Operational Efficiency
- Create Long-term Value for All Stakeholders

Strategic Partner in Nation Building

As a key partner in the Government of India's power sector initiatives, we support policy implementation, sectoral reforms, and infrastructure development across the country.

Engaging with Stakeholders

Through its engagement with central and state governments, power utilities, and other stakeholders, robust systems and standardized processes that reinforce its leadership in the sector and strengthen its brand.





Investing in human capital – the core of intellectual capital

- Attracting top talent aligned with industry best practices
- Continuous learning and skill development
- Fostering a culture of innovation, collaboration and inclusion
- Retaining and empowering employees to build future-ready capabilities

Our intellectual capital in action

- Policy insights that shape the power sector
- Research and analytics for informed lending decisions
- Advanced digital solutions for efficient service delivery
- Knowledge sharing and organizational learning
- Strong risk management and compliance culture

Continuously building for the future

By continuously enhancing our institutional knowledge, digital capabilities and organizational processes, we remain well-positioned to drive innovation, adapt to changing business models and create long-term value for all stakeholders.



Human capital

Human capital remains a key strength of PFC, supported by a skilled, experienced, and committed workforce. The Company continues to follow industry best practices in talent management and provides comprehensive employee welfare measures, including health, insurance, and well-being initiatives, fostering a motivated and productive work environment.

During FY 2025–26, PFC continued to strengthen employee capabilities through customised learning and development programs aligned with organizational objectives. Training programmes were conducted across technical, functional, managerial and behavioural domains to strengthen employee capabilities, support leadership development and equip the workforce to meet evolving business and organisational requirements.

The Company continued to conduct compliance and awareness programmes on workplace ethics, prevention of sexual harassment, occupational health and safety, code of conduct, and professional conduct to strengthen a culture of integrity and compliance.

Fresh recruits underwent structured foundation training covering key aspects of the power and infrastructure sectors, including renewable energy, energy transition, energy efficiency, project appraisal, and related areas. Employees were also encouraged to participate in industry conferences and knowledge-sharing forums to promote continuous learning and enhance sectoral expertise.

PFC's continued investment in human capital has fostered a skilled, agile, and future-ready workforce that drives operational excellence, sustainable growth, and long-term value creation while supporting the nation's infrastructure and energy development.

- **Employee engagement and well-being**
- **Diversity, inclusion and employee welfare**
- **Industrial relations**
- **Governance and vigil mechanism**
- **Leadership and succession planning**

01. Employee engagement and well-being

The Company continued to strengthen its human resource management practices during the year 2025-26 through focused initiatives aimed at employee engagement, talent development, employee well-being, and fostering an inclusive workplace.

Celebrating National Sports Day

As part of its employee engagement initiatives, the Company celebrated National Sports Day with enthusiastic participation from employees and organized various initiatives to promote physical and mental well-being.

- Health check-up camps
- Sports tournaments
- Blood donation drives
- Awareness programmes

Promoting physical and mental well-being for a healthier, happier and more engaged workforce.

02. Diversity, inclusion and employee welfare

The Company remained committed to diversity and equal opportunity while ensuring compliance with the Government of India's guidelines relating to reservation and welfare of employees.

- Equal opportunity
- Diversity & inclusion
- Compliance with Government guidelines (reservation)
- Employee welfare

An inclusive culture where every individual is valued, respected and empowered.

03. Industrial relations

The Company maintained cordial and harmonious industrial relations throughout the year, with employees demonstrating continued commitment towards achieving the Company's objectives.

There were no industrial disputes or man-days lost during the year under review.

04. Governance and vigil mechanism

The Company continued to maintain a robust vigil mechanism through various governance frameworks to promote transparency, ethical conduct and accountability across the organization.

- Whistle Blower Policy
- Code of Conduct
- Fraud Prevention Policy
- Fair Practices Code

No complaints were received under the Whistle Blower Policy or under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year.

Upholding integrity. Ensuring transparency. Building trust.

05. Leadership and succession planning

During the year, changes in senior management were effected in the normal course of business, including the superannuation of two Executive Directors and the induction of new senior management personnel.

- Ensuring continuity in leadership
- Strengthening bench strength
- Effective succession planning
- Building a future-ready leadership pipeline

Strong leadership today. A stronger organization tomorrow.

Learning & development

Building capabilities. Empowering people. Driving performance.

Technical competencies

- Domain expertise
- Tools & technologies
- Technical skills

Functional competencies

- Functional knowledge
- Process excellence
- Risk & compliance

Managerial competencies

- Leadership
- People management
- Decision-making

Behavioural competencies

- Communication
- Teamwork & collaboration
- Adaptability & integrity

Strengthening employee capabilities

Supporting leadership development

Equipping a future-ready workforce

Agile • Skilled • Motivated • Engaged

Meeting evolving business needs
Creating sustainable value



Social Capital

Social and Relationship Capital reflects the trust-based relationships and collaborative partnerships that an organization fosters with its diverse stakeholders, including customers, suppliers, investors, communities, government, and regulatory authorities. Strong stakeholder engagement strengthens collaboration, enhances organizational reputation, and contributes to sustainable long-term value creation.

PFC is committed to creating inclusive and sustainable growth through its Corporate Social Responsibility (CSR) initiatives and stakeholder-centric approach. The Company has a comprehensive CSR Policy in place in accordance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and the guidelines issued by the Department of Public Enterprises (DPE). The objective of the CSR Policy is to ensure that PFC functions as a socially responsible corporate entity dedicated to improving the quality of life of society at large.

In line with this commitment, PFC implements a wide range of CSR initiatives across key areas such as environmental sustainability, healthcare, education, PM Internship, skill development, rural development, livelihood enhancement, sanitation, drinking water, sports, rehabilitation and reconstruction, contribution to Swachh Bharat Kosh, and other activities specified under Schedule VII of the Companies Act, 2013. The Company also accords priority to initiatives relating to Health & Nutrition, with a special focus on Aspirational Districts, in line with the guidelines issued by the Department of Public Enterprises.

As a key partner in the Government of India's power sector initiatives, PFC continues to play a strategic role in supporting policy implementation, sectoral reforms, and infrastructure development. Through its engagement with central and state governments, power utilities, and other stakeholders, the Company has developed robust systems, digital solutions, and standardized processes that reinforce its leadership in the sector and strengthen its brand.

As a responsible public sector enterprise, PFC remains committed to promoting diversity, equity, and inclusion in the workplace. The Company ensures compliance with the policies and directives of the Government of India relating to the welfare of Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), and Persons with Disabilities (PwD), including the provision of applicable reservations and relaxations in direct recruitment and promotions.

Through its CSR initiatives, stakeholder engagement, and inclusive employment practices, PFC continues to contribute towards reducing social and economic disparities, promoting environmental sustainability, and creating lasting value for communities, thereby improving the quality of life for present and future generations.

- **Customers**
- **Power utilities & industry partners**
- **Government & regulatory authorities**
- **Investors & financial institutions**
- **Communities**
- **Suppliers & business partners**

A strategic partner in nation building

As a key partner in the Government of India’s power sector initiatives, we continue to play a strategic role in supporting policy implementation, sectoral reforms and infrastructure development.

Through our engagement with central and state governments, power utilities and other stakeholders, we have developed robust systems, digital solutions and standardized processes that reinforce our leadership in the sector and strengthen our brand.

Promoting inclusion. Ensuring equal opportunity.

As a responsible public sector enterprise, we are committed to promoting diversity, equity and inclusion in the workplace.

The Company ensures compliance with the policies and directives of the Government of India relating to the welfare of SCs, STs, OBCs and Persons with Disabilities (PwDs), including reservations and applications in direct recruitment and promotions.

Committed to responsible growth

We are committed to creating inclusive and sustainable growth through our Corporate Social Responsibility (CSR) initiatives and stakeholder-centric approach.

The Company has a comprehensive CSR Policy in place in accordance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and the guidelines issued by the Department of Public Enterprises (DPE).

The objective of the CSR Policy is to ensure that the Company functions as a socially responsible corporate entity dedicated to improving the quality of life of society at large.

Priority is accorded to initiatives relating to health and nutrition, with a special focus on Aspirational Districts, in line with the guidelines issued by the Department of Public Enterprises.

Through our CSR initiatives, stakeholder engagement and inclusive employment practices, we continue to contribute towards reducing social and economic disparities, promoting environmental sustainability and creating lasting value for communities, thereby improving the quality of life for present and future generations.



Wide-ranging CSR initiatives for a better tomorrow

We implement a wide range of CSR initiatives across key focus areas in line with Schedule VII of the Companies Act, 2013.

- Environmental sustainability
- Healthcare
- Education
- PM Internship
- Skill development
- Rural development
- Livelihood enhancement
- Sanitation
- Drinking water
- Sports
- Rehabilitation & reconstruction
- Contribution to Swachh Bharat Kosh
- Other activities under Schedule VII

STAKEHOLDER ENGAGEMENT THAT CREATES MUTUAL VALUE

- **Engaging with stakeholders**
  Regular dialogue and engagement across reliable channels to understand stakeholder needs and expectations.
- **Supporting the nation's growth**
  Financing power and infrastructure projects that enable economic development and improve lives.
- **Building sustainable communities**
  Investing in initiatives that create positive, long-term social and environmental impact.
- **Transparent & responsible**
  Upholding highest standards of governance, ethics and accountability in all interactions.
- **Partners in progress**
  Collaborating for innovation, resilience and a brighter, more sustainable future.



Natural Capital

Natural capital refers to the ecosystem services and environmental resources that businesses depend on or impact, including biodiversity, ecosystem health, air, water, land, minerals, and forests. Sustainable management of natural capital helps ensure regulatory compliance, mitigate environmental risks, and align business operations with ecological sustainability goals.

PFC is committed to environmental protection by minimizing the consumption and wastage of natural resources. Through digitalisation and IT-enabled solutions, the company continues to reduce paper usage wherever possible. As a financial institution, PFC has limited scope for recycling waste and materials; however, it has installed an Organic Composting machine at its office premises to manage organic waste generated from the kitchen, pantry, and other areas. By reducing paper dependency, PFC supports employees in adopting more sustainable and low-carbon work practices.

PFC continues to promote responsible business practices through initiatives that support resource efficiency, environmental stewardship, and workplace sustainability. The Company remains committed to contributing to national sustainability objectives by integrating environmental considerations into its operations and financing activities.

With a vision of accelerating India's net-zero ambitions, PFC continues to play a pivotal role in financing renewable energy projects and supporting the country's clean energy transition. The gross loan assets recorded a growth of 6.81%, ₹5,80,115 crore as on March 31, 2026 from ₹5,43,120 crore as on March 31, 2025.

Through its continued investments in renewable energy and sustainable development, PFC enhances and preserves natural capital while aligning its business strategy with India's climate goals and the principles of responsible economic growth.

- **Air quality**
- **Biodiversity & ecosystem health**
- **Water management**
- **Resource efficiency**
- **Land stewardship**
- **Forests & green spaces**
- **Mineral resources**



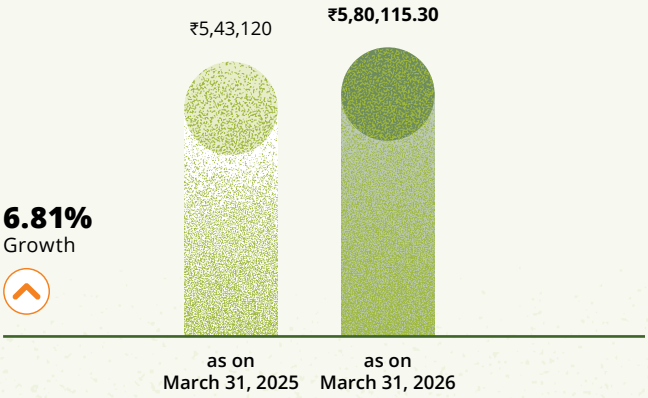
01. Promoting Responsible Business Practices

- Initiatives that support resource efficiency and environmental stewardship.
- Embedding environmental considerations in operations and financing activities.
- Committed to workplace sustainability and continuous improvement.

With a vision of accelerating India's net-zero ambitions, we continue to play a pivotal role in financing renewable energy projects and supporting the country's clean energy transition.

GROSS LOAN ASSETS

(₹ in crore)



1. **Renewable Energy Financing**
2. **Energy Efficiency Projects**
3. **Clean Energy Infrastructure**
4. **Sustainable Development**

Through our continued investments in renewable energy and sustainable development, we enhance and preserve natural capital while aligning our business strategy with India's climate goals and the principles of responsible economic growth.

1. **Supports India's climate commitments and net-zero goals**
2. **Promotes environmental stewardship**
3. **Drives sustainable growth and long-term value**
4. **Contributes to a better planet for future generations**

- We are committed to environmental protection by minimizing the consumption and wastage of natural resources.
- Through digitalisation and IT-enabled solutions, we continue to reduce paper usage wherever possible.
- As a financial institution, we have limited scope for recycling waste and materials; however, we have installed an Organic Composting machine at our office premises to manage organic waste generated from the kitchen, pantry, and other areas.
- By reducing paper dependency, we support employees in adopting more sustainable and low-carbon work practices.
- Power infrastructure supported through our financing serves as an essential enabler for industrial activities, the services sector, and everyday life.

KEY INITIATIVES TO PRESERVE AND ENHANCE NATURAL CAPITAL

- **Digital-first approach**
  Reducing paper usage through digitalisation, e-office, e-signatures and online processes.
- **Resource conservation**
  Promoting responsible use of water, energy and other resources across operations.
- **Waste management**
  Organic composting of kitchen and pantry waste through the installed composting machine.
- **Green workplace**
  Encouraging low-carbon practices, green spaces and a clean, healthy workplace.
- **Environment awareness**
  Building awareness among employees on sustainability and responsible resource use.

Annexure C of Board's Report

Report on Corporate Governance

Corporate governance forms the foundation of PFC's institutional framework, reinforcing its commitment to ethical conduct, transparency, accountability and excellence in its conduct. As a Maharatna Central Public Sector Enterprise, PFC is committed to upholding the highest standards of governance, ensuring that its affairs are directed and managed with integrity, fairness and responsibility while safeguarding the interests of all stakeholders. The Company's governance framework is designed to foster prudent decision-making, effective risk management, regulatory compliance and sustainable value creation, reinforcing stakeholder confidence and supporting the nation's development priorities through responsible business practices.

The Company is dedicated to complying with the principles governing disclosures and statutory obligations, thereby ensuring the protection of shareholders' rights, equitable treatment of stakeholders, timely and transparent disclosures, accountability, responsibility and sustainability. PFC consistently endeavors to uphold and implement its corporate governance philosophy in both letter and spirit.

At PFC, corporate governance represents a commitment to conducting business ethically and responsibly within the existing regulatory framework, with a strong emphasis on sustainable value creation for stakeholders. It also focuses on nurturing and maintaining effective relationships among the Board of Directors, management, shareholders, employees, customers, and other stakeholders.

In accordance with applicable statutory requirements, the following section forms part of the Directors' Report and presents a detailed Corporate Governance Report covering compliance with, including:

- 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 issued by the Department of Public Enterprises ("DPE Guidelines")
- Secretarial Standards issued by the Institute of Company Secretaries of India

A certificate from a Practicing Company Secretary certifying compliance with the aforesaid provisions forms part of this Report.

1. PFC'S GOVERNANCE PHILOSOPHY:

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

i. Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and

ii. This freedom of management should be exercised within the framework of regulatory environment and effective accountability.

In line with this philosophy, the Company's corporate structure, business practices, and disclosure standards have been designed to uphold high standards of governance.

The Company strongly adheres to the principles governing disclosures and obligations prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and regards them as the cornerstone of its governance framework. The Company has consistently ensured compliance with the objectives and principles of Corporate Governance as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

The Board of Directors plays a vital role in guiding the Company's strategic direction, providing independent oversight and ensuring strong corporate governance. Comprising a balanced mix of expertise, experience, knowledge and independence, the Board delivers effective leadership and supervision.

The Board functions within a comprehensive governance framework that includes the Companies Act, the Memorandum and Articles of Association, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as the Company's internal policies and codes etc.

Dedicated to maintaining the highest standards of governance, the Board oversees critical business policies, financial integrity, and compliance with applicable regulatory and ethical requirements. Its members bring together diverse perspectives and extensive experience across various domains, contributing significant value to the Company's growth and governance.

Composition of Board

PFC, a Government Company under Section 2(45) of the Companies Act, 2013, with 55.99% of its total paid-up share capital held by the President of India as on March 31, 2026. As per its Articles of Association, the power to appoint Directors vests with the President of India through the Ministry of Power, and the Board comprises of not less than three and not more than fifteen Directors.

The Board comprises experienced and qualified professionals who provide strategic direction and effectively manage the Company's operations to achieve Company's objectives. The Company has adopted a Board Diversity Policy, available at:

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

Further, in accordance with RBI Guidelines and based on the recommendation of the Nomination and Remuneration Committee, the Company has implemented policy on fit & proper criteria for Directors. The policy lays down the internal framework for evaluating the qualifications, expertise, integrity and other relevant attributes of Directors to assess their suitability for appointment on the Board. The prescribed criteria are evaluated at appointment/ reappointment and reviewed annually. In terms of the said policy, the Nomination and Remuneration Committee has confirmed that all Board Members are fit & proper for FY2025-26.

a) During the FY2025-26, the following changes took place in the composition of the Board of Directors of the Company: -

(i) Five Independent Directors were appointed (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 & Shri Sudhir Mehta w.e.f. May 13, 2025 & May 14, 2025 respectively.

As on March 31, 2026 the Company's Board comprised of ten Directors which includes four Whole Time Functional Directors including Chairman and Managing Director (CMD), five Independent Directors and one Part Time Government Nominee Director.

After the above appointments, the composition of the Board of Directors was in conformity with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and accordingly the Board Level Committees also became compliant pursuant to applicable provisions of Companies Act and SEBI LODR.

b) The composition of the Board as on March 31, 2026 and other relevant information, is outlined below:

Sr. No.	Name of the Director	DIN	Position in the Company	No. of other Directorships in Indian public limited companies[$]	Directorships held in other listed entities, category of Directorship[$]	No. of Committee positions held in other companies[$$]	
						Member	Chair person
Whole Time Directors							
i)	Smt. Parminder Chopra	08530587	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel	2	Nil[#]	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	Nil
iv)	Shri Sandeep Kumar	08529035	Director (Finance), Chief Financial Officer and Key Managerial Personnel	3	-	Nil	Nil
Government Nominee Director							
v)	Shri Shashank Misra	08364288	Director (Government Nominee)	1	REC Limited[@]	Nil	Nil
Independent Directors							
vi)	Shri Prasanna Tantri	06471864	Independent Director	Nil	Nil	Nil	Nil
vii)	Smt. Usha Sajeev Nair	09408454	Independent Director	Nil	Nil	Nil	Nil
viii)	Shri Naresh Dhanrajbhai Kella	01176450	Independent Director	Nil	Nil	Nil	Nil
ix)	Shri Bhaskar Bhattacharya	09406292	Independent Director	Nil	Nil	Nil	Nil
x)	Shri Sudhir Mehta	00056867	Independent Director	2	Nil	1	Nil

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

[$$]Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholder's/Investor's Grievance Committee.

[#]Held additional charge of CMD, REC Limited w.e.f. March 21, 2025 to April 21, 2025.

**Appointed as Nominee Director of PFC*

[@]Appointed as Govt. Nominee Director

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) Changes on the Board of PFC (after March 31, 2026)

i) Resignation from the position of Independent Director of the Company by Shri Bhaskar Bhattacharya, due to his proposed candidature in the West Bengal Assembly election, to avoid any potential conflict of interest w.e.f. April 01, 2026.

ii) Upon completion of tenure, three functional Directors ceased to be Members of the Board i.e. Shri Manoj Sharma as Director (Commercial), Shri Sandeep Kumar as Director (Finance) w.e.f. April 01, 2026 and Shri Rajiv Ranjan Jha as Director (Projects) w.e.f. May 01, 2026.

iii) Consequent upon completion of tenure on April 16, 2026, the three non-official Independent Directors on the Board of PFC i.e. Smt. Usha Sajeev Nair, Shri Prasanna Tantri and Shri Naresh Dhanrajbhai Kella, ceased to be Members of the Board w.e.f. April 17, 2026.

iv) In the first quarter of FY2026-27, Ministry of Power, Government of India appointed three Directors on the Board of PFC viz.

(a) Shri Rajesh Kumar Agarwal as Director (Finance) w.e.f. April 23, 2026

(b) Shri V. Packirisamy as Director (Commercial) w.e.f. June 02, 2026

(c) Shri Pankaj Gupta as part-time Non-Official Director w.e.f. June 22, 2026

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

Being a Public Sector Enterprise, the Company's Board of Directors is constituted through appointments made by the President of India via the Ministry of Power, Government of India. The Ministry ensures that the Board comprises individuals with diverse expertise, extensive experience, and relevant domain knowledge to provide effective leadership and oversight. Detailed profiles of all Directors, including their educational qualifications and professional backgrounds, are presented 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 FY2025-26, is as follows:



Key Qualifications of the Board										
Name of the Director	**Area of expertise**									
Smt. Parminder Chopra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajiv Ranjan Jha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sandeep Kumar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Prasanna Tantri	✓				✓	✓	✓	✓	✓	✓
Smt. Usha Sajeev Nair	✓		✓		✓	✓	✓	✓	✓	✓
Shri Naresh Dhanrajbhai Kella	✓		✓		✓	✓	✓	✓	✓	✓
Shri Bhaskar Bhattacharya	✓		✓		✓	✓	✓	✓	✓	✓
Shri Sudhir Mehta	✓				✓	✓	✓	✓	✓	✓

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

Board Meetings

The Board of Directors of PFC meets at regular intervals to deliberate on matters of strategic, operational and regulatory significance. Board meetings are generally convened at the Company's Registered Office. Meetings are conducted based on a structured agenda. Detailed agenda papers, supported by explanatory notes and relevant background information, are circulated sufficiently in advance to enable informed, objective, and independent decision-making. The Company ensures compliance with the applicable provisions of the Companies Act, 2013 and Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors, as issued by the Institute of Company Secretaries of India, adhering to both the letter and the spirit of the prescribed standards.

During the year under review, the Board met **Eighteen (18)** times on the following dates:

(i) April 16, 2025 (ii) April 21, 2025 (iii) May 09, 2025 (iv) May 21, 2025 (v) June 02, 2025 (vi) June 13, 2025 (vii) July 17, 2025 (viii) July 24, 2025 (ix) August 06, 2025 (x) September 18, 2025 (xi) September 24, 2025 (xii) November 07, 2025 (xiii) November 14, 2025 (xiv) December 04, 2025 & December 13, 2025(Adj.) (xv) February 05, 2026 & February 06, 2026(Adj.) (xvi) March 17, 2026 (xvii) March 24, 2026 (xviii) March 30, 2026.

Annual General Meeting

The last Annual General Meeting of the Company was held on August 28, 2025.

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

Director	Meetings Held	Meetings Attended	Attendance on last AGM*
Smt. Parminder Chopra Chairman and Managing Director (CMD)	18	18	Yes
Shri Shashank Misra Director (Government Nominee Director)	18	18	Yes
Shri Rajiv Ranjan Jha Director (Projects)	18	18	Yes
Shri Manoj Sharma Director (Commercial)	18	17	Yes
Shri Sandeep Kumar Director (Finance)	18	18	Yes
Smt. Usha Sajeev Nair Independent Director (w.e.f. April 17, 2025)	17	17	Yes
Shri Prasanna Tantri Independent Director (w.e.f. April 17, 2025)	17	17	Yes
Shri Naresh Dhanrajbhai Kella Independent Director (w.e.f. April 17, 2025)	17	17	Yes
Shri Bhaskar Bhattacharya Independent Director (w.e.f. May 13, 2025)	15	15	Yes
Shri Sudhir Mehta Independent Director (w.e.f. May 14, 2025)	15	13	Yes

*Attendance at the last AGM held on August 28, 2025

Separate Meeting of Independent Directors

Pursuant to Regulation 25(3) of the SEBI LODR, Schedule IV to the Companies Act, 2013, and the Department of Public Enterprises (DPE) Guidelines on the Roles and Responsibilities of Non-Official Directors (Independent Directors) of CPSEs, two separate meetings of the Independent Directors were held on May 22, 2025 and September 20, 2025. Both meetings were attended by all the Independent Directors.

Declaration by Independent Directors

The Independent Directors, at the first meeting of the Board in which their appointments were approved, submitted declarations confirming that they meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) of the SEBI LODR, and the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs). Based on these declarations and after due assessment, the Board was satisfied that all the Independent Directors fulfil the conditions of independence and are independent of the Management.

During FY2025–26, No Independent Director resigned from the Board.

Familiarisation programme for Independent Directors

The Company familiarises its Independent Directors about the nature of business & operations, strategy and performance of the Company, their role & responsibilities as Independent Directors and other relevant topics from time to time. Independent Directors are provided with relevant documents, policies, reports, and other reference materials to familiarise them with the Company's business processes, governance practices, and internal systems. They are also regularly updated through presentations at Board and Committee meetings on the Company's operational and financial performance, business strategy, risk management framework, regulatory developments, and other significant matters. Continuous interaction with the Board, Senior Management, and functional heads further enables the Independent Directors to remain informed about the Company's affairs.

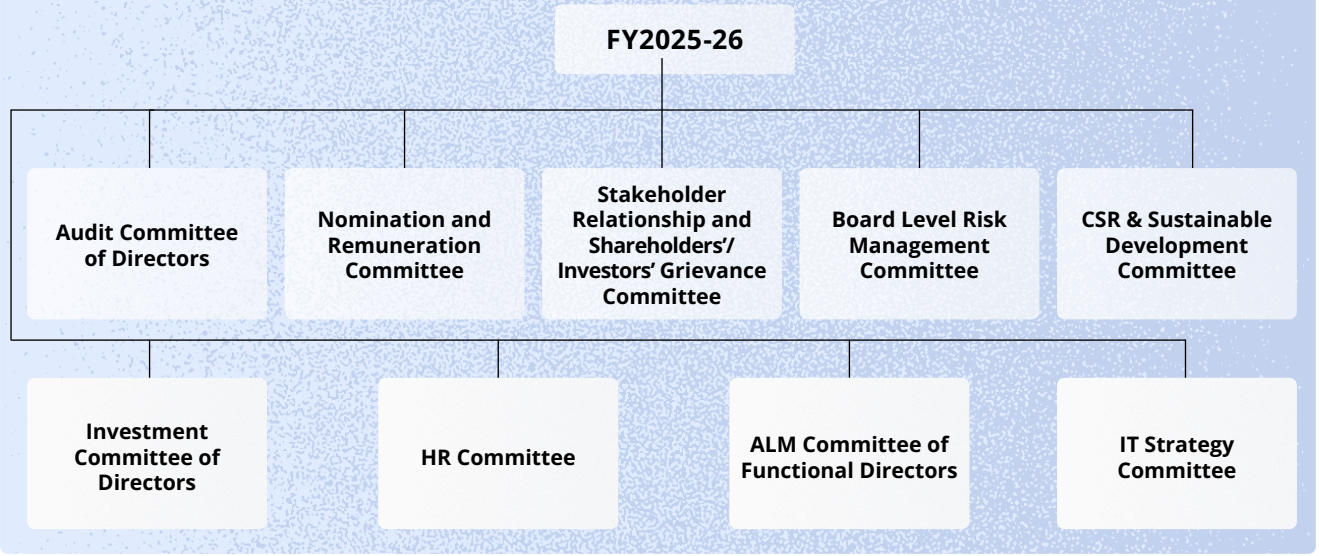
In accordance with the requirements of the SEBI LODR the details of the familiarisation programmes conducted for Independent Directors are hosted on the Company's website and are updated from time to time. The same can be accessed through the web link provided below.
https://www.pfcindia.co.in/ensite/Home/VS/10351

3. BOARD LEVEL COMMITTEES

To facilitate focused deliberations and enhance the effectiveness of the Board's oversight, the Board has constituted various statutory and non-statutory Board-level Committees. The Company Secretary acts as the Secretary to all the Board-level Committees. Each Committee operates within clearly defined terms of reference approved by the Board and focuses on specific areas of governance and business oversight. The Committees examine matters falling within their respective mandates, deliberate in detail, and make informed recommendations to the Board to support effective and timely decision-making. The delegation of specific responsibilities to these Committees enables the Board to devote greater attention to strategic matters while ensuring robust oversight and efficient governance across all key functional areas.

Subsequent to the appointment of Independent Directors during the first quarter of FY2025–26, all Board-level statutory Committees were reconstituted to ensure compliance with the applicable provisions of the Companies Act, 2013, SEBI LODR, RBI guidelines, DPE Guidelines on Corporate Governance for CPSEs, and other applicable regulatory requirements.

Board Level Committees:



3.1 Audit Committee of Directors

In accordance with the provisions of the Companies Act, 2013, the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), the SEBI LODR, RBI's Corporate Governance norms, and other applicable regulatory requirements, the Board of Directors of the Company has constituted an Audit Committee of Directors.

After the appointment of Independent Directors, in the first quarter of FY2025-26, the Audit Committee of Directors was reconstituted by inducting three Independent Directors and one functional director in compliance with the applicable regulatory provisions.

As on March 31, 2026, the Composition of the Audit Committee of Directors is as follows:

Shri Prasanna Tantri
Chairman

Shri Bhaskar Bhattacharya
Member

Shri Naresh Dhanrajbhai Kella
Member

Shri Rajiv Ranjan Jha
Member

During the FY2025-26, Eight (8) meetings of the Audit Committee were held i.e. (i) May 08, 2025 (ii) May 21, 2025 (iii) July 15, 2025 (iv) August 06, 2025 (v) November 07, 2025 (vi) December 03, 2025 (vii) January 16, 2026 (viii) February 05, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

Shri Prasanna Tantri
Independent Director
Chairman
(w.e.f 21.04.2025)

Meetings Held	Meetings Attended
8	8

Shri Bhaskar Bhattacharya
Independent Director
Member
(w.e.f 20.05.2025)

Meetings Held	Meetings Attended
7	7

Shri Naresh Dhanrajbhai Kella
Independent Director
Member
(w.e.f 21.04.2025)

Meetings Held	Meetings Attended
8	8

Shri Rajiv Ranjan Jha
Director (Projects)
Member

Meetings Held	Meetings Attended
8	8

Director (Commercial) and Director (Finance) were permanent invitees to the meetings of the Audit Committee of Directors. 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.

3.2 Nomination and Remuneration Committee

As the Company is a Central Public Sector Undertaking (CPSU), the appointment of the Chairman & Managing Director (CMD) and Functional Directors, as well as the fixation of their remuneration, is determined by the President of India in accordance with the provisions of the Articles of Association of the Company and applicable Government guidelines. Notwithstanding the above, the Company has constituted a Nomination and Remuneration Committee in compliance with the provisions of the Companies Act, 2013, the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI's Corporate Governance norms, and other applicable regulatory requirements.

After the appointment of Independent Directors, in the first quarter of FY2025-26, the Nomination and Remuneration Committee of Directors was reconstituted by inducting four Independent Directors in compliance with the applicable regulatory provisions.

As on March 31, 2026, the Composition of the Nomination and Remuneration Committee of Directors is as follows:

Smt. Usha Sajeev Nair Chairman	**Shri Bhaskar Bhattacharya** Member
Shri Prasanna Tantri Member	**Shri Sudhir Mehta** Member

During the FY2025-26, **Three (3)** meetings of the Nomination and Remuneration Committee were held i.e. (i) April 16, 2025 (ii) December 29, 2025 (iii) March 30, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

	Meetings Held	Meetings Attended
Smt. Usha Sajeev Nair Independent Director Chairman (w.e.f. 21.04.2025)	2	2
Shri Prasanna Tantri Independent Director Member (w.e.f. 21.04.2025)	2	2
Shri Bhaskar Bhattacharya Independent Director Member (w.e.f. 20.05.2025)	2	2
Shri Sudhir Mehta Independent Director Member (w.e.f. 20.05.2025)	2	2
Shri Manoj Sharma Director (Commercial) Member (upto 20.04.2025)	1	1
Shri Sandeep Kumar Director (Finance) Member (upto 20.04.2025)	1	1
Shri Shashank Misra Government Nominee Director Chairperson (upto 20.04.2025)	1	1
Shri Rajiv Ranjan Jha Director (Projects) Member (upto 20.04.2025)	1	1

Subsequent to the appointment of Independent Directors in the committee, the Functional Directors, namely Director (Finance), Director (Projects), and Director (Commercial), were made permanent invitees to the meetings of the Committee. 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.

Remuneration Policy

The Company is a Central Public Sector Undertaking (CPSU), wherein all members of the Board of Directors are appointed by the President of India through the administrative Ministry, i.e., the Ministry of Power, Government of India. The remuneration of the Whole-Time Directors is determined by the Government of India and specified in their respective appointment orders/ pay fixation orders. The appointment and remuneration of other employees of the Company are governed by the applicable guidelines issued by the Department of Public Enterprises (DPE). Except for the remuneration received by the Chairman & Managing Director (CMD) and Whole-Time Directors, none of the Directors on the Board has any material pecuniary relationship or transactions with the Company, its Promoters, or its Subsidiary, which, in the opinion of the Board, may affect the independence of judgment of the Directors.

Being a Government Company, the performance evaluation of all members of the Board, including Independent Directors, is undertaken by the administrative Ministry, i.e., the Ministry of Power, Government of India, in accordance with the applicable Government guidelines.

The Ministry of Corporate Affairs (MCA) vide its notification dated June 05, 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 05, 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 15.04.2026 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 FY2025-26 was carried out by Independent Directors in their meeting held on 14.04.2026 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 functional Directors of the Company during the year 2025-2026 are given below

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentive (₹)	Stock Options	Total (₹)	No. of shares held as on March 31, 2026
Smt. Parminder Chopra	64,90,738	8,01,373	-	29,33,474	-	1,02,25,585.00	2500
Shri Sandeep Kumar	63,59,733	86,89,589	-	28,25,556	-	1,78,74,878.00	15575
Shri Manoj Sharma	64,33,678	93,37,811	-	29,12,919	-	1,86,84,408.00	0
Shri Rajiv Ranjan Jha	68,24,406	9,87,722	-	30,75,464	-	1,08,87,592.00	20005

Notes:

1. Salary & Allowances have been considered on paid basis for the period working in capacity of Director.
2. The performance linked incentives are paid as per DPE guidelines.
3. The appointment of Directors and terms of appointment including remuneration, notice period, severance fees, if any etc. are decided by President of India.

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. The Board of Directors in their meeting held in October 2025, revised the sitting fee i.e. ₹50,000/- for attending each Meeting of the Board of Directors and ₹40,000/- 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, 2026, 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, 2026 are as follows:

Shri Rajesh Kumar Agarwal* Executive Director	**Shri V. Packirisamy*** Executive Director	**Shri Saurav Kumar Shah** Executive Director	**Shri Manoj Kumar Rana** Executive Director	**Shri Rajeev Kumar Chaturvedi** Executive Director
Shri Rajesh Kumar Shahi Executive Director	**Shri Ali Shah** Executive Director	**Shri Hemant Kumar Das** Executive Director	**Shri Pawan Kumar** Executive Director, Chief Compliance Officer	**Shri Shunmuga Sundaram Palanivel** Executive Director
Smt. Jasneet Guram Executive Director	**Shri Venugopal Yakasiri** Executive Director	**Shri B. S. Arunachalam** Executive Director	**Shri D. V. Subba Rao** Executive Director	**Shri Praveen Verma** Executive Director
Smt. Priya Kumar Executive Director	**Shri Deepak Jain** Executive Director	**Shri Jawahar G** Executive Director	**Shri Manish Kumar Agarwal** Company Secretary	

*Shri Rajesh Kumar Agarwal and Shri V. Packirisamy have been appointed Directors on the Board of PFC on April 23, 2026 and June 02, 2026 respectively.

b) The details of changes by virtue of superannuation during FY2025-26 are as follows:

S. No	Employee Name	Designation	Remark
1	Shri Sanjay Sharma	Executive Director	Superannuated
2	Shri Raj Kumar Malhotra	Executive Director	Superannuated

3.3 Stakeholder Relationship and Shareholder's/Investor's Grievance Committee (SIGC)

The Company has set up a Stakeholders Relationship and Shareholder's/Investor's 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.

After the appointment of Independent Directors, in the first quarter of FY2025-26, the Stakeholders Relationship and Shareholder's/Investor's Grievance Committee was reconstituted by inducting an Independent Director in compliance with the applicable regulatory provisions.

As on March 31, 2026, the Composition of the Stakeholders Relationship and Shareholder's/Investor's Grievance Committee of Directors is as follows:

Shri Bhaskar Bhattacharya	**Shri Manoj Sharma**	**Shri Sandeep Kumar**
Chairman	Member	Member

During the FY2025-26, **Three (3)** meetings of the Stakeholder Relationship and Shareholder's/Investor's Grievance Committee were held i.e. (i) July 15, 2025 (ii) November 06, 2025 and (iii) March 17, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

Shri Bhaskar Bhattacharya Independent Director Chairman (w.e.f 20.05.2025)	**Shri Manoj sharma** Director (Commercial) Member (w.e.f 21.04.2025)	**Shri Sandeep Kumar** Director (Finance) Member (w.e.f 11.07.2024)
Meetings Held: 3 / **Meetings Attended**: 3	**Meetings Held**: 3 / **Meetings Attended**: 2	**Meetings Held**: 3 / **Meetings Attended**: 3

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.

Information on investor complaints for the year ended March 31, 2026 is as follows:

Particulars	Equity	Bonds	Total
Pending at the beginning of the year	1	0	1
Received during the year	356	3,815	4,171
Disposed off during the year	350	3,815	4,171
Lying unresolved at the end of the year	7*	0	7

**Complaints received between 25-03-2026 to 31-03-2026 has been responded by 07-04-2026.*

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.

After the appointment of Independent Directors, in the first quarter of FY2025-26, the Board Level Risk Management Committee was reconstituted by inducting two Independent Directors in compliance with the applicable regulatory provisions.

As on March 31, 2026, the Composition of the Board Level Risk Management Committee of Directors is as follows:

Shri Prasanna Tantri Chairman	**Smt. Usha Sajeev Nair** Member	**Shri Rajiv Ranjan Jha** Member
Shri Manoj Sharma Member	**Shri Sandeep Kumar** Member	

During the FY2025-26, **Three (3)** meetings of the Board Level Risk Management Committee were held i.e. (i) July 15, 2025 (ii) November 07, 2025 and (iii) January 16, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

	Meetings Held	Meetings Attended
Shri Prasanna Tantri Independent Director Chairman (w.e.f 21.04.2025)	3	3
Smt. Usha Sanjeev Nair Independent Director Member (w.e.f 20.05.2025)	3	3
Shri Rajiv Ranjan Jha Director (Projects) Member	3	3
Shri Manoj Sharma Director (Commercial) Member	3	3
Shri Sandeep Kumar Director (Finance) Member	3	3

Shri Deepak Jain, Executive Director has been appointed as Chief Risk Officer (CRO) w.e.f. November 01, 2025. 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.

3.5 CSR Committee

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

After the appointment of Independent Directors, in the first quarter of FY2025-26, the CSR Committee was reconstituted by inducting two Independent Directors in compliance with the applicable regulatory provisions.

As on March 31, 2026, the Composition of the CSR Committee is as follows:

Shri Naresh Dhanrajbhai Kella
Chairman
(w.e.f 21.04.2025)

Shri Manoj Sharma
Member

Smt. Usha Sajeev Nair
Member
(w.e.f 20.05.2025)

Shri Rajiv Ranjan Jha
Member

Shri Sandeep Kumar
Member

During the FY2025-26, **Six (6)** meetings of the CSR Committee of Directors were held i.e. (i) May 21, 2025 (ii) June 02, 2025 (iii) July 17, 2025 (iv) November 14, 2025 (v) January 01, 2026 and (vi) March 23, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

	Meetings Held	Meetings Attended
Shri Naresh Dhanrajbhai Kella Independent Director Chairman (w.e.f 21.04.2025)	6	6
Smt. Usha Sanjeev Nair Independent Director Member (w.e.f 20.05.2025)	6	6
Shri Rajiv Ranjan Jha Director (Projects) Member	6	5
Shri Manoj Sharma Director (Commercial) Member	6	6
Shri Sandeep Kumar Director (Finance) Member	6	6

Company Secretary acts as the Secretary to the Committee.

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.

After the appointment of Independent Directors, in the first quarter of FY2025-26, the Board Level IT Strategy Committee was reconstituted by inducting two Independent Directors in compliance with the applicable regulatory provisions.

As on March 31, 2026, the Composition of the Board Level IT Strategy Committee is as follows:

Shri Sudhir Mehta
Chairman
(w.e.f 20.05.2025)

Shri Naresh Dhanrajbhai Kella
Member
(w.e.f 21.04.2025)

Shri Rajiv Ranjan Jha
Member

Shri Manoj Sharma
Member

Shri Sandeep Kumar
Member

During the FY2025-26, Three (3) meetings of the Board Level IT Strategy Committee were held i.e. (i) July 16, 2025 (ii) December 04, 2025 (iii) March 31, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

Shri Sudhir Mehta Independent Director Chairman	Shri Naresh Dhanrajbhai Kella Independent Director Member	Shri Rajiv Ranjan Jha Director (Projects) Member
Meetings Held: 3 / Meetings Attended: 3	Meetings Held: 3 / Meetings Attended: 3	Meetings Held: 3 / Meetings Attended: 3

Shri Manoj Sharma Director (Commercial) Member	Shri Sandeep Kumar Director (Finance) Member
Meetings Held: 3 / Meetings Attended: 2	Meetings Held: 3 / Meetings Attended: 2

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.

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, 2026, 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 FY2025-26, two (2) meetings of the Investment Committee of Directors were held i.e. (i) October 28, 2025 and (ii) February 06, 2026.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

Smt. Parminder Chopra CMD Chairman	Shri Rajiv Ranjan Jha Director (Projects) Member
Meetings Held: 2 / Meetings Attended: 2	Meetings Held: 2 / Meetings Attended: 2

Shri Manoj Sharma Director (Commercial) Member		Shri Sandeep Kumar Director (Finance) Member	
Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
2	2	2	2

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, 2026, the Composition of the HR Committee is as follows:

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

During the FY2025-26, One (1) meeting of the HR Committee was held i.e. (i) July 16, 2025.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

Shri Manoj Sharma Director (Commercial) Chairman		Shri Rajiv Ranjan Jha Director (Projects) Member		Shri Sandeep Kumar Director (Finance) Member	
Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
1	1	1	1	1	1

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, 2026, the Composition of the ALM Committee of Functional Directors is as follows:

Shri Sandeep Kumar Chairman	Shri Rajiv Ranjan Jha Member

During the FY2025-26, **One (1)** meeting of the ALM Committee was held i.e. November 18, 2025.

Details of meetings attended (physical presence/through video conferencing) by members during FY2025-26 are as follows:

Shri Sandeep Kumar Director (Finance) Chairman		Shri Rajiv Ranjan Jha Director (Projects) Member	
Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
1	1	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
37th	September 12, 2023	Tuesday	11:30 A.M.	At the Registered Office of the Corporation through Video Conferencing	Nil
38th	August 21, 2024	Wednesday	11:00 A.M.	At the Registered Office of the Corporation through Video Conferencing	Nil
39th	August 28, 2025	Thursday	11:00 A.M.	At the Registered Office of the Corporation through Video Conferencing	Appointment/re-appointment of Part Time Non Official Director (Independent Director) 1. Smt. Usha Sajeev Nair 2. Shri Prasanna Tantri 3. Shri Naresh Dhanrajbhai Kella 4. Shri Bhaskar Bhattacharya 5. Dr. Sudhir Mehta

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 financial year 2025-26.

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 FY2025-26. 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 of Materiality of Related Party Transaction and Dealing with 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.

During FY2025-26, 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, 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.

After the appointment of requisite number of Independent Directors during Q1, the Company requested the Stock Exchanges to waive the penalties. While some of the penalties were waived by Exchange and others were under consideration, PFC made payment of the total outstanding SOP fines in December 2025. Subsequently, in the February 2026, NSE conveyed its decision regarding waiver of fines while decision from BSE in this regard is awaited. As on date no penalty is pending w.r.t. NSE & BSE.

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. 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.

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'.

The Company has instituted a robust vigil mechanism through the implementation of various codes and policies, including the 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, among others.

The details are also posted on the Corporation's website.

Annual Affirmation under Whistle Blower Policy

The status of complaints under whistle blower policy is 'Nil' for calendar year 2025. 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://cms.pfcindia.co.in/media/documents/Final_Policy_for_Material_Subsidiary17052019.pdf

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 financial year 2025-26.

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 FY2025-26, from April 17, 2025 onwards 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 of Communication' of the Corporate Governance report and also displayed on the website of the Company.

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 FY2025-26.

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);

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.

Meetings of Independent Directors: During FY2025-26, two meetings of Independent Directors, without the presence of Non-Independent Directors and members of the management were held and all the Independent Directors were present at such meetings.

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 specified 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 financial year 2025-26.

13. During the FY2025-26, 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 ₹1.83 crore was paid by the Company (PFC) in FY2025-26 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 ₹ 3.89 Crore was paid by the Company, its subsidiaries, network firm/network entity, to their respective statutory auditors in FY2025-26.

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 01, 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 T. Chatterjee, 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 13, 2026. (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 un-published 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 40th Annual General Meeting shall be held through Video Conferencing/Other Audio Visual Means as per the below mentioned information:

Date	Time	Venue
August 31, 2026	11:00 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 40th AGM of the Company.

b) Financial calendar for FY2026-27 (Tentative)

Particulars	Date
Financial year	April 01, 2026 to March 31, 2027
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 2027

c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 17, 2026 to August 31, 2026.

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://cms.pfcindia.co.in/media/documents/Dividend_Distribution_Policy.pdf

- **Dividend details for the FY2025-26**

  The Board of Directors of the Company, has recommended payment of final dividend of ₹3.95 per equity share (subject to deduction of TDS) for the financial year ended March 31, 2026 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 ₹14.60 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 FY2025-26 amounts to ₹18.55 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 July 31, 2026 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 July 31, 2026. 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)
2021-22	2640.08 (1st Interim)	594	22.5	September 10, 2021
	2640.08 (2nd Interim)	660	25	December 10, 2021
	2640.08 (3rd Interim)	1584	60	March 11, 2022
	2640.08 (Final)	330	12.5	October 11, 2022
	Total	**3,168**	**120**	
2022-23	2640.08 (1st Interim)	594	22.5	September 09, 2022
	2640.08 (2nd Interim)	792	30	December 08, 2022
	2640.08 (3rd Interim)	924	35	March 10, 2023
	3300.10 * (Final)	1,188	45	September 27, 2023
	Total	**3,498**	**132.50**	
2023-24	3300.10 (1st Interim)	1,485	45	December 07, 2023
	3300.10 (2nd Interim)	1,155	35	February 29, 2024
	3300.10 (3rd Interim)	990	30	March 30, 2024
	3300.10 (Final)	825	25	September 13, 2024
	Total	**4,455**	**135**	
2024-25	3300.10 (1st Interim)	1,073	32.5	September 05, 2024
	3300.10 (2nd Interim)	1,155	35	December 06, 2024
	3300.10 (3rd Interim)	1,155	35	March 11, 2025
	3300.10 (4th Interim)	1,155	35	March 29, 2025
	3300.10 (Final)	677	20.5	September 22, 2025
	Total	**5,215**	**158**	
2025-26	3300.10 (1st Interim)	1,221	37	September 05, 2025
	3300.10 (2nd Interim)	1,205	36.5	December 05, 2025
	3300.10 (3rd Interim)	1,320	40	March 02, 2026
	3300.10 (4th Interim)	1,073	32.5	March 30, 2026
	3300.10 (Final)	1,304	39.5 (Recommended)	Yet to be declared & paid
	Total	**6,122**	**185.5**	

*Share capital increased to ₹ 3300.10 crore due to Bonus Issue in the ratio 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, 2026 was ₹ 84.96 crore (Principal plus interest). The unpaid/unclaimed amount of bonds transferred to IEPF during FY2025-26 is ₹ 38,29,866/-

Unclaimed Dividend-Equity

The balances in Unclaimed Dividend Accounts (Equity) as on March 31, 2026 was ₹7.09 crore (approx.). The unclaimed dividend of ₹ 24.59 lakhs (approx.) became due for transfer during the year ended March 31, 2026 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). As on March 31, 2026, the number of equity shares held in Demat account to IEPF Authority were 1,46,463.

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 Exchenge 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 FY2025-26 have been paid to NSE and BSE.

f) Registrar and Transfer Agent for Equity Shares

Communication Address

Company Name:

KFin Technologies Limited

Location:

Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India-500032

Direct Contact

Telephone:

+91 40 67162222

Email:

einward.ris@kfintech.com

Website:

www.kfintech.com

Transfer of equity shares in electronic from 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 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat mode.

g) Details of Demat Suspense Account

i) The details of shares in the Demat Suspense account as on March 31, 2026 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 01, 2025.	3	1790
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2025-26.	3*	1790
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2025-26.	2	540
Less: Number of shares which were transferred to IEPF Account during the year 2025-26.	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, 2026.	1	1250

Out of 3 cases, 2 cases have been transferred from Demat Suspense Account to the Demat account of respective shareholders on **07.04.2025. 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, 2026 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 01, 2025.	139	6081
Number of shareholders who approached the Company for transfer of shares from unclaimed securities suspense escrow account during the year 2025-26.	1	1
Less: Number of shareholders to whom shares were transferred from unclaimed securities suspense escrow account during the year 2025-26.	1	1
Less: Number of shares which were transferred to IEPF Account during the year 2025-26.	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, 2026.	138	6080

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

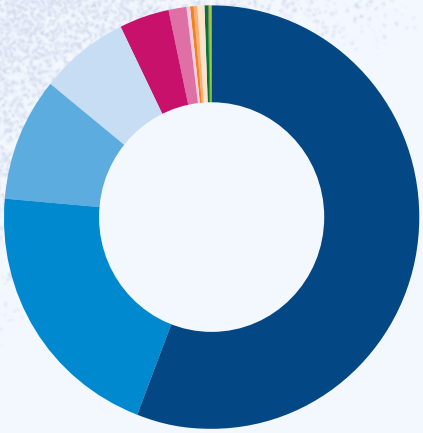
h) Distribution of shareholding

- **Distribution of shareholding as on March 31, 2026**

Sl no	Amount	No of Shareholders	% of Shareholders	Total Shares	Amount	% of Amount
1	1-5000	962051	92.28	75054726	750547260	2.27
2	5001- 10000	40763	3.91	29711075	297110750	0.90
3	10001- 20000	22590	2.17	31679270	316792700	0.96
4	20001- 30000	6160	0.59	15385808	153858080	0.47
5	30001- 40000	2829	0.27	9965240	99652400	0.30
6	40001- 50000	1713	0.16	7954505	79545050	0.24
7	50001- 100000	3025	0.29	21651809	216518090	0.66
8	100001 & Above	3381	0.32	3108699327	31086993270	94.20
	Total	**1042512**	**100**	**3300101760**	**33001017600**	**100**

- **Shareholding pattern as on March 31, 2026**

Category	Total Shares	Percentage
President of India	1847864722	55.9942
Foreign Portfolio - Corp	677707230	20.5359
Mutual Funds	308197961	9.339
Resident Individuals	231544956	7.0163
Qualified Institutional Buyer	133587629	4.048
Bodies Corporates	39550808	1.1985
QIB - Pension Funds	12841868	0.3891
H U F	10678814	0.3236
Insurance Companies	10374654	0.3144
Alternative Investment Fund	10034380	0.3041
Non Resident Indian Repatriable	5649200	0.1712
Non Resident Indian Non Repatriable	5428662	0.1645
Nationalised Banks	2224571	0.0674
Trusts	1556950	0.0472
NBFC	1470320	0.0446
Employees	1056862	0.032
Other Banks	178200	0.0054
IEPF Authority	146263	0.0044
Clearing Members	2926	0.0001
Key Management Personnel	2400	0.0001
Foreign Portfolio Investors	2269	0.0001
Banks	50	0.0000
Indian Financial Institutions	35	0.0000
Financial Institutions	30	0.0000
Total	**3300101760**	**100.0001**



i) Dematerialisation of shares

Number of shares held in dematerialised form with NSDL, CDSL and physical mode as on March 31, 2026.

Description	No. of Shares	% to total Capital Issued
NSDL	3165005653	95.9063
CDSL	135079546	4.0932
Physical	16561	0.0005
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, 2026:

Credit Rating Overview

Domestic Credit Rating Agencies (Borrowing Programme)

CRISIL	ICRA	CARE
Long-Term Rating:	Long-Term Rating:	Long-Term Rating:
CRISIL AAA	**ICRA AAA**	**CARE AAA**
Short-Term Rating:	Short-Term Rating:	Short-Term Rating:
CRISIL A1+	**ICRA A1+**	**CARE A1+**

International Credit Rating Agencies (Issuer Rating)

FITCH RATINGS	MOODY'S
Long-Term Rating:	Long-Term Rating:
BBB-	**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 31.03.2026 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 of during FY2025-26. However, one of the borrowers with an outstanding amount of ₹262.90 crore as on 31.03.2026 which was suspected to have committed fraud on the Company in FY2024-25 has been declared as fraud in FY2025-26. To the best of our knowledge, neither management nor employee having a significant role in the Company's internal control system over financial reporting was involved in the said fraud.

	Sd/-	Sd/-
	(Rajesh Kumar Agarwal)	**(Parminder Chopra)**
	Director (Finance)/CFO	Chairman & Managing Director/CEO
Date: 11.05.2026	DIN- 09699001	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, 2026."

Sd/-
(Parminder Chopra)
Chairman & Managing Director
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:L65910DL1986GOI024862 and having registered office at Urjanidhi 1, Barakhamba Lane, Connaught Place, New Delhi 110001** listed on **BSE and NSE**, (hereinafter referred 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 us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on **March 31, 2026** have been debarred or disqualified from being appointed or continuing as 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/ reappointment in Company
1	Smt. Parminder Chopra	08530587	14-08-2023*
2	Shri Shashank Misra	08364288	25-06-2024
3	Shri Rajiv Ranjan Jha	03523954	28-10-2021
4.	Shri Manoj Sharma	06822395	29-08-2022
5.	Shri Sandeep Kumar	08529035	11-07-2024
6.	Shri Prasanna Tantri	06471864	17-04-2025
7.	Shri Usha Sajeev Nair	09408454	17-04-2025
8.	Shri Naresh Dhanrajbhai Kella	01176450	17-04-2025
9.	Shri Bhaskar Bhattacharya	09406292	13-05-2025
10.	Shri Sudhir Mehta	00056867	14-05-2025

* Original date of Appointment was 01.07.2020

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 **T.Chatterjee & Associates**
Company Secretaries
FRN: P2007WB061700
Peer Review: 7747/2026

Sd/-
CS Indrani Chaudhuri
Partner,
ACS: 8739, COP:6667
UDIN: A008739H001015613

Place: New Delhi
Date: 04-08-2026

Certificate of Corporate Governance

To,
The Members,
Power Finance Corporation Limited,
'Urjanidhi', 1, Barakhamba 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, 2026** 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 beginning of the Financial Year 2025-26, there were no Independent Directors on the Board of Directors of the Company resulting in non-compliance of SEBI(LODR) Regulations and DPE guidelines with respect to Composition of Board and Committees of Board. Subsequently, w.e.f. 17.04.2025, 13.05.2025 and 14.05.2025., requisite number of independent directors were appointed on the Board by the Ministry of Power, Government of India, thereafter, the Composition of Board and Committees of Board was constituted in compliance with the appliable provisions of SEBI(LODR) Regulations and DPE Guidelines.

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

For **T.Chatterjee & Associates**
Company Secretaries
FRN: P2007WB061700
Peer Review: 7747/2026

Sd/-
CS Indrani Chaudhuri
Partner,
ACS: 8739, COP: 6667
UDIN: A008739H001015657

Place: New Delhi
Date: 04-08-2026

Business Responsibility and Sustainability Reporting

Business Responsibility and Sustainability Reporting by Listed Entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION A: GENERAL DISCLOSURES

This section provides an overview of PFC's organisational profile, business operations, and the reporting boundary adopted for this BRSR. It also highlights the Company's core business activities, operational footprint, workforce, and office locations, providing context for the disclosures presented in this report.

IR Capitals

Human Capital
Risk Management
Financial Capital

Stakeholders

External: Investors, Suppliers, Community, Shareholders
Internal: Employees

SDGs



I. Details of the listed entity

Sr. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65910DL1986GOI024862
2	Name of the Listed Entity	Power Finance Corporation Limited (PFC)
3	Year of incorporation	July 16, 1986
4	Registered office address	Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001
5	Corporate address	
6	E-mail	investorsgrievance@pfcindia.com
7	Telephone	011-23456000
8	Website	https://www.pfcindia.co.in/
9	Financial year for which reporting is being done	2025-26
10	Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11	Paid-up Capital	₹ 3,300.10 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 and Compliance Officer Contact No: 011-23456749 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).	Disclosure 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

16 Details of business activities (accounting for 90% of the turnover):

Sr. 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	99.94%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No	Product/Service	NIC Code	% of total Turnover contributed
1	Other Financial Services and Activities - Other Credit Granting	641906	99.94%

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 is a leading financial institution that provides interest-bearing financial assistance to entities across the power sector. Its client base includes Central and State power utilities, private sector power utilities including independent power producers, joint sector power utilities, as well as power equipment manufacturers and companies engaged in infrastructure and logistics.

PFC offers a comprehensive suite of financial products comprising long-term, medium-term, and short-term loans, designed to address the diverse financing requirements of the power sector across its value chain. The Company supports the development, modernization, expansion, and operational needs of power infrastructure projects by extending financial assistance to Central and State utilities, State Governments, independent power producers, and other eligible entities. Through its financing solutions, PFC contributes significantly to strengthening and sustaining India's power infrastructure.

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
Employees						
1	Permanent (D)	539	420	77.92%	119	22.08%
2	Other than Permanent (E)	63	59	94%	4	6.35%
3	Total employees (D+E)	602	479	79.57%	123	20.43%
Workers						
4	Permanent (F)	13	11	84.61%	2	15.38%
5	Other than Permanent (G)*	162	144	89%	18	11%
6	Total workers (F+G)	175	155	88.57%	20	11.43%

*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:

Sr. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
Differently Abled Employees						
1	Permanent (D)	17	16	94.12%	1	5.88%
2	Other than Permanent (E)	1	1	100%	0	0.00
3	Total differently abled employees (D+E)	18	17	94.44%	1	5.56%
Differently Abled Workers						
4	Permanent (F)	1	1	100%	0	0.00
5	Other than Permanent (G)	1	0	0	1	100%
6	Total differently abled workers (F+G)	2	1	50%	1	50%

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20
Key Management Personnel	5*	1	20

*Includes 4 Functional Director and 1 Company Secretary

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24* (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.2%	0.8 %	1.10%	0.70%	0.84%	0.73%	0.23%	0.88%	0.37%
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 year 2023-24.

23 (a) Name of holding/subsidiary/associate companies/joint ventures

Sr. No	Name of the holding/subsidiary/associate companies/ joint ventures (A)	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	Orissa Integrated Power Limited	Subsidiary	100	No
6	Coastal Tamil Nadu Power Limited	Subsidiary	100	No
7	Deoghar Mega Power Limited*	Subsidiary	100	No
8	Cheyyur Infra Limited*	Subsidiary	100	No
9	Deoghar Infra Limited*	Subsidiary	100	No
10	Bihar Infrapower Limited*	Subsidiary	100	No
11	Bihar Mega Power Limited	Subsidiary	100	No
12	Jharkhand Infrapower Limited*	Subsidiary	100	No

Sr. No	Name of the holding/subsidiary/associate companies/ joint ventures (A)	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)
13	Chhatarpur Transmission Limited	Subsidiary	Wholly owned subsidiaries of PFCCL	No
14	Siot Transmission Limited	Subsidiary		No
15	Joda Barbil Transmission Limited	Subsidiary		No
16	Ramkanali B Panagarh Transmission Limited	Subsidiary		No
17	Gola B -Ramgarh B Transmission Limited	Subsidiary		No
18	Bhuj II Transmission Limited	Subsidiary		No
19	Bhadla and Bikaner Complex Transmission Limited	Subsidiary		No
20	Bhuj ICT Transmission Limited	Subsidiary		No
21	Wahipora and Sallar Transmission Limited	Subsidiary		No
22	Kandla Gha Transmission Limited	Subsidiary		No
23	Kakinada I Transmission Limited	Subsidiary		No
24	NES Navi Mumbai Transmission Limited	Subsidiary		No
25	Kurnool IV REZ Power Transmission Limited	Subsidiary		No
26	Raigad Power Transmission Limited	Subsidiary		No
27	Alibag Power Transmission Limited	Subsidiary		No
28	Nergs III Siang Basin Transmission Limited	Subsidiary		No
29	Tumkur II RE Transmission Limited	Subsidiary		No
30	Latur REZ Transmission Limited	Subsidiary		No
31	REC Power Development & Consultancy Limited	Subsidiary	Wholly owned subsidiaries of REC Limited	No
32	Chandil Transmission Limited	Subsidiary		No
33	Dumka Transmission Limited	Subsidiary		No
34	Mandar Transmission Limited	Subsidiary		No
35	Koderma Transmission Limited	Subsidiary		No
36	Luhri Power Transmission Limited	Subsidiary		No
37	Shongtong Power Transmission Limited	Subsidiary		No
38	Kankani Power Transmission Limited	Subsidiary		No
39	Tuticorin Power Transmission Limited	Subsidiary		No
40	Mekhali Power Transmission Limited	Subsidiary		No
41	Sharavathi Power Transmission Limited	Subsidiary		No
42	Hampapura Power Transmission Limited	Subsidiary		No
43	Ryapte Power Transmission Limited	Subsidiary		No
44	Robertsganj Power Transmission Limited	Subsidiary		No
45	Jalna Power Transmission Limited	Subsidiary		No
46	Sakoli Power Transmission Limited	Subsidiary		No
47	Kempegowda Power Transmission Limited	Subsidiary		No
48	Barmer HVDC Power Transmission Limited	Subsidiary		No
49	WR ER Part A Power Transmission Limited	Subsidiary		No
50	WR ER Part C Power Transmission Limited	Subsidiary		No
51	Balsane Power Transmission Limited	Subsidiary		No
52	Ambernath Power Transmission Limited	Subsidiary		No
53	Musalgaon Power Transmission Limited	Subsidiary		No
54	Dholpur Power Transmission Limited	Subsidiary		No
55	Jaisalmer Power Transmission Limited	Subsidiary		No
56	Apta Power Transmission Limited	Subsidiary		No
57	Ranipur Chunar Power Transmission Limited	Subsidiary		No
58	Munak Power Transmission Limited	Subsidiary		No
59	Vizag Power Transmission Limited	Subsidiary		No

*Subsequent to March 31, 2026, Registrar of Companies struck off the Companies under section 248 to 252 of Companies Act, 2013

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in ₹)	₹ 58,503.73 Cr
	(iii) Net worth (in ₹)	₹ 1,02,531.94 Cr

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)	FY2025-26			FY2024-25		
		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.co.in/ensite/Home/VS/61	**51**	**1**	**-**	0	0	-
Investors (other than shareholders)	Yes. https://www.pfcapps.com/Bondgreivance/bond_complaint.aspx	**3,815**	**0**	**-**	4,515	0	Resolved
Shareholders	Yes https://pfcindia.co.in/ensite/Home/VS/74	**356**	**7**	**The complaint received between March 25, 2026 to March 31,2026 has been resolved by April 07, 2026.**	195	1	The complaint received on March 29, 2025 was disposed of on April 08, 2025.
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.	**0**	**0**	**-**	1	0	Closed
Customers	Yes https://pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf https://cms.pfcindia.co.in/media/documents/Scheme_for_Borrowers_Grievances_Redressal_JWb21Nh.pdf	**01**	**01**	**-**	31	0	Resolved
Value Chain Partners	NA	**NA**	**NA**	**NA**	NA	NA	NA
Other (please specify)	NA	**NA**	**NA**	**NA**	NA	NA	NA

Note: For FY 2024–25, the reported grievance count under customer included complaints received through the Government of India's CPGRAMS Public Grievance Portal. Based on the nature of these grievances, they have been classified under the Community stakeholder category for FY 2025–26.

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

Sr. 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	Non-compliance with applicable laws and regulatory requirements may result in legal actions, financial penalties, reputational damage, and disruption to business operations. Strong compliance practices enhance operational efficiency, strengthen stakeholder confidence, and support sustainable business performance.	Strong oversight over the company's compliance regularly. PFC has a Fair Practice Code, whistleblower, vigilance and fraud risk management policies in place and adherence to all the applicable laws and regulations to safeguard the interests of the investors and other stakeholders	Negative: Regulatory non-compliance may adversely affect the Company's reputation, financial performance, and continuity of business operations.
2	Low Carbon Financing	Opportunity	The Company's integration of environmental, social, and governance considerations into its lending practices presents an opportunity to support environmentally friendly activities and finance sustainable initiatives, driving positive change and fostering long-term growth.	In order to promote the development of the renewable energy sector multiple initiatives like lower interest rates, additional rebates, higher extent of funding etc. are undertaken for financing of renewable energy projects.	Positive: This enhances the company's reputation, attracts investors, offers a competitive edge and fosters long-term value creation.
3	Data Security and Data Privacy	Risk	Data security incidents or breaches may compromise the confidentiality and integrity of customer information, resulting in loss of stakeholder trust and operational disruption.	Mitigates data security and privacy risks through a robust information security framework, including cybersecurity controls, access management, data encryption, continuous monitoring, periodic security assessments, employee awareness programmes, incident response mechanisms, and business continuity measures.	Negative: Data breaches may lead to service disruptions, financial losses, reputational damage, regulatory actions, and loss of customer confidence.
4	Corporate Governance and Business Ethics	Risk	Strong governance and ethical business practices are essential to maintaining stakeholder trust, safeguarding the Company's reputation, and ensuring responsible business conduct.	Robust governance framework, a Code of Conduct and ethics policies, strong internal controls, periodic audits, whistle-blower mechanisms, regulatory compliance monitoring, and regular employee awareness programmes to promote transparency, accountability, and ethical business practices	Negative: Weak governance or unethical conduct may result in reputational damage, lower employee morale, reduced productivity, and adverse business outcomes.
5	Employee Health and Positive Work Environment	Opportunity	Providing a safe, healthy, and inclusive workplace enhances employee well-being, improves retention, strengthens workforce capabilities, and fosters innovation and diversity.		Positive: A motivated, diverse, and engaged workforce drives innovation, improves organisational performance, and strengthens the Company's employer brand.
6	ESG Governance and Board Oversight	Opportunity	Effective Board oversight of ESG matters strengthens governance, enhances risk management, improves accountability and transparency, and supports informed decision making while integrating sustainability into business strategy.		Positive: Robust ESG oversight enhances long-term business resilience, improves stakeholder confidence, strengthens ESG performance, and supports sustainable value creation.

Business Responsibility and Sustainability Reporting by Listed Entities

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section outlines PFC's governance framework, policies, and management approach for implementing the NGRBC Principles. It highlights the Company's oversight of ESG matters, stakeholder engagement processes, policy implementation, and due diligence practices, demonstrating how sustainability is integrated into its financing decisions, business operations, and overall governance.

IR Capitals

Human Capital

Governance

Stakeholders

External: Investors, Suppliers, Community, Shareholders

Internal: Employees

SDGs



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 Annexure A.								
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.		ISO 9001:2015 ISO 45001:2018								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.		Please refer to our FY 2025-26 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 2025-26 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 our FY 2025-26 ESG Report for more details.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).		Board of Directors (Refer Annexure B)								
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.		The governance framework at PFC is led by the Board of Directors, which provides strategic oversight and ensures that the Company's operations are conducted in accordance with the highest standards of governance, ethics, and accountability. The CSR Committee reviews and recommends the CSR policies, strategies, and initiatives, and oversees the implementation of CSR programmes. It also provides guidance to ensure that sustainability is integrated into the Company's business approach, supporting responsible business practices, long-term value creation for stakeholders, and sustainable development.								

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 and its committees									Quarterly/Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors and its committees									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 subject to periodic internal review and evaluation to ensure their continued relevance, effectiveness, and alignment with applicable regulatory requirements.								

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)	-

Business Responsibility and Sustainability Reporting by Listed Entities

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section presents PFC's performance in integrating the NGRBC Principles and their core elements into its governance, decision-making, and business processes. The disclosures are categorised into Essential and Leadership indicators. Essential indicators represent the mandatory disclosures required under the BRSR framework, while Leadership indicators are voluntary and reflect the Company's commitment to advancing beyond compliance and strengthening its environmental, social, and governance (ESG) practices.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

PFC is committed to conducting its business with the highest standards of integrity, ethics, transparency, and accountability, in line with the National Guidelines on Responsible Business Conduct (NGRBC). The Company's governance framework is supported by comprehensive policies, Board oversight, robust risk management, internal controls, compliance mechanisms, and a whistleblower framework that foster ethical business practices across its operations. Regular awareness programmes, policy communication, and compliance initiatives further strengthen a culture of integrity, responsible lending, and sound corporate governance.

IR Capitals

Human Capital

Social and Relationship Capital

Financial Capital

Governance

Stakeholders

External: Investors, Suppliers, Regulators, Shareholders

Internal: Employees

SDGs



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	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Navigating procurement via GEM portal	10%
Key Managerial Personnel	1	Leadership development	20%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Employees	23	1. National Conference on Integrative Cancer Care 2. PRAGATI - Celebrating Achievements of Women 3. Training Programme on Cyber Security 4. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 5. Outbound Experiential Learning Programme as part of Women's Day Celebration 6. ISO 9001:2015 and ISO 45001:2018 Standards for Developing Internal Auditors 7. Workshop on Lifestyle Diseases Management 8. Workshop on Yoga as part of International Yoga Day 9. Workshop on Use of AI and Emerging Technologies for Preventive Vigilance and Monitoring of Power & Infrastructure Projects 10. Workshop on Stress Management 11. Net Zero Power Summit 12. Workshop on Cybersecurity Awareness and Capacity Building for Northern Region Power Sector Professionals 13. CDA Rules Workshop 14. Understanding Vigilance Angle 15. Fire & Disaster Management Training 16. Gender Sensitisation Awareness Session 17. Workshop on Reservation Guidelines - SC/ST/OBC 18. Role of Auditors in Business Responsibility and Sustainability Reporting 19. Two-Day Internal Auditors Training Programme on ISO 9001:2015 and ISO 45001:2018 20. ICMAI - Emerging Regulatory Landscape for PSUs 21. Workshop on CDA Rules 22. Workshop on AML, KYC and CFT 23. Workshop on POSH Act for ICC Members of PFC and PFCCL	56.82%
Workers	2	1. Training on Fire Safety- 2. Training on Prevention of Sexual Harassment (PoSH)	15.38%

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	P1	National Stock Exchange of India Limited & BSE Limited	2,88,64,000	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) for the period FY 2018-19 to 2025-26.	Yes
Settlement	P1	National Stock Exchange of India Limited & BSE Limited	50,51,000	Out of ₹ 50.51 Lakh an amount of ₹ 26.21 Lakh has been waived (refund awaited) and decision on ₹ 8.41 Lakh is awaited. Accordingly, out of total penalty amounting to ₹ 2.88 Crore, an amount of ₹ 2.64 Crore has been waived, and no penalty is pending as on March 31, 2026.	
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	-	-	-	-
Punishment	-	-	-	-

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
PFC, being a Central Public Sector Enterprise (CPSE) under the administrative control of the Ministry of Power (MoP), Government of India, its directors are appointed by the President of India through the MoP. Upon receiving communications from the stock exchanges imposing fines for non-compliance related to the appointment of Independent Directors, PFC requested the exchanges to withdraw the penalties, as the appointment of directors is undertaken by the Government and is beyond the Company's control.	

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 promote fairness, transparency, and ethical conduct in its lending operations, PFC has established a comprehensive Fair Practices Code (FPC) in line with the guidelines of the Reserve Bank of India (RBI). The Company has also adopted a Code of Business Conduct and Ethics for the Board of Directors and Senior Management, setting out the standards of integrity, accountability, and professional conduct expected across the organisation.

PFC further reinforces its governance framework through an Anti-Fraud Policy, which outlines measures for the prevention, detection, and reporting of fraudulent activities. In addition, the Conduct, Discipline and Appeal (CDA) Rules govern employee conduct and ensure compliance with applicable anti bribery and anti corruption laws and regulations. The Company follows a zero tolerance approach towards bribery, corruption, and unethical practices, reflecting its commitment to conducting business with integrity, fairness, and transparency. Improvise the paragraph

The web links to the above policies are provided below.

https://www.pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf

https://cms.pfcindia.co.in/media/documents/Code%20of%20Conduct%2017042015.pdf

https://cms.pfcindia.co.in/media/documents/ANTI%20FRAUD%20POLICY%2005_11_2011.pdf

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 2025-26 (Current Financial Year)	FY 2024-25 (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 2025-26 (Current Financial Year)		FY 2024-25 (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	FY 2025-26 (Current Financial Year)
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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payable	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 2025-26 (Current Financial Year)	FY 2024-25 (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)	**0.001**	0.001
	d. Investments (Investments in related parties/total investments made)	**72%**	70%

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	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company recognizes the importance of fostering responsible business practices across its value chain and is committed to progressively engaging with business partners through awareness, collaboration, and capacity-building initiatives to promote sustainability and responsible business conduct.		

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 provides guidance on ethical conduct, including the identification, disclosure, and management of conflicts of interest involving the Board of Directors and Senior Management.

The Code requires Directors to act with integrity, independence, and in the best interests of the Company. Directors are expected to abstain from participating in discussions or decision making where a conflict of interest exists or may arise. The Code also prohibits the misuse of position for personal benefit, whether directly or indirectly, at the expense of the Company's interests.

To reinforce accountability and transparency, the Board of Directors and Senior Management are required to submit an annual declaration confirming their compliance with the Code of Conduct, including disclosure of their directorships and other professional interests, where applicable.

The Policy is available at https://cms.pfcindia.co.in/media/documents/Code%20of%20Conduct%2017042015.pdf

Business Responsibility and Sustainability Reporting by listed entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

PFC is committed to conducting its financing and procurement activities in a responsible, transparent, and sustainable manner. The Company promotes responsible sourcing through established procurement policies and supplier engagement practices that encourage compliance with environmental, social, ethical, and governance standards. It also integrates sustainability considerations into its financing and business operations to support responsible investments, strengthen operational resilience, and create long-term value for its stakeholders.

IR Capitals

Manufactured and Intellectual Capital

Social and Relationship Capital

Financial Capital

Natural Capital

Stakeholders

External: Investors, Suppliers, Regulators

Internal: Employees

SDGs



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 Company's business, R&D and CAPEX related to products or manufacturing are not applicable.		
Capex			

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Considering the nature of its business operations, certain industry specific standards may not be directly applicable to the Company. However, PFC adheres to the procurement guidelines prescribed by the Government of India, including provisions that promote the participation of Micro, Small, and Medium Enterprises (MSMEs) in procurement.

The Company undertakes procurement through the Government e-Marketplace (GeM) platform to ensure a transparent, efficient, and compliant procurement process. PFC has established procurement guidelines governing the acquisition of goods and services, incorporating sustainability considerations where applicable. Preference is given to energy efficient and star rated products, including air conditioners, computers, laptops, and lighting systems, to support resource efficiency and responsible procurement practices.

b. If yes, what percentage of inputs were sourced sustainably? The PFC has implemented a mandatory procurement policy for common-use products and services via the 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 2025–2026, the GeM site became a crucial tool for procurement, facilitating an impressive 92.77% of all purchases of goods and services. Notably, a substantial 48.20% 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)	Given the nature of our operations, generation of plastic waste, e-waste, and other waste is minimal, while hazardous waste is limited. Any such waste generated is managed in compliance with applicable regulations and handed over to authorised recyclers for safe recycling and disposal.
(b)	E-waste	
(c)	Hazardous waste	
(d)	Other waste	

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 2025-26 Current Financial Year	FY 2024-25 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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA					
E-waste (No. of IT Units safely disposed)						
Hazardous waste						
Other waste						

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	

Business Responsibility and Sustainability Reporting by listed entities

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PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

PFC is committed to fostering a safe, inclusive, healthy, and respectful workplace for all employees while promoting fair and ethical labour practices across its value chain. The Company prioritises employee well-being through initiatives focused on health and wellness, learning and development, equal opportunity, diversity and inclusion, and employee engagement. PFC also encourages its suppliers and business partners to uphold responsible labour practices and maintain safe, ethical, and inclusive working environments.

IR Capitals

Social and Relationship Capital

Human Capital

Stakeholders

External: Investors, Suppliers, Regulators

Internal: Employees

SDGs



Essential Indicators

1 a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		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	420	420	100%	420	100%	NA	NA	420	100%	NA	NA
Female	119	119	100%	119	100%	119	100%	NA	NA	NA	NA
Total	**539**	**539**	**100%**	**539**	**100%**	**119**	**100%**	**420**	**100%**	**NA**	**NA**
Other than Permanent employees											
Male	59	-	-	-	-	-	-	-	-	-	-
Female	4	-	-	-	-	4	100%	-	-	-	-
Total	**63**	**-**	**-**	**-**	**-**	**4**	**100%**	**-**	**-**	**-**	**-**

b Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		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	11	11	100%	11	100%	NA	NA	11	100%	NA	NA
Female	2	2	100%	2	100%	2	100%	NA	NA	NA	NA
Total	**13**	**13**	**100%**	**13**	**100%**	**2**	**100%**	**11**	**100%**	**NA**	**NA**
Other than Permanent workers*											
Male	144	-	-	-	-	-	-	-	-	NA	NA
Female	18	-	-	-	-	-	-	-	-	NA	NA
Total	**162**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**NA**	**NA**

***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 2025-26 Current Financial Year	FY 2024-25* Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company.	**0.11%**	0.12%

Note: The Company has reassessed and redefined its methodology for calculating well-being–related costs to enhance accuracy and consistency in reporting.

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 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* - 1. PRMS 2. LEAVE ENCASHMENT 3. NPS	**100**	**100**	**Y**	100	100	Y

***PFC considered only permanent employees and workers for the mentioned category.**

Accessibility of workplaces

3. 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

The Company's offices are designed to provide an inclusive and accessible workplace for persons with disabilities. Accessibility features include wheelchair ramps, handrails, accessible entrances and doors, elevators with braille enabled controls, and restrooms equipped with grab rails and accessible toilet facilities. These measures support a safe, barrier free, and inclusive environment for employees, visitors, and other stakeholders.

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 committed to fostering a diverse, equitable, and inclusive workplace by providing equal opportunity and maintaining a zero-tolerance approach towards discrimination. The Company prohibits discrimination based on race, gender, religion, disability, age, sexual orientation, gender identity, marital status, caregiving responsibilities, or any other characteristic protected under applicable laws.

PFC promotes an inclusive work environment that supports equal opportunities in recruitment, career progression, training, and professional development. The Company also ensures equitable remuneration for employees performing similar work, in accordance with applicable legal requirements, reinforcing its commitment to fairness, merit-based employment practices, and workplace inclusion.

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 structured grievance redressal mechanism for employees, supported by a three tier grievance handling process that enables concerns to be escalated and resolved within defined timelines. The policy is accessible to all permanent employees through the Company's intranet. PFC also has a Whistle Blower Policy that provides employees with a confidential mechanism to report unethical conduct, fraud, or other concerns. Information on the grievance redressal process and whistle blower mechanism is communicated through employee awareness programmes and induction sessions. Further, the Company has implemented a Policy on Prevention of Sexual Harassment at the Workplace in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted to address complaints, and regular awareness and training programmes are conducted to promote a safe, respectful, and inclusive workplace.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	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	539	539	100%	526	526	100%
Male	420	420	100%	409	409	100%
Female	119	119	100%	117	117	100%
Total Permanent Workers	13	13	100%	14	14	100%
Male	11	11	100%	12	12	100%
Female	2	2	100%	2	2	100%

8 Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	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	479	125	26.10%	313	65.34%	463	65	14.30%	334	72.13%
Female	123	42	34.15%	108	87.80%	119	36	30.25%	80	67.22%
Total	**602**	**167**	**27.74%**	**421**	**69.93%**	**582**	**101**	**17.35%**	**414**	**71.13%**
Workers*										
Male	155	63	40.65%	-	-	151	6	4%	11	7.28%
Female	20	11	55%	-	-	22	1	5%	1	5%
Total	**175**	**74**	**42.29%**	**-**	**-**	**173**	**7**	**4.04%**	**12**	**6.93%**

*The training on health and safety measures includes the training on fire safety, yoga, mental wellbeing etc. The skill upgradation of the other than permanent workers were administrated by the respective outsourced agency.

9 Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No.(B)*	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	420	420	100%	463	409	88.33%
Female	119	119	100%	119	117	98.31%
Total	**539**	**539**	**100%**	**582**	**526**	**90.37%**
Workers						
Male	11	11	100%	151	12	7.94%

Category	FY 2025-26			FY 2024-25		
	Total (A)	No.(B)*	% (B/A)	Total (C)	No. (D)	% (D/C)
Female	2	2	100%	22	2	9.09%
Total	**13**	**13**	**100%**	**173**	**14**	**8.09%**

PFC has only considered the Permanent Employees/Workers for current year.

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 committed to promoting the physical, mental, and overall well-being of its employees by fostering a safe, healthy, and supportive work environment. The Company adopts a holistic approach to employee wellness through regular health awareness programmes, capacity-building initiatives, preventive healthcare services, and occupational health and safety measures.

During FY 2025–26, PFC conducted a series of training and awareness programmes focused on employee well-being and workplace safety. These included workshops on Health and Stress Management, Yoga and Mindfulness, Occupational Health and Safety Management Systems (ISO 45001:2018), and specialised training for Internal Quality Auditors in accordance with ISO 9001:2015 and ISO 45001:2018 standards.

To strengthen preventive healthcare, the Company organized five medical camps across its Offices providing employees with access to essential health screening and medical consultation services. In addition, daily virtual yoga sessions are conducted to encourage physical fitness, mental well-being, and work-life balance.

The Corporate Office is equipped with a dedicated medical facility staffed by qualified practitioners from multiple disciplines, including Allopathy, Ayurveda, Gynaecology and Homoeopathy ensuring employees have access to professional healthcare during working hours. A Wellness Centre is also available to provide first aid and emergency medical assistance whenever required.

Through these initiatives, PFC continues to strengthen its culture of health, safety, and employee well-being while promoting a resilient, productive, and engaged 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 structured framework to identify, assess, and mitigate workplace health and safety risks, ensuring a safe and secure working environment for its employees. The Company regularly conducts fire safety training, emergency evacuation drills, and fire safety awareness programmes to strengthen employee preparedness and reinforce a culture of safety.

The workplace is equipped with clearly visible fire safety signage, strategically located fire extinguishers, and advanced fire detection, smoke sensing, and burglar alarm systems to enable timely response during emergencies. In addition, electronic surveillance and real-time alert monitoring systems are deployed to continuously monitor the premises and facilitate the early identification of potential safety hazards.

Through these preventive measures and continuous monitoring, PFC remains committed to maintaining high standards of occupational health and safety while fostering a safe, resilient, and risk-aware workplace.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

PFC has a Safety Officer responsible for overseeing surveillance, access controls, sensors, and fire safety systems to ensure premises security.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. PFC provides Group Personal Accident Insurance coverage to all employees and workers. The Company also offers access to medical facilities, including medical rooms at its premises, and conducts regular physical and mental well-being programmes to support the overall health and wellness of its workforce.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		

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 2025-26			FY 2024-25		
	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	Nil			Nil		
Health & Safety						

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	PFC is committed to providing a healthy, safe, and hygienic workplace while ensuring the well-being and dignity of its employees. All offices are periodically assessed through internal audits to review health, safety, and workplace conditions.
Working Conditions	

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 (Y/N) (B) Workers (Y/N).

Yes

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company conducts periodic audits of value chain partners to verify compliance with applicable statutory requirements, including the timely deposit and withholding of mandatory dues by 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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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)

Yes. As a Central Public Sector Enterprises (CPSE), the Company complies with the Department of Public Enterprises (DPE) guidelines on retirement and separation. Eligible retired employees are also provided post-retirement welfare benefits, including 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.

NA

Business Responsibility and Sustainability Reporting by listed entities

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PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

PFC values the interests of all its stakeholders and is committed to maintaining transparent, inclusive, and responsive engagement. The Company regularly engages with borrowers, investors, employees, suppliers, regulators, government agencies, communities, and other stakeholders to understand their expectations and address their concerns. Stakeholder feedback is considered in business planning, risk management, financing decisions, and sustainability initiatives, enabling informed decision-making and long-term value creation.

IR Capitals

Social and Relationship Capital

Human Capital

Stakeholders

External: Investors, Suppliers, Regulators, Customers, Community

Internal: Employees

SDGs



Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity:

PFC identifies its key stakeholder groups through a structured stakeholder engagement and materiality assessment process. Stakeholders are identified based on their influence on the organization, dependence on PFC's operations and financing activities, and the extent to which they are impacted by the Company's business decisions.

The identification process involves continuous engagement with internal and external stakeholders through meetings, consultations, feedback mechanisms, investor interactions, borrower meets, employee forums, regulatory communications, and community outreach initiatives. Inputs received are evaluated through periodic materiality assessments to understand stakeholder expectations and prioritize key ESG issues.

Based on this process, PFC has identified Government and regulatory bodies, shareholders and investors, lenders, customers/borrowers, suppliers and vendors, employees, and communities as its key stakeholder groups. Stakeholder feedback is regularly integrated into business strategy, risk management, sustainability initiatives, and reporting practices.

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
Shareholders	No	Email/SMS/Website/Letters/ Telephone/Newspaper etc.	Quarterly	Communication of financial results, adoption of financial statements and the transaction of ordinary and special business as needed. Addressing requests and grievances of shareholders as necessary.
Employees	No	Emails/Notice Board/ Website	Regularly (Need based)	Communicate key developments within the organization, highlighting the company's progress on both operational and financial fronts. Discuss ESG aspects, NGRBC principles, employee well-being and development, as well as human rights, health and safety
Community	Yes	Surveys/Impact assessment CSR Activities Personal interactions Project-based discussions	Need based	Community development and well-being, CSR projects
Vendors	No	Email/SMS Meetings Letters/Telephone	Need based	Goods and services procurement are conducted through tendering and the GeM Portal process, along with addressing vendor grievances. Additionally, Vendor Development Programmes are organized periodically.
Customers	No	Email/SMS/Website/Letters/ Telephone	On day-to-day basis	Customer satisfaction surveys

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.

PFC is committed to maintaining transparent and effective engagement with its stakeholders while ensuring compliance with applicable regulatory requirements. The Company has established Board-approved policies, to guide responsible business practices and integrate environmental, social, and governance considerations into its operations. Stakeholder engagement is an ongoing process that helps inform decision-making, strengthen governance, and align the Company's strategies with stakeholder expectations.

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.

Yes.

PFC uses stakeholder consultation to identify and manage environmental and social topics through its stakeholder engagement and materiality assessment process. Input is collected from internal and external stakeholders through structured questionnaires, meetings, investor interactions, borrower meets, employee engagement forums and community outreach programmes. Stakeholder feedback has been incorporated into key policies and activities, including:

- Environmental: Strengthened focus on renewable energy financing, green financing initiatives, energy transition projects, and climate impact assessment of financed renewable energy assets.
- Employees: Enhanced training, employee well-being, diversity & inclusion, health & safety, and grievance redressal mechanisms.
- Customers/Borrowers: Introduction of the Online Borrower Grievance Redressal Portal and regular borrower engagement programmes to improve service delivery and responsiveness.
- Communities: CSR initiatives focused on healthcare, education, sanitation, skill development and inclusive community development.

The outcomes of these consultations are integrated into PFC's sustainability strategy, material ESG topics, policies and business activities.

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 25-26

Business Responsibility and Sustainability Reporting by listed entities

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PRINCIPLE 5: Businesses should respect and promote human rights

PFC is committed to respecting and promoting human rights across its operations and business relationships. The Company upholds the principles of equality, dignity, non-discrimination, and fair treatment through its policies, governance framework, and business practices. It also encourages suppliers, service providers, and business partners to adhere to responsible labour practices and internationally recognised human rights principles.

IR Capitals	Stakeholders	SDGs
Social and Relationship Capital **Human Capital**	**External:** Suppliers, Community **Internal:** Employees	

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: Training/Awareness program on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, are considered under human rights issues training

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	539	80	14.84	526	79	15.01%
Other than permanent	63	-	-	56	-	-
Total Employees	**602**	**80**	**13.29**	**582**	**79**	**13.57%**
Workers						
Permanent	13	2	15.38	14	1	7.14%
Other than permanent	162	-	-	159	-	-
Total Workers	**175**	**2**	**1.14%**	**173**	**1**	**0.57%**

Training needs for other than permanent workers were administrated by the outsourced agency

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26				FY 2024-25				
	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	% (F/D)
Employees									
Permanent	All permanent employees are paid in accordance with Department of Public Enterprises (DPE) guidelines, with remuneration exceeding the applicable minimum wage requirements.								
Male									
Female									
Other than permanent									
Male									
Female									
Workers									
Permanent	All permanent workers are remunerated in accordance with Department of Public Enterprises (DPE) guidelines, with wages exceeding the applicable minimum wage requirements.								
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 the respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	3	1,78,74,878	1	1,02,25,585
Key Managerial Personnel	1	56,94,895	0	0
Employees other than BoD and KMP	429	34,53,165	121	32,55,481
Workers	12	24,44,094	2	24,01,832

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	**19.68%**	19.78%

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)

PFC encourages employees to raise concerns or grievances through designated grievance redressal mechanisms, including the Human Resources Department and Senior Management, without fear of retaliation. The Company is committed to maintaining a transparent, respectful, and inclusive workplace where employee concerns are addressed in a fair and timely manner.

This commitment is supported by the Company's Whistle Blower Policy and the Policy on Prevention of Sexual Harassment (POSH), which safeguard the rights and dignity of employees and other stakeholders. PFC has also constituted Internal Complaints Committees (ICCs) in accordance with applicable legal requirements to address complaints related to workplace harassment and ensure effective implementation of the POSH Policy.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to respecting and promoting human rights across its operations and business relationships. It strives to ensure that all employment and business practices are conducted in a fair, ethical, and responsible manner.

PFC periodically reviews the resolution of grievances and complaints raised by employees, vendors, and customers to promote transparency, accountability, and continuous improvement. The Company has established appropriate policies and governance mechanisms to address human rights related matters and maintains a zero-tolerance approach towards all forms of harassment, discrimination, abuse, and violence, including verbal, psychological, sexual, and physical misconduct.

6 Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	0	0	NA	1	0	Closed
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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees/workers	0	0.71
Complaints on POSH upheld	0	1

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company has established appropriate governance mechanisms, including an Internal Complaints Committee, to protect the rights of individuals who raise concerns or participate in investigations in good faith. PFC is committed to ensuring that complainants, witnesses, and other participants are protected from any form of retaliation or victimization.

Employees can report concerns related to discrimination, human rights, workplace conduct, or other ethical matters through multiple grievance redressal channels, including the Human Resources Department, Senior Management, and the Internal Complaints Committee under the POSH framework. The Company's open-door policy promotes transparent communication and encourages employees to raise concerns without fear of adverse consequences.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/ No)

The Company periodically reviews human rights requirements and, where applicable, incorporates relevant provisions into its contracts and agreements with business partners and service providers.

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	-

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.

No human rights grievances were reported during the reporting year. The Company continues to proactively uphold human rights through ongoing due diligence, implementation of its human rights policy, and regular stakeholder engagement to identify and address potential risks.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

The Company remains committed to upholding and respecting human rights across all its business activities and stakeholder interactions.

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?

The Company's offices are designed to provide an accessible and inclusive environment for persons with disabilities. Accessibility features include wheelchair ramps, handrails, accessible entrances and doors, elevators with braille enabled controls, and restrooms equipped with grab rails and accessible toilet facilities. These measures support safe, convenient, and barrier free access for employees, visitors, and other stakeholders.

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	Nil
Discrimination at workplace	
Child Labour	
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.

NA

Business Responsibility and Sustainability Reporting by listed entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

PFC is committed to integrating environmental sustainability into its business operations and financing activities. The Company strives to minimise its environmental footprint through efficient resource use, energy conservation, responsible waste management, and initiatives to reduce greenhouse gas emissions. PFC also promotes sustainable infrastructure financing and supports the transition to a low-carbon economy through robust environmental governance, regular monitoring, and compliance with applicable regulatory and sustainability requirements.

IR Capitals

Natural Capital

Stakeholders

External: Investors, Suppliers, Regulators, Customers, Community

Internal: Employees

SDGs



Essential Indicators

1 Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (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)	6,016.15	5,855.11
Total fuel consumption (E)*	1,094.39	37.56
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	7,110.54	5,892.67
Total energy consumed (A+B+C+D+E+F)	7,110.54	5,892.67
Energy intensity per rupee of turnover (Total energy consumed/turnover in Cr.)	0.12	0.11
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	13.19	11.20
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

PPP factor of 20.34 has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

*The Company has expanded the fuel consumption categories included in its reporting methodology. As a result, current year's fuel consumption data is not directly comparable with previously reported figures.

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 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? (Y/N) 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	22,892	28,376
(iii) Third party water (tanker)	-	-
(iv) Seawater/desalinated water	-	-
(v) Water from municipal corporation	2,461	2,255
(vi) Others – Water Bottles	41.34	141.28
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	25,394.34	30,772.28#
Total volume of water consumption (in kilolitres)*	5,078.87	6154.45#
Water intensity per rupee of turnover (Total water consumption/turnover in Cr)	0.09	0.12
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.02	0.03
Water intensity in terms of physical output	9.4	11.70
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

***As per the Central Public Health and Environmental Engineering Organisation (CPHEEO) Manual on Sewerage and Sewage Treatment Systems, it is generally assumed that approximately 80% of the water supplied is discharged as wastewater (sewage), while the remaining *20% is considered consumptive use (e.g., evaporation, gardening, cooking, and other non-return uses).**

#The FY2024-25 water withdrawal and water consumption data have been refined following a detailed review and validation of the underlying calculations. The updated figures provide a more accurate representation of the company's water-related performance for the reporting period.

PPP factor of 20.34 has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

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-M/s Mehta & Mehta

4 Provide the following details related to water discharged:

Parameter		FY 2025-26 (Current Financial Year)	FY 2024-25 (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)		
	No treatment	**20,315.47**	24,617.82
	With treatment – please specify level of treatment	-	-
(v)	Others	-	-
	No treatment	-	-
	With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres) *		**20,315.47**	**24,617.82**

***As per Central Public Health and Environmental Engineering Organisation (CPHEEO) Manual on Sewerage and Sewage Treatment Systems, it is generally assumed that approximately 80% of the water supplied is discharged as wastewater (sewage) and same is benig considered as the water sent to third parties (i.e. municipal sewer). The FY 24-25 data has been aligned using the same methodology.**

PERFORMANCE EVALUATION OF SEWAGE TREATMENT PLANTS IN INDIA FUNDED UNDER NRCD

PPP factor of 20.34 has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

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-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 is committed to responsible water stewardship and restricts water consumption to essential domestic and human use, promoting efficient resource utilisation and sustainable water management practices.

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify the unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	-	As a financial services company, PFC does not have manufacturing or process-related operations that result in significant non-GHG air emissions. Accordingly, stack monitoring is not applicable, and no such emissions are reported.	
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? (Y/N) 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	**70.71***	2.78
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	**1,186.52**	1,182.41
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations in Cr.)	tCO_2e/ ₹ Crore	**0.02**	0.02
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 Cr.)	tCO_2e/ ₹ Crore	**0.005**	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_2e/FTE	**2.33**	2.25
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		**Not Applicable**	Not Applicable

PPP factor of 20.34 has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

*The Company has expanded the fuel consumption categories included in its reporting methodology. As a result, current year's Scope 1 date is not directly comparable with previously reported figures

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.-M/s Mehta & Mehta

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. PFC contributes to reducing greenhouse gas (GHG) emissions primarily by financing renewable energy and other low-carbon infrastructure projects, supporting India's clean energy transition. To date, the Company has financed nearly 66 GW of renewable energy capacity. The Company also mobilises green finance through Green Bonds to fund eligible green projects.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	**1.72**	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)	**0.150**	-
Total (A+B + C + D + E + F + G + H)	**1.87**	0.38
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	**0.0000319638**	0.00001
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	**0.00000687**	0.000002
Waste intensity in terms of physical output (Total waste generated/Full Time Equivalent)	**0.0035**	0.0007
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2025-26	FY 2024-25
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	1.87	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	1.87	-
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? (Y/N) 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

As a Non-Banking Financial Company (NBFC), PFC's operations are office-based and do not involve manufacturing processes or significant use of hazardous or toxic chemicals. Waste management focuses on waste reduction, segregation, and responsible disposal. The Company promotes paperless operations through digital systems, while e-waste and other applicable waste are disposed of through authorised recyclers in compliance with applicable regulations, ensuring minimal environmental impact

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:

Sr. 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 (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. 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):

Not Applicable

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(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	Not Applicable	
- 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	262.58	The Company is currently evaluating an appropriate methodology for measuring and reporting Scope 3 greenhouse gas (GHG) emissions. Upon establishing the necessary processes and data management systems, PFC intends to progressively disclose its Scope 3 emissions in future reporting periods.
Total Scope 3 emissions per crore rupee of turnover	tCO_2e/ ₹ crore	0.0045	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	

Note: In line with our responsibility and commitment to sustainability, we currently report Scope 3 emissions for Category 3 (Fuel- and Energy-Related Activities) and plan to progressively expand Scope 3 coverage in the coming financial year.

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: NO

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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
PFC continues to leverage digital technologies to enhance operational efficiency, strengthen collaboration, and improve service delivery across the organization. The Company has implemented advanced digital collaboration tools to facilitate seamless virtual meetings and real-time communication, alongside an integrated e-Office platform that enables secure, efficient, and paperless document management. As part of its digital transformation journey, PFC has introduced paperless Board meetings and an electronic employee claims management system, significantly reducing paper consumption while improving process efficiency and transparency. These initiatives reflect the Company's commitment to operational excellence, digital innovation, and environmentally responsible business practices.			

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

PFC has established a comprehensive Business Continuity Plan (BCP) and Disaster Recovery (DR) framework to ensure the uninterrupted availability of critical business operations and IT services during unforeseen disruptions. In the event of a disaster, critical applications and IT systems can be restored through the Company's Disaster Recovery facility hosted on a private cloud infrastructure at a MEITy accredited data centre in Mumbai.

The Business Continuity Plan defines the processes and protocols for maintaining essential operations during emergencies. Owing to the confidential nature of the document and the need to safeguard operational resilience, the detailed BCP is maintained as an internal document.

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

PFC has neither generated nor procured any Green Credits during the reporting period under the Green Credit Programme (GCP). However, the Company continues to support environmental sustainability through financing renewable energy and other green infrastructure projects

b By the top ten (in terms of value of purchases and sales, respectively) value chain partners

Information on Green Credits generated or procured by the top value chain partners is currently not available with the Company

Business Responsibility and Sustainability Reporting by listed entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

PFC engages with government authorities, regulators, industry associations, and other relevant stakeholders in a responsible and transparent manner to support policy development and the sustainable growth of the financial and infrastructure sectors. The Company ensures that all interactions and advocacy efforts are conducted in compliance with applicable laws, regulatory requirements, and the principles of ethical business conduct.

IR Capitals	Stakeholders	SDGs
Social and Relationship Capital **Governance**	**External:** Regulators **Internal:** Employees	

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations. (As below)

The Company holds membership in three 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.

Sr. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	World Economic Forum (WEF)	International
2	Confederation of Indian Industry (CII)	National
3	Federation of Indian Chamber of Commerce & Industry (FICCI)	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
No such adverse orders were passed from regulatory authorities		

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

PFC actively supports public awareness, sustainable development, and stakeholder engagement through a range of initiatives aligned with national priorities and the Sustainable Development Goals (SDGs). During the reporting year, the Company undertook several programmes promoting environmental sustainability, energy conservation, transparency, skill development, and ethical governance.

Key initiatives included Swachhta Pakhwada cleanliness and awareness campaigns under the Swachh Bharat Mission; support for rural electrification and renewable energy through solar lighting systems, rooftop solar installations, and street lighting; and the organization of State and National Level Painting Competitions on Energy Conservation in association with the Bureau of Energy Efficiency (BEE), engaging nearly one million students annually. PFC also conducted skill development programmes for SC/ST/OBC, women, and economically weaker sections to enhance employability and livelihood opportunities.

The Company continued to strengthen transparency and governance by implementing the Right to Information (RTI) Act, 2005, promoting vigilance and integrity through awareness programmes, vendor outreach, and procurement-related guidance, and observing Vigilance Awareness Week with employee engagement activities and digital campaigns. Through its CSR initiatives, PFC supported projects in renewable energy, sanitation, education, healthcare, disability inclusion, plantation drives, and disaster relief, contributing to inclusive and sustainable community development.

In addition, PFC's senior management actively participated in leading national and international forums, including the Innovation for Cool Earth Forum (ICEF), World Energy Congress 2024, CRISIL Annual Infrastructure Summit, Economic Times Energy Leadership Summit, India Power Conference, ASPIRE Smart Grids Training Programme, Economic Times Energy Leadership Summit 2024Metering India 2024 Conference and other sectoral platforms. These engagements focused on advancing climate finance, renewable energy, smart grids, digitalization of the power sector, energy efficiency, infrastructure financing, and sustainable development, while facilitating policy dialogue, technical knowledge sharing, and cross-sector collaboration.

Through its participation in prominent national and international forums, PFC has contributed to advancing policy dialogue, promoting sustainable infrastructure financing, and strengthening collaboration across the energy sector. These engagements have supported policy formulation, facilitated cross-sector partnerships for climate finance, and enhanced the technical capabilities of DISCOMs, utilities, and regulatory institutions through knowledge sharing and capacity-building initiatives.

Details of these engagements are regularly published on the Company's official website and social media platforms, ensuring transparency, wider stakeholder outreach, and public accessibility to its advocacy and thought leadership initiatives.

Through these initiatives, PFC continues to contribute to policy discussions, strengthen partnerships across the energy ecosystem, promote transparency and good governance, and support India's transition towards a sustainable and resilient energy future.

Business Responsibility and Sustainability Reporting by listed entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

PFC is committed to promoting inclusive growth and sustainable development through its responsible business practices and social development initiatives. The Company works closely with communities, government agencies, and other stakeholders to support initiatives in education, healthcare, skill development, environmental sustainability, and community infrastructure. By engaging with stakeholders and addressing local development needs, PFC strives to create long-term social and economic value.

IR Capitals

Social and Relationship Capital

Natural Capital

Stakeholders

External: Community, Suppliers

Internal: Employees

SDGs



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:

Sr. 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.

Considering the nature of the Company's business, direct engagement with affected communities through its operations is limited. However, PFC recognises its responsibility towards society and undertakes its Corporate Social Responsibility (CSR) initiatives through implementation partners and non-governmental organisations (NGOs). These partners work closely with the Company's CSR team to implement projects, engage with beneficiaries, obtain stakeholder feedback, and monitor the effective execution of CSR programmes.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/small producers	**48.20%**	42.12%
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 2025-26 (Current Financial Year)	FY 2024-25 (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 iden:"?tified 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:

Sr. No	State	Aspirational District	Amount spent (In INR CR)
1	Gujarat	Dahod	9.00
2	Madhya Pradesh	Rajgarh	0.41
3	Uttar Pradesh	Siddharthnagar	9.78

3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

In line with the Government of India's Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, PFC supports the participation of Micro and Small Enterprises in its procurement activities. The Company publishes an annual procurement plan on its corporate website outlining the goods and services proposed to be procured from MSEs. This approach promotes transparency, encourages wider participation of MSEs, and supports inclusive and sustainable procurement practices.

(b) From which marginalized/vulnerable groups do you procure?

In accordance with applicable Government of India procurement guidelines, PFC is committed to sourcing the prescribed proportion of its annual procurement from Micro and Small Enterprises (MSEs). The Company also complies with the stipulated procurement targets for MSEs owned by Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs, as well as women entrepreneurs. These procurement practices promote inclusive economic development, encourage supplier diversity, and support the growth of underrepresented business enterprises.

(c) What percentage of total procurement (by value) does it constitute?

The PFC 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 2025–2026, the GeM site became a crucial tool for procurement, facilitating an impressive 92.77% of all purchases of goods and services. Notably, a substantial 48.20% of these transactions were sourced from MSEs, highlighting the government's commitment to supporting small businesses and fostering local manufacturing.

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:

Sr. 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:

Sr. No	Project Title	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups
1	PM Internship Scheme for 390 candidates (Training 360 candidates + Internship 390 candidates) for one year- (Re-allocated)	390	100
2	Project for expansion of Hostel Building in Vanvasi Kalyan Ashram premises, Khanvel, Silvassa, Dadra Nagar Haveli (VKA) by construction of 2nd Floor & 3rd Floor under Second Phase of Project- PMA Appointment and PMA charges	200 Students each year	100
3	Project for construction of G+3 School building, Playground & Approach Road in premises of Netaji Subhash Chandra Bose Military Academy, Silvassa, Dadra & Nagar Haveli (NMA)	700 Students each year	47
4	Project for Construction of tribal students Hostel in Leh	30 Student each year	100
5	Project for prosthetic Limbs and Mobility Aids Fitment Camps with Mobile prosthetic workshop Van in MP, Punjab, Maharashtra	3500 PwD Patients	100
6	Project for Construction of 11 Classrooms & Labs for Vivekanand Vidyalya at Haflong, Dist. Dima hasao, Assam	535 students each year	100
7	Project for strengthening Healthcare Delivery in Datia District through District Health Society Datia, Madhya Pradesh, (DHSD)	Approx 9 lakh Patients each year	100
8	Project for supply, installation and commissioning of 50 kWp Grid connected SPV Power Plant at Asoka Mission, Lado Sarai Village, Mehrauli, New Delhi	Approx.100 person visiting each year	100
9	Project for procurement of 18 nos. School Buses for 2 Schools of Akal Academy Schools in Pilibhit district, Uttar Pradesh plus PMA charges	Approx. 2800 students each year	30
10	Project for Construction of School building and related infrastructure for Adi Udipi School, Udipi, Karnataka- PMA Appointment and PMA charges	Approx 800 students each year	15
11	Project for supply, installation and commissioning of 13 nos. 05 kW off grid SPV power plants in various PHC/CHC in Shajahanpur, Uttar pradesh	Approx. 3 lakh Patients visiting the PHC/CHC	100
12	Project for Supply, installation and commissioning of 300 kW Solar PV based power plant at Jeeyar Integrated Vedic academy at Shamshadad R.R District Telangana	Approx. 1000 student	100
13	Project for Supply and Installation of 50 nos. of Water ATM and allied structure in 50 no. of Govt. Schools in New Delhi	Approx. 85000 students of 50 schools	100
14	Project for mobile prosthetic workshop Van to serve Divyangjan (Persons with Disability) stationed at MP	Approx. 1000 Patients each year	100
15	Project for civil work and items for educational purpose at Takshashila Vidyapith, Dhandhuka, Ahmedabad Gujarat	Approx. 550 students each year	100
16	Project for construction of Dwelling units for primitive communities in Kalburgi, Karnataka	Approx. 360 families	100

Sr. No	Project Title	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups
17	Project for construction of school building and related infrastructure Guntur, Andhra Pradesh	Approx 1500 students each year	23
18	Project for Supply and Installation of Solar RO Water Machines in 10 no. of Govt. Schools in Rajgarh region of Madhya Pradesh	Approx. 1250 students of 10 schools	100
19	Project for Improvement of Right Main Canal of Upperbeda, Minor Irrigation Project (MIP) in Kusumi Block of Mayurbhanj, Odisha	Approx. 2300 general public of location	58
20	Project for construction of Boys hostel for underprivileged boys, Haveri, Karnataka	250 students	100
21	Project for Construction of Kannada Medium High School, Hagaribommanahalli, Vijayanagar, Karnataka	Approx 350 students each year	100
22	Project for procurement of medical equipment for the upgradation of Healthcare services in Pt. Jawaharlal Nehru Memorial Medical College (JNMCC), Raipur, Chhattisgarh	Approx. 11000 Patients each year	100
23	Project for supply, installation and commissioning of 30 Nos. of 05 kW off grid SPV power plants for various BCHC/BPHC/CHC/PPC/NPHC in Ahilyanagar of Ahmednagar Constituency, Ahmednagar District, Maharashtra	Approx 50000 Patients visiting BCHC/BPHC/ CHC/PPC/NPHC	100
24	Project for procurement of medical equipment for Autonomous State Medical College, Siddharthnagar, Uttar Pradesh	Approx. 3 lakh Patients visit the OPD/IPD	100
25	Project for Supply, Installation and Commissioning of medical equipments in various Govt. Hospitals in Bhagalpur District, Bihar	Approx 40 lakh each year	100
26	Project for Supply, Installation and Commissioning of medical equipment in various Government Health Facilities in West Jaintia Hills District, Meghalaya	Approx 3.50 lakh each year	100
27	Project for construction of Boat Storage Shed for THDCIL Water Sports High Performance Academy for Canoeing and Kayaking (THACK) at Koteshwar, Tehri Uttarakhand	60 Athletes each year	The specific information is not available. However, the sanctioned CSR projects are implemented for the benefit of all sections of society in the respective project locations, directly or indirectly, without any discrimination on the basis of caste, creed, religion, gender, or socio-economic status
28	Project for construction of Phase 2 & Expansion of ITI and the Advancement centre, Dahod, Gujarat	240 students each year	
29	Project for Construction of Hostel building Kallahalli, Shivamoga, Karnataka	140 students each year	Not Applicable
30	Appointment of Project Management Agency (PMA) to implement CSR Project for upgrading healthcare services at Jayadev Memorial Rashtrotthana Hospital and Research Centre, Bengaluru Karnataka	Approx. 48000 each year	
31	Project for supply, installation and commissioning of 120 nos. of Drinking water systems (RO) along with water storage and other allied equipment at 120 nos. of Anti-poaching camps in Kaziranga National Park spread over Golaghat, Sonitpur, Biswanath and Nagaon districts of Assam	Approx. 720 (Staff at Anti Poaching Camps)	
32	Project for Construction of Cottages for Farmers Training Centre, Udhampur, J&K	Approx. 40 persons each year	
33	Project for Construction of Yoga Centre, Udhampur, J&K	Approx. 300 Persons each year	
34	Project for Plantation distribution program, Kishtwar, J&K	Approx. 1000 Farmers	
35	Project for Animal Rescue Ambulance and Portable DR X-Ray Unit, Gujarat	Approx. 6000 Animals	
36	Project for providing essential medical equipment in Community Health Centre Thalayolaparambu, Located in Kottayam District, Kerala	Approx. 400 Patients per day	

Sr. No	Project Title	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups
37	CSR support towards setting up a Media Production studio at Sacred Heart College, Thevara, Kerala	Approx. 500 students each year	
38	Project for CSR support for ICU on Wheel Ambulance in CHC Talod Dist., Sabarkantha, Gujarat	Approx. 1.5 lakh Patients each year	
39	Project for Construction of Hostel Building in Kila Pardi, Valsad, Gujarat	Approx. 110 students each year	
40	Project for Construction of School and Hostel building at Rashtrottana Vidyalya, Mumughatti, Karnataka	Approx. 500 students each year	
41	Project for School construction in Hosayellpur, Ramnagar, Dharwad, Karnataka	Approx. 1000 students each year	
42	Project for Flooring work, Imax theater, IT infrastructure and interior works in Param Science, Innovation, History & cultural center	Approx. 5000 persons each occasion	
43	Project for procurement, installation and commissioning of one PET-CT Scan Machine and one Advanced 1.5T MRI System in C.U. Shah Medical College & Hospital of Saurashtra Medical Centre in Surendranagar, Gujarat	Patients visiting Hospital	
44	Project for providing escalation construction cost of Rashtrotthana Vidya Kendra, Haveri, Karnataka	Students visiting school	
45	Project for construction of second floor classrooms of Rashtrotthana Vidya Kendra, Hangal, Haveri, Karnataka	Students visiting school	Not Applicable
46	Project for procurement of items for Vidya Shikshana Seva Trust, Bengaluru, Karnataka	Students visiting school	
47	Project for financial support for repair of collapsed bank of Kunthi River, Palghat, Kerala	General Populace visiting bank of Kunthi River	
48	Project for Renovation of Yatri Niwas, Katra, J&K	General Populace visiting Yatri Niwas	
49	Project for supply, installation and commissioning of 200 nos. of Solar based LED High Mast Street Lighting Systems in various strategic locations of Kheda Constituency, Gujarat	General Populace of location	
50	Project for supply and installation of 1500 nos. of Solar Street Lights and 200 nos. of Solar highmast lights at various wards in East Delhi.	General Populace of location	
51	Project for Supply, Installation and Commissioning of 1000 nos. 15 watt Solar Photovoltaic Street Lighting Systems (SPVSLSs) in forty-three Gram Panchayats of Jhandutta tehsil, District Bilaspur, Himachal Pradesh	General Populace of location	
52	Project for supply, installation and commissioning of 1000 nos. of Solar based LED Street Lighting Systems (SLS) in various locations of Pratapgarh region of Uttar Pradesh	General Populace of location	
53	Project for Supply, Installation and Commissioning of 100 nos. Solar High Mast Lights (SHMLs) in Jhanjharpur, Bihar	General Populace of location	
54	Project for Supply, Installation and Commissioning of 50 nos. Solar High Mast Lights (SHMLs) in common areas of Etah, Uttar Pradesh	General Populace of location	
55	Project for Supply and Installation of 100 nos. of Solar High Mast Lights in various strategic locations in Buldana district, Maharashtra	General Populace of location	
56	Supply, Installation and Commissioning of 1000 nos. Solar Street Lights in various locations of Jalaun Parliamentary Constituency, Uttar Pradesh	General Populace of location	
57	Project for Construction of Gram Sachivalaya	General Populace of location	
58	Project for Construction of Panchayat Ghar	General Populace of location	
59	Project for Construction Unpaved Phirnis	General Populace of location	
60	Project for setting up ICU Ambulance at the CHC center under CSR, Halvad, Gujarat	General Populace of location	
61	Contribution to Swachh Bharat Kosh	Not Applicable	

Business Responsibility and Sustainability Reporting by listed entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

PFC is committed to delivering high-quality financial services and creating long-term value for its customers through responsible and transparent business practices. The Company focuses on customer satisfaction, fair and ethical lending practices, transparent communication, and timely grievance redressal, while ensuring compliance with applicable regulatory requirements and fostering trusted, long-term customer relationships.

IR Capitals

Social and Relationship Capital

Manufactured and Intellectual Capital

Stakeholders

External: Customer

Internal: Employees

SDGs



Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

PFC has established multiple grievance redressal mechanisms to receive, address, and resolve stakeholder complaints, including those from customers. Customer grievances are handled through the Fair Practices Code, which provides a structured process for complaint registration, timely resolution, and escalation, ensuring fair and transparent treatment. Dedicated grievance mechanisms are also available for shareholders, bondholders, employees, and communities, with defined escalation procedures and timelines to facilitate prompt and effective resolution of concerns.

The Fair Practices Code is available on: https://cms.pfcindia.co.in/media/documents/Fair%20Practice%20Code.pdf

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	Given the nature of the business, this is not applicable to the Company
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	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	Nil	Not Applicable
Forced recalls	Nil	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 established a comprehensive cybersecurity governance framework supported by robust policies, systems, and controls to safeguard its information technology assets and critical infrastructure. The Company has implemented advanced cybersecurity solutions, including Anti Advanced Persistent Threat (Anti APT) systems, Next Generation Firewalls, IPv6 enabled infrastructure, and Managed Detection and Response (MDR) services to strengthen its cyber resilience.

These measures enable the proactive detection, monitoring, and mitigation of cyber threats, ensuring the security, confidentiality, and availability of the Company's information systems and digital operations. The IT Cybersecurity policy can be found on this link:

https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1770730001055_IT%20Cyber%20Security%20Policy_Online.pdf&path=Page

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 instances relating to advertising, delivery of essential services, cyber security, data privacy, or product recalls were reported during the reporting year, and no regulatory action was taken. PFC continues to strengthen its cyber security framework through periodic security assessments and audits conducted

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	Nil

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://www.pfcindia.co.in. 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.

PFC engages with customers and other stakeholders through multiple communication channels to enhance awareness, transparency, and stakeholder engagement throughout the customer lifecycle. These include press releases, regular stakeholder interactions, the Company's corporate website, social media platforms, awareness campaigns, and audio-visual content. Through these initiatives, the Company promotes greater understanding of its products, services, and key developments while strengthening stakeholder communication.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

PFC has established a robust Business Continuity and Disaster Recovery framework to ensure uninterrupted delivery of its critical financial services during disruptions. Any material disruption is communicated to borrowers, investors, regulators, and other stakeholders through direct communication and applicable regulatory disclosures

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)

Yes. As an NBFC, PFC provides comprehensive information on its financial products and services through loan agreements, customer communications, and disclosures on its corporate website, enabling informed decision-making and ensuring transparency.

Annexure A: Policy and Management Processes (Web Link of the Policies)

Anti-Fraud Policy	https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1471520577857_ANTI%20FRAUD%20POLICY%2005_11_2011.pdf&path=Page&Name=Anti%20Fraud%20Policy
Code of Business Conduct and Ethics	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
Fair Practice Code	https://www.pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf
Whistle-Blower Policy	https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page
Policy on Related Party Transactions	https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1683559406964_POLICY%20ON%20MATERIALITY%20OF%20RPT13012023.pdf&path=Page
Policy on Material Subsidiary	https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1561552854274_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page
Dividend Distribution Policy	https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1747395560632_Dividend%20Distribution%20Policy.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://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1737396430529_Revised%20CodeCS.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
Equal employment opportunities, non-discrimination, workplace accessibility, and inclusive employment practices for persons with disabilities.	https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1726761667920_Annexure%20I%20(Equal%20Opportunity%20Policy)%20_%20Published.pdf&path=Page
CSR Policy	https://pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/CSR/CSR%20Policy.pdf
IT Cyber Security Policy	https://pfcindia.co.in/ensite/Default/ViewFile/?id=1770730001055_IT%20Cyber%20Security%20Policy_Online.pdf&path=Page

Annexure B: Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Sr. No.	Name of the Director	DIN	Designation
1.	Smt. Parminder Chopra	08530587	Chairman & Managing Director
2.	Shri Shashank Misra	08364288	Director (Govt. Nominee)
3.	Shri Rajesh Kumar Agarwal	09699001	Director (Finance)
4.	Shri V. Packirisamy	08910218	Director (Commercial)
5.	Shri. Sudhir Mehta	00056867	Independent Director
6.	Shri Pankaj Gupta	03415536	Independent Director

As on August 01, 2026

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION IN BRSR OF THE POWER FINANCE CORPORATION LIMITED

To the Board of Directors of Power Finance Corporation Limited,

We have undertaken to perform a reasonable assurance engagement for The Power Finance Corporation Limited ("the Company") in respect of 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 ended March 31, 2026.

Identified Sustainability Information

The Identified Sustainability Information (ISI) for the year ended March 31, 2026 is summarised below:

Identified Sustainability Information Subject to assurance	Period Subject to assurance	Level of Assurance	Reporting criteria
BRSR Core (Refer to ANNEXURE 1)	From April 01, 2025 to March 31, 2026	Reasonable assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. • Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. HO/49/14/14(7)2025- CFD-POD2/I/3762/2026 dated January 30, 2026 (the "SEBI Master Circular") • Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised)

Our reasonable assurance engagement was with respect to the year ended March 31, 2026 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.

For the purposes of the remainder of our assurance report:

- 'Information subject to Reasonable Assurance' refers to the ISI identified above that was subject to reasonable assurance.
- 'Assured Sustainability Information' refers to all ISI 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 ISI 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 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 Company's Identified Sustainability Information in the Business Responsibility and Sustainability Reporting for the period **April 01, 2025 to March 31, 2026**, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 The Company 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
Membership No. F11993
C.P No. 18686
UDIN No.: F011993H001015105

Place of Signature: Delhi
Date: August 04, 2026

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_2O, HFCs, PFCs, SF_6, NF_3, if available)	GHG (CO_2e) Emission in MT Direct emissions from an organization's owned-or controlled sources
	Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	GHG (CO_2e) 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	Joules or multiples / Rupee adjusted for PPP Joules or multiples / Product or Service
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	KG/MT
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)x	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 • 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
	Loans and advances & investments with related parties	Share of RPTs (as respective % age) in - • Purchases • Sales • Loans & advances • Investments

(A Maharatna Company)

Annexure E of Board's Report

Financing a Greener India

@ Power Finance Corporation

ESG Report 2025-26







Our ESG Reporting Journey



ESG Report FY 2023-24

Our First ESG Report

Established ESG baseline disclosures

Introduced sustainability performance reporting

PFC ESG Report_2023-24.pdf



ESG Report FY 2024-25

Strengthening the Journey

Enhanced ESG disclosures and reporting aligned 'In reference' to GRI standards

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Mapped material topics to the UN Sustainable Development Goals (SDGs)

PFC ESG Report_2024-25.pdf

> **Financing Power, Leading change and shaping India's Greener Tomorrow**

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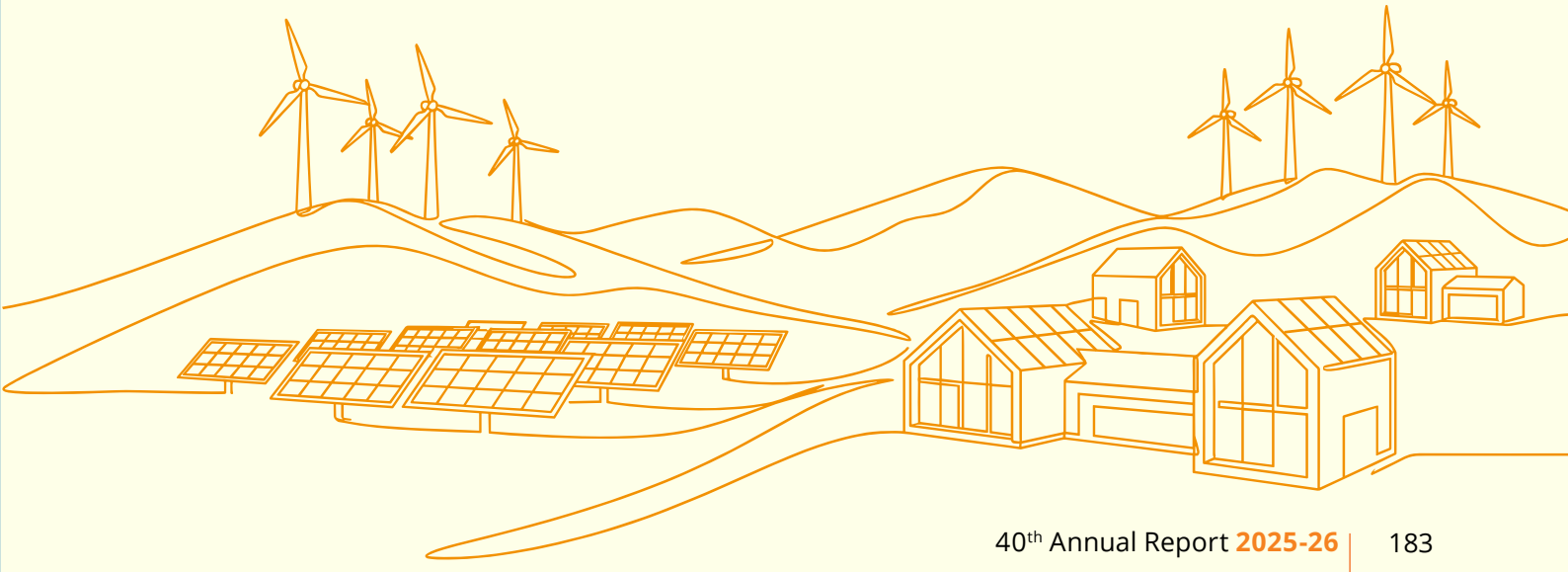
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About this report

Statement of use

> Power Finance Corporation Limited (PFC) is pleased to present its third Environmental, Social and Governance (ESG) Report for FY 2025-26, titled "**Financing a Greener India**".

This year's report marks a significant step forward in our sustainability reporting journey. Building on the foundation laid in our previous ESG reports, we have further strengthened our disclosures by aligning the report with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) frameworks, while continuing to report in reference to the Global Reporting Initiative (GRI) Universal Standards 2021. With this, PFC's ESG reporting is now aligned with three internationally recognised reporting frameworks, reflecting our continued commitment to transparent, comprehensive and globally aligned sustainability disclosures.

As India advances towards its ambitious Net Zero target by 2070, PFC continues to be a key catalyst in enabling the low-carbon transition across the power and infrastructure sectors, sectors that remain central to building a resilient, sustainable economy.

This ESG report serves as a strategic communication tool, offering our stakeholders a clear and comprehensive view of our ESG performance, key initiatives and long-term commitments. It has been prepared in alignment with the eight GRI foundational reporting principles, accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability — supporting consistent, high-quality sustainability reporting that enables stakeholders to track PFC's progress across our environmental, social and governance priorities.

Previous editions of our ESG report are accessible on our corporate website (https://pfcindia.co.in/en/pages/investors/esg-report).

Reporting period and frequency

This third ESG report presents PFC's ESG performance for the reporting period from **1st April 2025 to 31st March 2026**.

Reporting scope and boundary

The ESG disclosures in this report are primarily focused on PFC's standalone operations, covering ESG practices across governance, lending activities and internal business functions.

The report captures our direct operational impacts, with particular emphasis on our role in supporting India's clean energy transition through the strategic financing of clean energy projects. It also reflects our continued commitment to social responsibility, including our efforts toward community development and inclusive growth.

The material ESG topics covered in this report were identified through a **stakeholder engagement and materiality assessment** exercise conducted in **March-April 2024**, spanning both internal and external stakeholders. There has been no change to the material topics disclosed in our previous ESG reports.

ESG VISION

Powering Progress through Sustainability

Pillar 1



Preserving The Planet

We are committed to lead by example in fostering a sustainable low-carbon economy & driving national growth by ensuring fair and sustainable financing solutions, while preserving the environment.

Pillar 2



Promoting Pathway Towards Inclusive Society

We strive to make a meaningful impact not only for ourselves but also for our stakeholders. At the forefront of our corporate ethos is fostering a diverse, inclusive, and engaged workforce, as well as enabling the community through our Corporate Social Responsibility (CSR) efforts.

Pillar 3



Pursuing Prudence

At our core, we prioritize upholding unwavering integrity, maintaining stakeholders' trust, and establishing transparency and accountability through robust corporate governance & risk management practices.

What's New in this Year's Report

Alignment to Global ESG Disclosures

Aligned our ESG disclosures with SASB and TCFD, making our reporting aligned with three internationally recognized ESG reporting frameworks

Impact assessment of PFC's RE portfolio

First ever comprehensive impact assessment of PFC's entire commissioned renewable energy

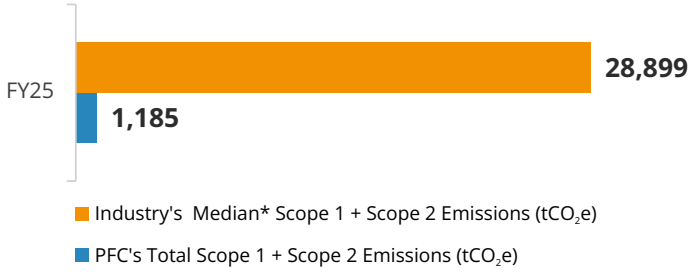
10.6 GW
Funded RE Capacity

10.39 Mn tCO_2e
Annual financed emissions avoided

974 tCO_2e/MW
Portfolio avoided emission intensity

~2.26 million
Passenger vehicles taken off the road (equivalent)

PFC's Scope 1 and 2 emissions vis-à-vis industry peers*



PFC continues to maintain one of the lowest operational emissions among its peers.

**The median industry emissions value has been determined through benchmarking against select industry peers*

About PFC's ESG Team

As we present the third edition of PFC's ESG Report for FY 2025-26, titled '**Financing a Greener India**', we acknowledge the contributions of the various units across the organization whose insights, data inputs and continuous engagement have helped shape this report. Building on the foundation laid by our first two reports, this year's edition reflects the continued strengthening of ESG practices across PFC's business and operations. The report has been developed by PFC's ESG Team, with continued support from KfW, Germany's leading development bank, and captures our progress on climate-aligned financing, natural resource stewardship, inclusive community development and high standards of ethical governance.

Through this collaborative effort, we remain committed to enhancing the quality, transparency and relevance of our sustainability disclosures in line with evolving global expectations.



Jasneet Guram
Executive Director, ESG



Sanya Jand
Deputy General Manager, ESG



Deepa Jain
Deputy Manager, ESG

Restatement of details from previous ESG report

This report is published annually, and certain information disclosed in earlier editions is restated where relevant. The sustainability disclosures cited from our previous ESG report are as follows:

(i). Stakeholder engagement process
(ii). Materiality assessment and final list of material topics
(iii). Policies and procedures in relation to corporate governance and business ethics
(iv). Organizational profile including corporate overview, board structure, roles and responsibilities etc.



CMD Message

Dear Stakeholders,

India's energy sector is at an important point in its evolution. The challenge today is not only to add generation capacity, but to build an energy system that is reliable, affordable and increasingly clean.

As India's largest power sector financier, PFC has a unique responsibility in supporting this transition by directing capital towards projects that strengthen energy security while advancing the country's sustainability goals.

This report reflects how that responsibility continued to evolve during FY 2025–26.

In recent years, global developments have repeatedly reminded us that sustainability cannot be viewed as a separate agenda. For a financial institution like us, it is reflected in the choices we make every day, what we finance, how we assess risks, the partnerships we build and the long-term impact our financing creates. The assets we finance today will continue to serve the nation for decades. That is why every financing decision we make carries a responsibility that extends far beyond the balance sheet. Responsible financing is therefore not an additional responsibility for PFC; it is central to our mandate.

This belief continued to guide us during FY 2025–26. Over the past year, we expanded our support beyond conventional renewable energy financing to areas that will shape the next phase of India's energy transition. Our financing portfolio now includes battery energy storage systems, pumped storage projects, green hydrogen and domestic manufacturing across the clean energy value chain. These investments will play an important role in strengthening India's energy ecosystem.

Our financing priorities continue to remain closely aligned with the Government of India's vision for a secure, resilient and sustainable energy future. Today, PFC is one of India's leading financiers of renewable energy, having supported over 66 GW of renewable energy capacity.

A key milestone during the year was the first comprehensive impact assessment of PFC's commissioned renewable energy portfolio (excluding large hydro). As a financial institution, our greatest environmental contribution lies not in our own operations, but in the projects we enable. For the first time, we have measured the environmental impact of our renewable energy financing, providing a clearer understanding of the emissions avoided through the projects we support. The assessment shows that our outstanding commissioned renewable energy portfolio of 10.6 GW is estimated to avoid approximately 10.39 million tonnes of CO_2 emissions annually. We believe this marks an important step in measuring the outcomes of our financing, rather than only reporting the capital deployed.

We also strengthened the framework that supports our sustainable financing activities. During the year, PFC updated its Green Bond Framework in line with the latest internationally recognised principles, further enhancing transparency for investors and reinforcing our access to global sustainable finance markets. At the same time, we continued to deepen our engagement with leading government

international financial institutions, reflecting growing confidence in PFC's role in financing India's energy transition.

This year, we further enhanced the quality and scope of our sustainability reporting. In addition to reporting under the GRI Standards, we have expanded our disclosures to align with the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These additions improve the consistency, comparability and decision-usefulness of our disclosures for investors and other stakeholders.

Our progress is increasingly being recognised through independent assessments. During the year, PFC recorded improvements across several leading ESG rating frameworks, including Morningstar Sustainalytics, CRISIL, NSE ESG and the S&P Global Corporate Sustainability Assessment. We also retained our MSCI ESG Rating and continued to be included in the FTSE4Good Index Series, reflecting the steady progress we are making in strengthening our ESG performance and disclosures.

Our commitment extends beyond financing. We remain committed to creating lasting value for our employees, communities and other stakeholders. We continue to invest in building an inclusive workplace, strengthening employee capability and delivering meaningful social impact through our CSR initiatives across healthcare, education, skill development and community development.

As we look ahead, the expectations from financial institutions will continue to evolve. Sustainability is no longer viewed separately from business performance; it is increasingly embedded in how capital is allocated, risks are assessed and long-term value is created. At PFC, we remain committed to financing India's energy transition responsibly while strengthening our ESG practices, enhancing transparency and creating sustainable value for all our stakeholders.

Warm regards,
Parminder Chopra
Chairman and Managing Director
Power Finance Corporation Limited

Organization profile

About PFC

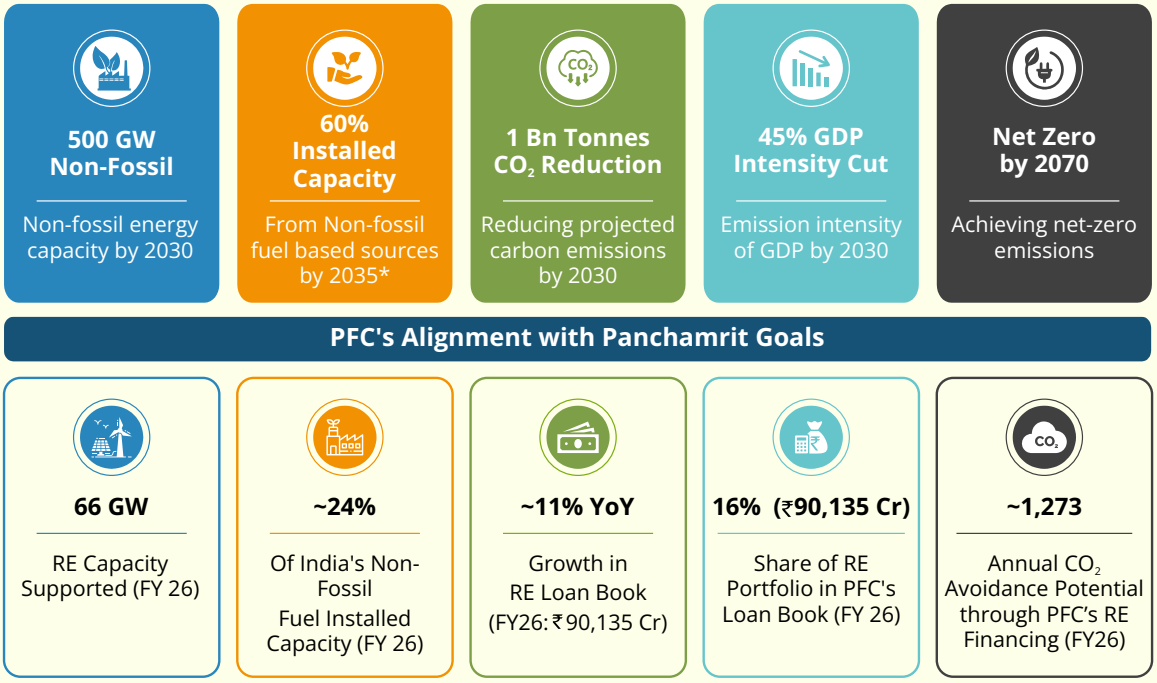
Power Finance Corporation Limited (PFC), a Maharatna Central Public Sector Enterprise under the Ministry of Power, Government of India, is the country's leading Non-Banking Financial Company (NBFC) in the power sector. Incorporated in 1986 and classified as an Infrastructure Finance Company by the Reserve Bank of India, PFC has been at the forefront of financing India's power sector for nearly four decades. Through its financing support across generation, transmission, distribution and renewable energy segments, PFC has played a pivotal role in the development of India's power infrastructure. Backed by this sectoral expertise and operational excellence, PFC continues to serve as a strategic financial partner to both public and private sector entities, delivering customised financing solutions calibrated to their investment needs.

In recent years, PFC has significantly expanded its focus on renewable energy and clean technology financing, in step with India's climate goals, while demonstrating strong financial resilience and prudent risk management across a diversified loan 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 enduring stakeholder partnerships, PFC remains committed to enabling a sustainable, self-reliant and resilient energy future for India.

Outstanding Loan Book	₹ 5,80,115 Crore
Profit After Tax	₹ 20,051 Crore
Public: Private Split of loan	76 : 24
Net Credit Impaired Asset Ratio	0.15%
Capital to Risk-Weighted Assets Ratio	23.44%

Our contribution to India's Panchamrit goals

India's Panchamrit commitments chart the nation's course towards a low-carbon, sustainable future. At PFC, we are proud to play a pivotal role in advancing these national targets through green financing and transformative energy sector interventions.



**As per updated NDC (Nationally Determined Contribution)*

As illustrated in the figure above, our lending priorities are closely aligned with India's climate goals. Through a combination of capital allocation and technical collaboration, we are helping to translate 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 such as green hydrogen, waste-to-energy, energy storage, biofuels and desalination*
- *Institutionalizing sustainability within PFC by embedding ESG into business decisions, energy-efficient operations, digitalisation and capacity building*

Together, these efforts reflect our strong commitment to supporting India's climate leadership and transition to a low-carbon economy.

Our diverse financing domains and product offerings

PFC is a key financier of India's energy transition, enabling the build-out of cleaner infrastructure. Our financing spans the entire power value chain — generation, transmission, distribution and renewables — as well as other allied infrastructure sectors, reflecting our strategic role in advancing sustainable infrastructure across the nation.



We offer a wide range of fund-based and non-fund-based financial products to support infrastructure development across the segments highlighted above, with all our offerings backed by robust credit evaluation, due diligence and risk assessment frameworks.

FUND BASED FINANCIAL PRODUCTS

- Loan for power projects and utilities.
- Tailored loans to fit project needs - long-term funding or short-term cash support.

Term Loans

Short Term Loans

Debt Refinancing

NON-FUND BASED FINANCIAL PRODUCTS

- Non-fund based support project.
- Enhance the project's credit profile and trust in the eyes of back, investors, or suppliers.

Letters of Comfort

Letters of Undertaking (LoU)

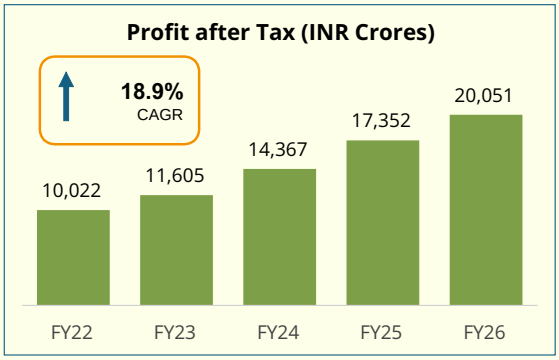
PFC's non-fund instruments strengthen project bankability without direct capital deployment - a critical risk-mitigations tool for large-scale infrastructure financing.

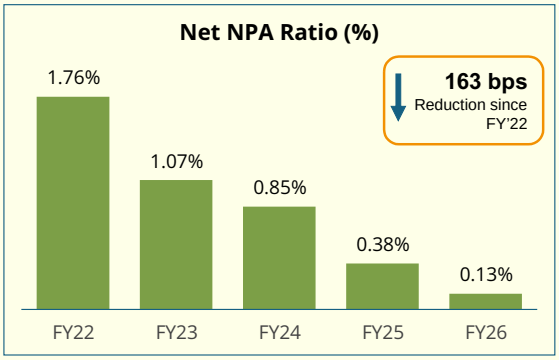
Strategic Partnerships with the Government of India

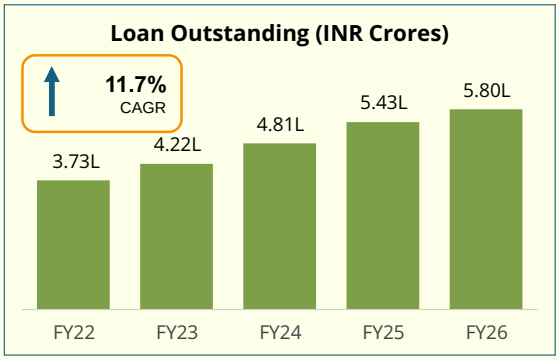
PFC has remained a trusted partner to the Government of India in driving transformative reforms across the power sector, supporting a range of landmark initiatives aimed at strengthening the nation's energy infrastructure. Over the years, we have been at the heart of landmark initiatives such as setting up generation capacity under the Ultra Mega Power Projects (UMPPs) scheme and 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 to shaping a more reliable and sustainable energy ecosystem across the nation.

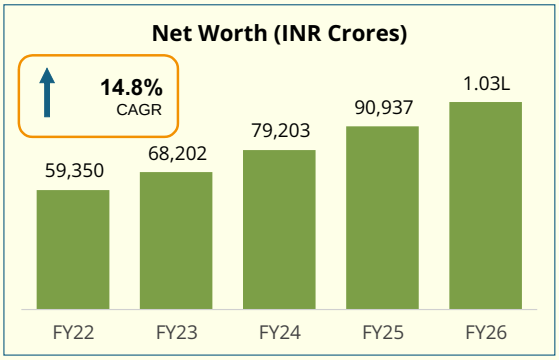
Financial Performance

As a driving force in India's power sector growth story, PFC has continued to deliver strong financial performance, reflecting our commitment to both sustainability and profitability. Over the five years from FY 2022 to FY 2026, we have doubled our loan disbursements, Profit after Tax (PAT) and renewable energy loan book — underscoring our ability to sustain a strong earnings profile while laying a robust foundation for future growth.







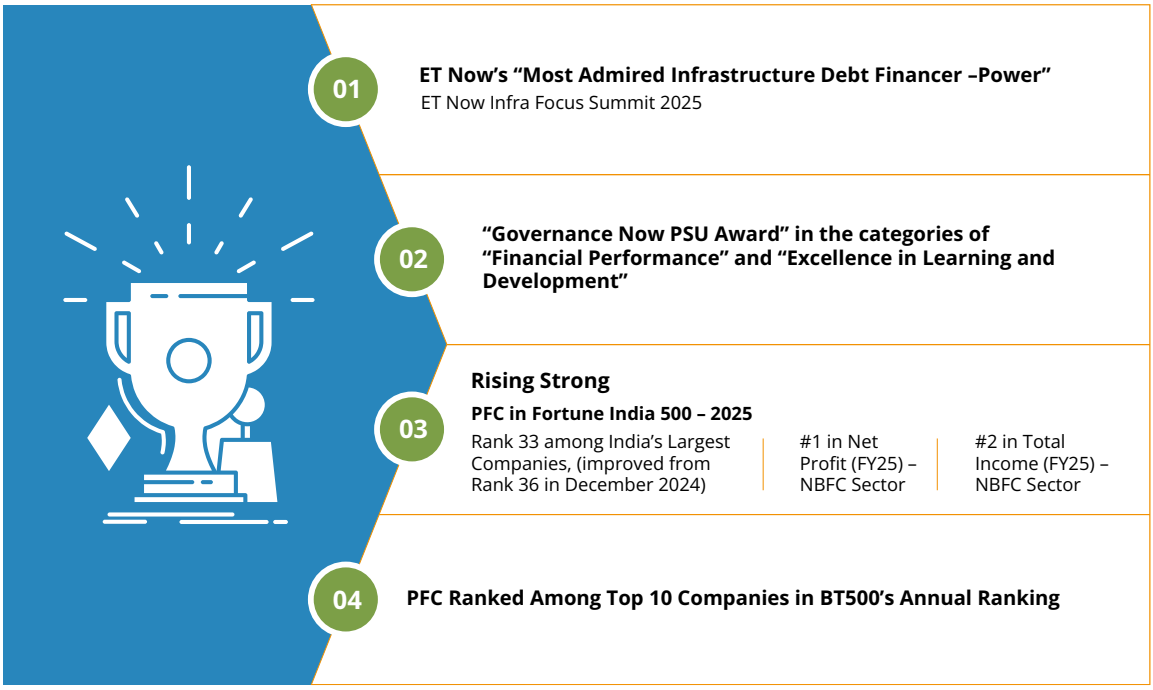


Industry collaboration

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 these industry collaborations, we contribute to constructive dialogue that aligns public interest with sectoral growth, strengthening our ability to advocate for progressive financial and regulatory frameworks that enable a robust and equitable energy ecosystem.



Recognition for financing sustainability



Strengthening Our ESG Risk Profile Through Continuous Improvement

PFC's commitment to responsible business practices is reflected in the continued strengthening of its ESG risk profile across leading domestic and global assessment frameworks. Independent recognition from globally respected ESG rating agencies, together with its continued inclusion in the FTSE4Good Index Series, reflects the Company's commitment to effective ESG risk management, transparent disclosures, and long-term sustainable value creation.

Morningstar Sustainalytics ESG Risk Rating improved to **15.9 (Low Risk)** from **17.3**, reflecting the Company's strengthened ESG risk management practices.

CRISIL ESG Rating increased from **57 to 62**, while the NSE ESG Score rose from **68 to 73**, demonstrating continued progress in ESG performance and reinforcing PFC's standing among ESG-focused investors.

The Company's S&P Global Corporate Sustainability Assessment (CSA) score improved from 26 to 21, demonstrating continued progress in sustainability practices, governance standards, and the quality of ESG disclosures.

PFC retained its **MSCI ESG Rating of BBB**, reflecting consistent performance against globally recognised ESG benchmarks.

Agency	Rating Type	Scale (Best to Worst)	Current Rating	Previous Rating
SUSTAINALYTICS	ESG Risk Rating	**0 to 100**	**15.9** (Low Risk)	17.3
Crisil a company of S&P Global	ESG Rating and Core ESG Rating	**100 to 0**	**62**	57
NSE	ESG Score (used in NIFTY100 ESG Indices)	**100 to 0**	**73**	68
S&P Global	S&P Global Corporate Sustainability Assessment (CSA)	**100 - 0**	**21** (medium data availability)	26
MSCI	MSCI ESG Rating	**AAA–CCC (Best to Worst)**	**BBB**	**BB**

PFC's continued inclusion in the **FTSE4Good Index Series** across recent assessment periods reflects its ongoing commitment to ESG principles and adherence to globally recognized sustainability standards.

ESG Excellence Recognized by Independent Global Agencies

Across 5 Independent ESG Frameworks

- **Included in the FTSE4Good Index Series**
- **ESG performance independently assessed by 5+ leading domestic and global ESG rating agencies**
- **Consistent Improvement Across Major Ratings**
- **Strengthening Confidence of Global ESG Investors**

Stakeholder Engagement & Materiality Assessment

Stakeholder Engagement

Stakeholder engagement is a core pillar of our ESG strategy and corporate decision-making. We believe that meaningful, ongoing dialogue with our stakeholders is essential to fostering transparency, building trust and ensuring long-term value creation. Our stakeholder ecosystem spans a diverse range of groups, 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.

Stakeholder Identification

Identification of Stakeholder groups:

- Government
- Regulatory Bodies
- Investors
- Lenders
- Customers
- Community
- Employees

Engagement Channels

Proper communication channels and frequency of communication through structured platforms:

- Consultations
- Online Surveys
- Industry Forums
- Feedback Mechanisms

Stakeholder Prioritization

Prioritization of stakeholders and refining communication/ engagement basis their impact on business operations:

- Level of influence on PFC
- Degree of interest in PFC's ESG performance (Helps in tailoring engagement efforts effectively).

Stakeholder Feedback

Incorporation of Stakeholder feedback:

- Balancing stakeholder perspectives with organizational goals.
- Finalize ESG topics for creating high value sustainability.

PFC has institutionalized a structured and responsive engagement framework, as outlined above, enabling both formal and informal interaction with our key stakeholder groups. As part of our regular business activities, PFC reaches out to stakeholders through various feedback mechanisms, including meetings, roadshows, conferences and events.

Some examples are included below:

- **Investors:**

PFC convened Investor Meet 2025, engaging shareholders, analysts, and the broader financial community. Led by the CMD and Board, the session reinforced transparency through open dialogue on performance, strategy, and sector outlook.



Engaging investors through transparent dialogue on PFC's performance, growth strategy, and industry outlook.

- **Lenders:**

  - Taxable Bond Public Issue Roadshow was conducted by PFC in January 2026 to market its Tranche 1 Public Issue of Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) to retail, HNI, corporate, and institutional investors. The issue opened on 16 January 2026 and closed on 30 January 2026.



Showcasing PFC's NCD offering to retail and institutional investors, reinforcing market confidence and investor participation.

- PFC organised an Arranger Meet on 19 June 2024 at India Habitat Centre, New Delhi, to promote its 54EC Capital Gain Bonds. The session focused on the benefits of 54EC Bonds—offering tax exemption under Section 54EC—and highlighted PFC's strong financial performance and credibility in the capital markets.



Promoting PFC's 54EC Bonds while highlighting tax benefits, financial strength, and capital market leadership.

- **Government:**
  - PFC continues to be a significant contributor to the Government of India through dividend payouts on its equity holding, supported by robust profitability, strong asset quality, healthy capital adequacy, and its leadership position in financing India's power and energy transition. The FY26 dividend of ₹ 18.55 per share reflects the Corporation's sustained financial strength and its commitment to creating value for all stakeholders while supporting national development priorities.
- **Customers:**
  - PFC organised two Borrowers' Meet during the year for central sector entities and northern region utilities. The event reflected PFC's pivotal role in India's expansive power sector investment pipeline and served as a forum to streamline funding initiatives, promote transparency, and discuss sectoral challenge.

Internally, we engage with employees 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 remain aligned with stakeholder expectations.

This proactive approach to stakeholder engagement allows us to identify material issues and shape 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.

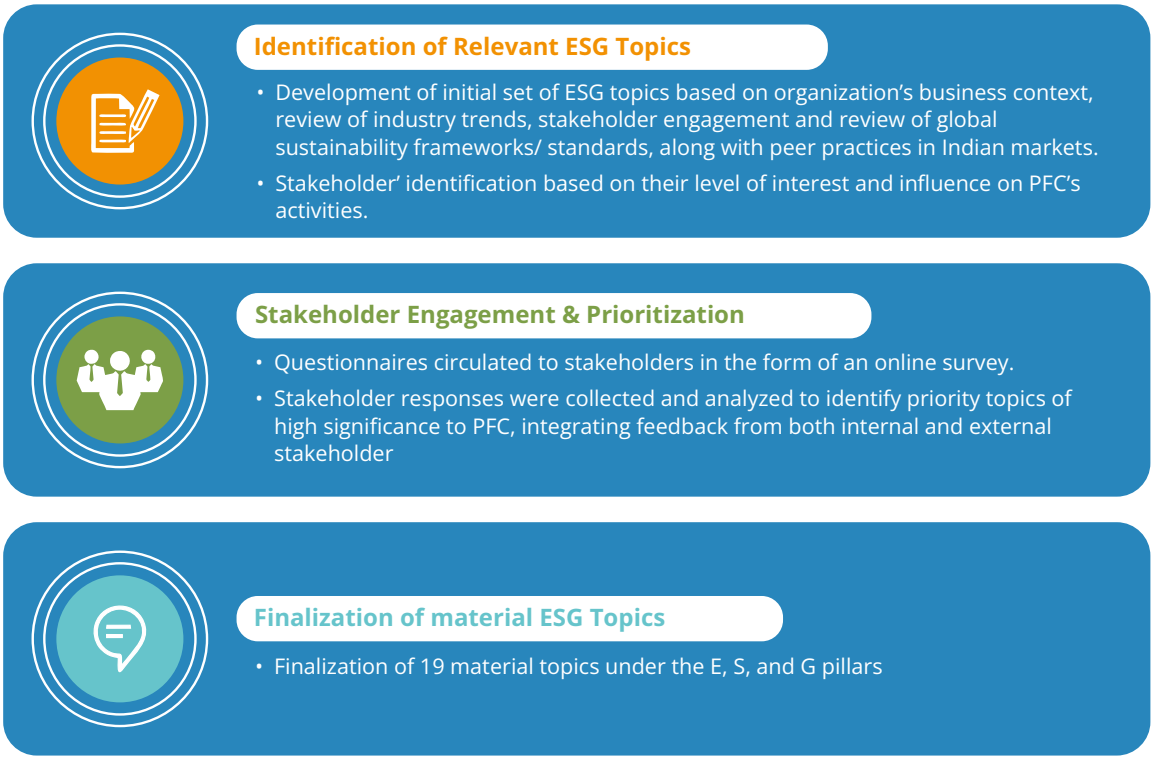
Stakeholder Group	Channels of Communication	Frequency of Communication	Stakeholder Engagement Initiatives
Government	• Quarterly performance review meetings • Meetings with Ministry of Power representatives • Parliamentary Committee interactions • MoU documents • Meetings with state government authorities	Regular engagement as per need	Participated in various meeting and forums of MoP
Regulatory Bodies	• Mandatory filings with RBI, SEBI and other regulators • Meetings and correspondence on regulatory matters • Periodic inspections • Compliance submissions • Engagement with oversight institutions	Periodic, need based	• Submitted regulatory and sustainability-related disclosures • Engaged with oversight institutions on governance, inclusion and quality standards
Shareholders and Investors	• Quarterly financial reports and press releases • Investor earnings calls and presentations • Investor relations portal • Institutional investor meetings • Annual General Meeting • Annual reports and stock exchange filings • Social media	Regular engagement / quarterly / annual	• Organised financial result communications and investor interactions • Hosted Investors Meet 2025 • Conducted Annual General Meeting and market outreach activities

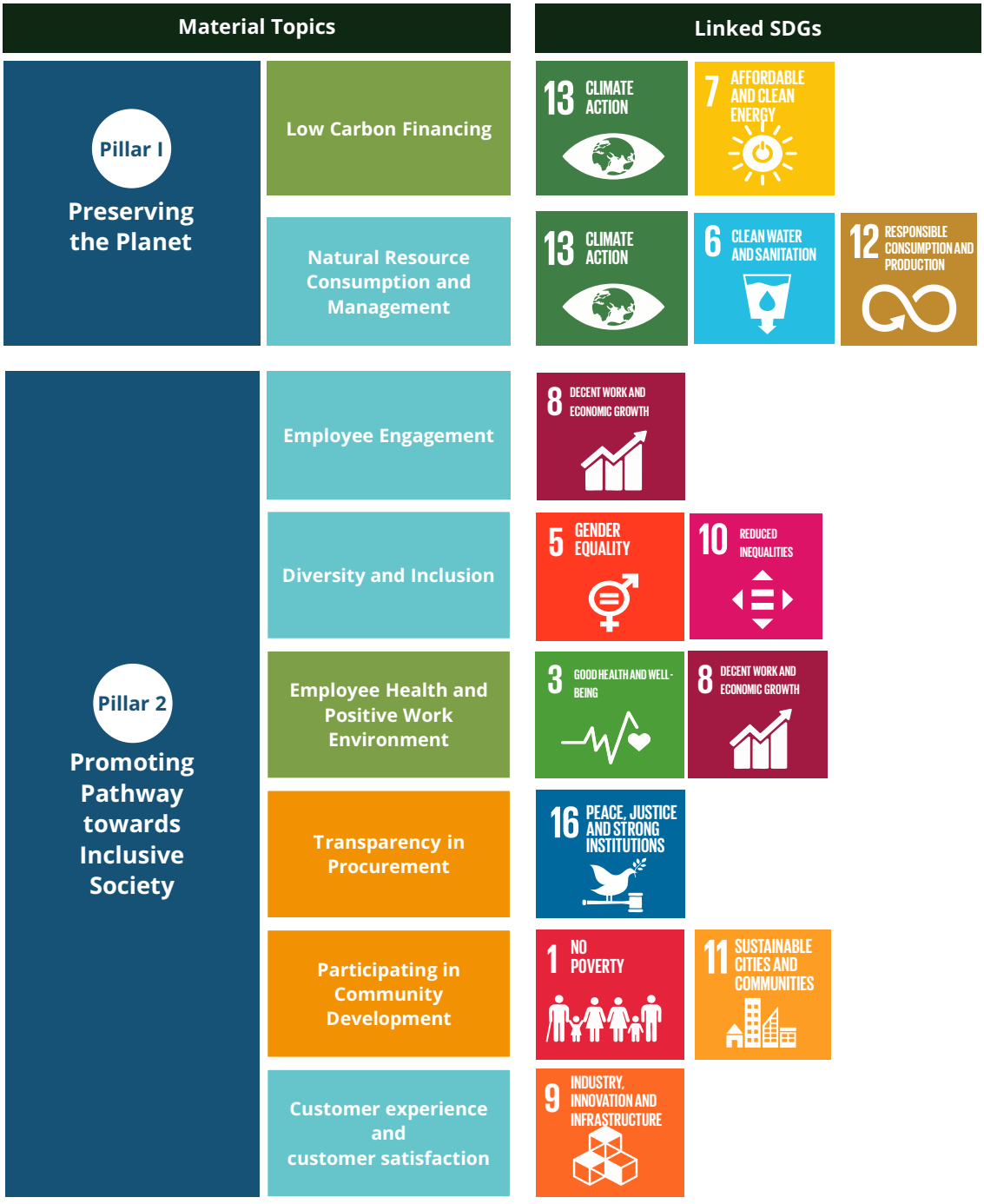
Stakeholder Group	Channels of Communication	Frequency of Communication	Stakeholder Engagement Initiatives
Lenders	• One-to-one meetings • Banker meets • Stock exchange filings • Non-deal credit roadshows • Bond issue prospectus • Domestic and international lender interactions	Regular engagement as per need	• Engaged domestic and international lenders for funding support • Entered into financing arrangements with global development and financial institutions • Strengthened funding partnerships for clean energy and infrastructure projects
Suppliers and Vendors	• Vendor Development Programmes • Corporate website • GeM portal • Grievance redressal channels • Contract agreements • Technical and implementation partner interactions	As and when required	• Continued transparent procurement and vendor engagement practices • Collaborated with technical and implementation partners for RDSS, smart metering, training and safety initiatives • Engaged service partners for employee and community welfare activities
Customers	• Business interactions • Borrower meetings • Customer feedback • Grievance channels • Interactions through lenders' engineers, lenders' financial advisors and other intermediaries • Meetings with DISCOMs, utilities and project entities	Regular engagement as per need	• Engaged with DISCOMs, state utilities and project entities for financing and project support • Conducted state-level utility interactions and business development discussions • Strengthened borrower grievance redressal through an online portal
Employees	• Company intranet portal • Internal communications, newsletters, mails and surveys • Training and capacity development programmes • Annual performance appraisal • Townhall sessions • Festive celebrations • Grievance channels • Employee unions and associations	Regular engagement as per need	• Conducted training, wellness, sports and awareness programmes • Engaged with employee associations on welfare and inclusion • Organised cultural, festive, recognition and employee well-being initiatives

Stakeholder Group	Channels of Communication	Frequency of Communication	Stakeholder Engagement Initiatives
Community	• CSR activities • Community outreach programmes • Health and hygiene drives • School-based awareness activities • Support for vulnerable groups • Public cleanliness campaigns	Periodic, as per the scope and duration of the project	• Implemented CSR initiatives focused on inclusion, health, hygiene and accessibility • Supported Divyangjans through mobility assistance • Conducted cleanliness, hygiene awareness and community health initiatives

Materiality Assessment

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, a comprehensive materiality assessment was conducted in 2024 to identify PFC's ESG-related material topics. 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.





High Priority | Medium Priority | Low Priority


Material Topics
Linked SDGs
Pillar 3
Pursuing Prudence
Enterprise Risk Management
Reporting and Disclosures
Corporate Governance and Business Ethics
Code of Conduct
Regulatory and Legal Compliance
Data Security and Data Privacy
Grievance Redressal Mechanism
Financial Performance
Digitization of Business Processes
Responsible Procurement
ESG Governance and Board Oversight
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
8 DECENT WORK AND ECONOMIC GROWTH
High Priority
Medium Priority
Low Priority

Pillar I
Preserving the Planet



As one of India's largest renewable energy financier, PFC is leading India's clean energy transition aligned with GoI's Panchamrit goals. By aligning its financial ambition with climate priorities, PFC is scaling support for renewable energy, fostering low-carbon technologies, and reinforcing its commitment towards environmental responsibility.

Highlights

₹90,135 Crores RE Loan Book | FY 26	1,273 Lakh Tonnes CO_2 Avoided Carbon Emissions avoided | FY26	0.02 tCO_2e/INR Cr. Lowest GHG emissions compared to Peers	~66Gw Total RE Capacity Supported Renewable Energy Capacity

India's power sector is undergoing a rapid and transformative shift, driven by robust economic growth, changing consumer expectations, and accelerated push toward clean energy. At the heart of this transition is India's Panchamrit Goals. As the largest NBFC group in India with extensive power sector expertise, we view our role as central to this historic shift. We believe that integrating environmental considerations into our business strategy is essential for long-term environmental value creation and reshaping India's energy landscape.

Our core environmental objective is to accelerate the adoption of clean technologies and resilient infrastructure across India. Guided by our ESG vision "Powering Progress through sustainability", we continue to align our financing priorities with the Government of India's energy transition goals, including the expansion of non-fossil fuel capacity and the country's long-term Net Zero ambition.



Advancing Impact: Our Key Milestones in FY'26

In FY'26, we strengthened our role in India's energy transition by updating our green financing framework, expanding global partnerships, and supporting emerging clean technologies. Our approach remains aligned with national priorities, with PFC being one of the pioneer in financing emerging and clean energy technologies.

Strengthening our Green Financing Framework

- Updated our **Green Bond Framework** in line with global standards
- Enabled financing of **eligible green projects** with improved transparency and consistency
- Strengthened our ability to **mobilize international green capital**

Expanding Strategic Partnerships

- Advanced our **partnership with JBIC** to access long-term global capital
- Strengthened cross-border collaboration to support **sustainable infrastructure financing**

Supporting Emerging Clean Technologies

- **BESS:** Supporting storage deployment aligned with national targets
- **Green Hydrogen:** Enabling early-stage ecosystem development
- **PLI & Manufacturing:** Supporting domestic clean energy manufacturing
- **PSPs:** Financing long-duration storage for renewable integration

Aligning with National Priorities

- Continued focus on achieving **500 GW non-fossil capacity by 2030**
- Increased support for **low-carbon and transition technologies**
- Building exposure to **next-generation clean energy segments**

Given that the power sector accounts for ~40% of India's total carbon emissions, accelerating its decarbonisation through large-scale renewable energy deployment, grid modernisation and emerging clean technologies will be critical to achieving these national objectives. In line with this, we continue to expand our sustainable financing solutions by directing capital toward renewable energy, energy efficiency, and other emerging technologies. Through these financing activities, we aim to deliver measurable environmental outcomes while contributing to India's transition towards a cleaner, more resilient and sustainable energy future.

To advance its environmental stewardship agenda and align with India's evolving energy transition priorities, PFC focuses on a set of material environmental themes that guide its financing strategy, operational efficiency initiatives, and climate impact efforts. These priority areas reflect where PFC can create the most significant environmental value and contribute meaningfully to the nation's sustainable development objectives. The following section provides a detailed overview of our initiatives, and the progress made in supporting India's clean energy goals and advancing environmental stewardship

Material Topics at a Glance

The key highlights for FY 2025-26 under each material topic are presented below, with detailed disclosures provided in the subsequent sections of this chapter.

Material Topic		Progress
	**Low Carbon Financing**	• RE loan book increased by 11% Y-o-Y to ₹ 90,135 Cr • RE share in total loan book stood at 16% • Raised over USD 600 Million from development finance agencies.
	**Natural resource consumption and management**	• Energy intensity continued to be at 0.12GJ/INR in FY 26 • Emissions intensity remained at 0.02 tCO_2e/INR Cr in FY 26

Low carbon financing

We believe that unlocking international capital is essential to drive low-carbon financing. We mobilize such financing through establishing strong international partnerships. We focus on securing dedicated lines of credit while ensuring robust environmental due diligence. A primary example of this framework in action is our execution of a JPY 60 billion loan from the Japan Bank for International Cooperation (JBIC). This facility, executed under JBIC's "Global Action for Reconciling Economic Growth and Environmental Preservation" (GREEN) initiative, that enables us to deploy international green capital directly into high-impact infrastructure projects.

As India's largest NBFC and a key enabler of sustainable finance, PFC remains steadfast in supporting the country's energy transition and Net Zero ambitions. In FY26, we further strengthened our low-carbon financing portfolio by mobilizing global green capital through strategic partnerships and innovative financing structures, including cross-border collaborations with institutions such as JBIC and Export Finance Australia.

A brief overview of these loan details and updates on our ongoing green partnerships has been provided herewith.

Green Financing Initiatives	Details
 **Export Finance Australia (EFA)**	• Partnered with EFA on its first-ever transaction in India, deepening India–Australia collaboration while mobilizing international capital for sustainable infrastructure • Secured an USD 180 million ECA-backed facility from Citi, enabled by a guarantee from Export Finance Australia (EFA), marking a significant step in diversifying and strengthening our global green financing base • Channeled funds towards renewable energy, energy efficiency, and clean transportation projects, supporting the expansion of low-carbon infrastructure across India • Reinforced our commitment to accessing competitive, long-term global funding, enabling scale-up of green investments and accelerating India's transition to a sustainable energy future

Green Financing Initiatives	Details
 **Japan Bank for International Cooperation (JBIC) Green loan**	• In 2025, secured a JPY 60 billion JBIC loan and structured a cross-border financing arrangement with Japanese banks, mobilising global capital for India's clean energy transition • Channelled funding into a pioneering bio-ethanol project in Assam, enabling bamboo-based biomass technology and advancing low-carbon, circular solutions • Contributed to reducing fossil fuel dependence while supporting next-generation clean energy infrastructure • Strengthened India–Japan collaboration in green finance, enhancing access to climate-aligned funding and reinforcing our role as a catalyst for green growth

Financing solutions and policy support for energy transition

PFC has led clean energy financing through proactive policies, streamlined processes, and tailored products, and continues to innovate to support new and emerging segments.

Attractive Interest Rates

1.0–1.5%

lower than conventional power project rates

- Rates 1.0–1.5% below those for conventional generation projects
- Additional financial benefit upon successful project commissioning

Streamlined Processes

Faster

appraisals via dedicated units & digital platform

- Dedicated business units for solar, wind & energy efficiency
- Web-based loan forms for quicker processing
- Standardised documentation for solar projects

Innovative Products

Flexible Financing

innovative financing solutions to support emerging energy & infrastructure needs

- Letter of Undertaking for RE developers (vs. Bank Guarantee)
- Specialised products for RE equipment manufacturers
- Project-specific funding for EPC contractors

Borrower-Friendly Covenants

↓ Costs

reduced prepayment charges for greater flexibility

- Sole lending option for debt up to ₹2,000 crore
- Lower prepayment charges to enhance borrower flexibility
- Longer tenor financing aligned with project needs

Advancing Thought Leadership Through Policy Dialogue

Furthermore, in FY 2026, PFC actively participated in various summits, conferences and forums to reinforce our commitment to knowledge exchange, policy dialogue and partnerships that align with national priorities and global sustainability goals.



Bharat Electricity Summit (BES) 2026

PFC participated in the Bharat Electricity Summit 2026, engaging with key stakeholders to advance discussions on power sector transformation, clean energy adoption, and technology-led efficiency. Smt. Parminder Chopra, CMD, PFC, participated as a speaker in the **"Women in Electricity: Current and Courageous"** session at the Bharat Electricity Summit 2026. She highlighted the growing role of women in India's power sector and emphasized the importance of inclusive leadership, equal opportunities and greater participation in driving the country's sustainable energy transition.

India International Trade Fair 2025

As the nodal agency for the Power Pavilion at IITF 2025, PFC showcased India's progress in clean energy, grid modernization, and reliable power access aligning with the theme **"Ek Bharat: Shrestha Bharat"**. The pavilion highlighted sectoral innovations and underscored PFC's role in financing sustainable infrastructure aligned with national development priorities.





EDICON 2026

At EDICON 2026, PFC contributed to critical discussions on DISCOM viability and sectoral reforms. Through leadership participation and expert insights, PFC highlighted the importance of financial discipline, cost-reflective tariffs, and sustainable business models in ensuring the long-term resilience of the power distribution sector.

India Energy Week 2026, Goa

PFC participated in India Energy Week 2026, showcasing its role in financing clean energy and strengthening energy security. The platform enabled engagement with global stakeholders, reinforcing PFC's commitment to accelerating India's transition towards a low-carbon and resilient energy future.





University of Delhi Business Summit

PFC strengthened its thought leadership by engaging with academia at the University of Delhi Business Summit. Through insights on the evolving fintech landscape, PFC emphasized innovation, responsible finance, and the importance of nurturing future leaders for sustainable and inclusive growth.

Green Bond Framework

PFC updated its Green Financing Framework in February 2026, aligning it with international standards. This revised framework provides investors with a clear and consistent approach to the issuance and management of green financing instruments, ensuring that proceeds are deployed towards eligible green projects in line with our sustainability objectives. Reflecting the evolving energy landscape, the updated framework also expands the list of eligible projects to include hybrid renewable energy projects and provides greater clarity on eligible project categories.

Ensuring Transparency and Credibility in Green Financing

Framework Overview

- Applicable to all green bonds, loans, and other financing instruments issued by us
- Ensures proceeds are directed towards eligible renewable energy projects
- Provides a standardised methodology for use across all future issuances

Our Framework is aligned with internationally recognized principles including:

Framework Structure and Governance

Our Green Financing Framework is built on four core components:

Use of Proceeds:

- Net proceeds are allocated to renewable energy projects, including solar, wind, and hybrid technologies, along with associated infrastructure and value-chain activities

Project Evaluation and Selection:

- Projects undergo a robust multi-stage appraisal process, including technical, financial, and risk assessments aligned with defined eligibility criteria

Management of Proceeds:

- Proceeds are tracked and allocated to a dedicated Green Project Portfolio, with a target to fully allocate within 24 months of issuance

Reporting and Disclosure:

- We provide annual reporting on use of proceeds and portfolio capacity, with disclosures made through our annual reports and website

External Review and Assurance

- All green financing instruments are subject to independent third-party verification in line with Climate Bonds Standards
- Both pre- and post-issuance certifications are undertaken to ensure ongoing compliance
- The framework is periodically reviewed to remain aligned with evolving global guidelines

Through this framework, we aim to provide investors with clarity on capital allocation, assurance on environmental impact, and confidence in governance practices, while mobilising capital towards India's clean energy transition.

PFC's Emission Performance:

Cross-Sector Benchmarking

PFC AMONG THE LOWEST OPERATIONAL CARBON FOOTPRINTS IN THE FINANCIAL SECTOR

Managing emissions from our own operations remains an important element of PFC's environmental performance. Based on publicly available disclosures, PFC's Scope 1 and 2 emissions is among the lowest across the leading NBFCs and Banks included in this assessment, as illustrated in the table below. These results reflect the Company's continued focus on operational efficiency and responsible environmental management.

PFC 0.02 (tCO2e/ ₹crore)
LOWEST EMISSION INTENSITY

S. No.	Organization	Total Scope 1 and Scope 2 Emissions (tCO2e)	Total Scope 1 and Scope 2 Emission Intensity (tCO2e/ ₹ crore)
1	**PFC★**	**1,185**	**0.02**
2	REC	2,183	0.04
3	LIC Housing Finance Limited	3,832	0.14
4	L&T Finance Ltd.	2,295	0.14
5	Aditya Birla Finance Limited	5,581	0.14
6	Bajaj Finance Ltd.	41,652	0.6
7	Cholamandalam Investment and Finance Company Limited	17,280	0.66
8	Shriram Finance Limited	28,899	0.69
9	Muthoot Finance Limited	75,851	4.4
10	Mahindra & Mahindra Financial Services Limited	16,124	0.87
11	AXIS Bank	1,40,345	0.97
12	Punjab National Bank	1,84,721	1
13	Bank of Baroda	3,17,428	1.4
14	SBI	7,06,402	1.47
15	ICICI Bank	1,46,377	0.76

*FY2024-25 Emission data.



Emissions Management Framework

PFC's low operational emissions profile is underpinned by a structurally lean and energy-efficient corporate setup as well as implementing a suite of operational decarbonisation measures. As a financial institution with an asset-light business model and no manufacturing or industrial processes, our direct environmental footprint remains inherently limited. We recognize our responsibility to measure, monitor, and manage emissions arising from our operations, energy consumption, and business activities, while continuously seeking opportunities to enhance operational efficiency.

Our Scope 1 emissions primarily originate from energy and fuel consumption in office facilities, backup power systems, and company-operated vehicles. We strive to minimize these emissions through efficient asset utilisation, responsible resource management, and prudent operational practices.

Our Scope 2 emissions are associated with purchased electricity consumed across our offices and facilities. Through systematic monitoring of energy use and the promotion of energy-efficient practices like use of smart LEDs, sensors, etc. we seek to optimize resource consumption and progressively improve our operational environmental performance.

Financing the Transition. Measuring the Impact

Assessing the climate outcomes enabled through our renewable energy financing

FY 2025-26 marked a major milestone in PFC's climate reporting journey. For the first time, PFC assessed the climate impact of its **entire commissioned renewable energy portfolio** (excluding large hydro) outstanding as on 31 March 2026.

This study covered over 100 commissioned RE projects with aggregate funded capacity of 10.6 GW across solar, wind, hybrid, waste-to-energy and small hydro projects (excluding Large Hydro). The assessment provides a comprehensive view to date of the emissions avoided through our financing activities.

Impact Highlights

100+
Commissioned renewable projects assessed

₹35,837 Crore
Outstanding renewable book

10.6 GW
Funded renewable capacity

10.39 Mn tCO_2e
Annual financed emissions avoided

2.26 million
Equivalent passenger vehicles removed from the road

Financing Clean Energy. Enabling Decarbonisation.

The commissioned renewable energy portfolio assessed is estimated to avoid approximately **10.39 million tonnes of CO_2 emissions every year**—equivalent to removing **2.26 million passenger vehicles** from the road annually.

The scale of these avoided emissions demonstrates how long-term financing can contribute to decarbonisation by enabling renewable energy infrastructure across India.

Our Financed Impact Far Exceeds Our Operational Footprint

While PFC's operational **Scope 1 and Scope 2 emissions were 1,257 tCO_2e** during FY 2025-26, the commissioned renewable energy assets financed by the Company are estimated to avoid **10.39 million tCO_2e annually**.

This highlights that our Scope 1 and 2 provides a limited measure of our environmental performance and our larger impact lies in the renewable energy projects we finance, where financing enables emissions reductions at scale. Together, these efforts reinforce PFC's role in supporting India's clean energy transition and long-term Net Zero 2070 ambition.

Major Renewable Energy Projects Driving Portfolio Impact

As a supporting lens to the full portfolio assessment, the assessment of avoided emissions across PFC's top 22 renewable energy projects have also been provided below. These assets are not presented as a standalone assessment; rather, they illustrate the type of projects that underpin the broader portfolio-level climate impact. The top projects comprise solar, wind and hybrid plants. Together, they account for a substantial share of the portfolio's financed emissions avoided and demonstrate how targeted support to commercially scalable renewable energy projects can create measurable environmental outcomes.

22
Commissioned projects

7,045 MW
Financed renewable capacity

INR 23,224 Cr
Outstanding portfolio amount

6.91 Mn tCO2e
Annual financed emissions avoided

The detailed project-wise analysis of estimated emissions avoided has been provided in the table below:

Project type	Capacity (MW)	PFC's support-Disbursements (in ₹ crores)	Financed Emissions Avoided Combined (tonnes)
Hybrid (solar & wind)	1110	5,478	1,662,744
Solar power	799	2,059	562,157
Hybrid (solar & wind)	461	1,661	660,052
Hybrid (solar & wind)	376	1,444	550,014
Hybrid (solar & wind)	319.3	1,392	227,318
Wind power	300.3	1,630	49,283
Wind power	252	1,524	440,240
Wind power	260	1,232	309,356
Hybrid (solar & wind)	150	983	16,115
Wind power	252	1,132	262,618
Solar power	450	813	402,726
Solar power	300	802	403,322
Wind power	200	894	29,334
Solar power	190	713	24,043
Wind power	155.4	804	188,247
Solar power	150	585	18,462
Wind power	179.7	638	261,051
Solar power	150	516	12,599
Solar power	200	411	1,934
Solar power	300	236	314,969
Solar power	300	235	311,871
Solar power	190	59	204,620
Total	**7,045**	**25,240**	**69,13,077**

The portfolio achieves an outstanding intensity of 974 tCO_2e per MW installed, reflecting optimal project selection and geographic deployment strategies.

Key assumptions used in the assessment are as follows:

1. Emission Factors:

The baseline emission factor is based on the Central Electricity Authority (CEA) of India's emission factors Version 22.0 (2025), applying the Combined Margin emission factor of 0.738 tCO_2/MWh as specified in CDM Tool 07 Version 7.0. This factor represents the emissions intensity of grid electricity that would otherwise have been generated from conventional sources.

2. Generation Data:

The portfolio maintains high data quality standards with more than 80% of the funded projects reporting actual available generation data. For the remaining projects, emissions avoided were conservatively estimated using CEA-standard capacity utilisation factors- 21% for solar, 25% for wind projects and 30% for hybrid, ensuring robust climate impact calculations.

3. Attribution Approach:

A project-specific attribution factor was applied to each project to reflect PFC's proportional financing contribution to total project cost. This is aligned with the Partnership for Carbon Accounting Financials (PCAF) Part A methodology for project finance attribution and with the GHG Protocol Scope 3, Category 15 principles for financed emissions and avoided emissions assessment.

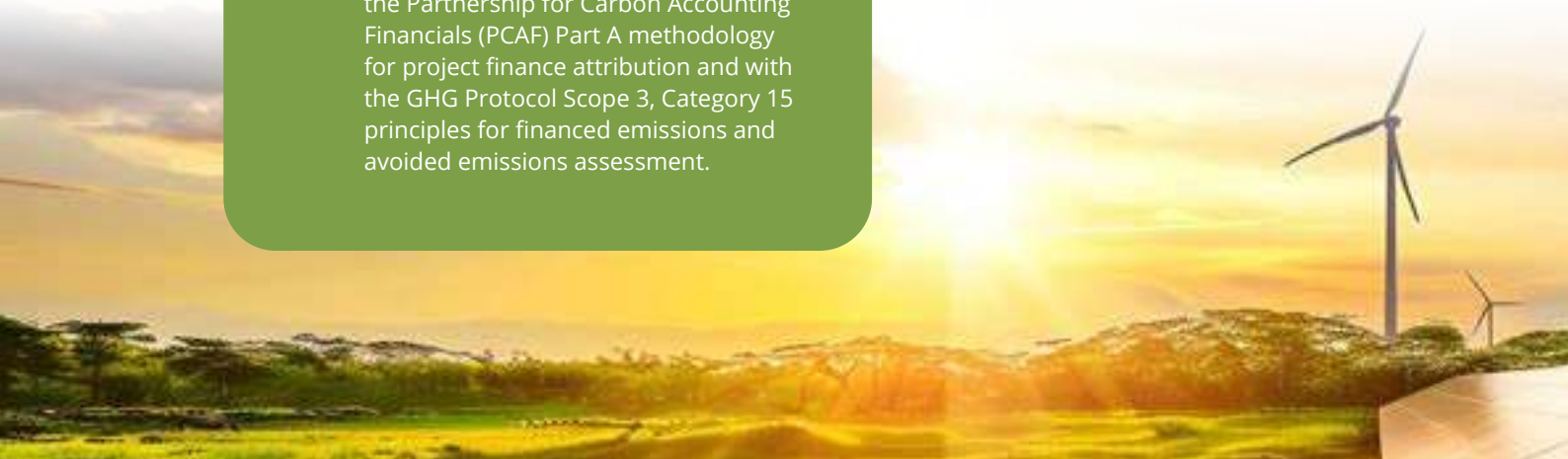
The expanded assessment reinforces PFC's role as a catalyst for India's clean energy transition. Going forward, PFC will continue to support India's Panchamrit goals, including the ambition to expand non-fossil fuel-based capacity, reduce the emissions intensity of the economy and progress towards long-term net-zero commitments, while continuously enhancing the transparency and robustness of its climate impact reporting.

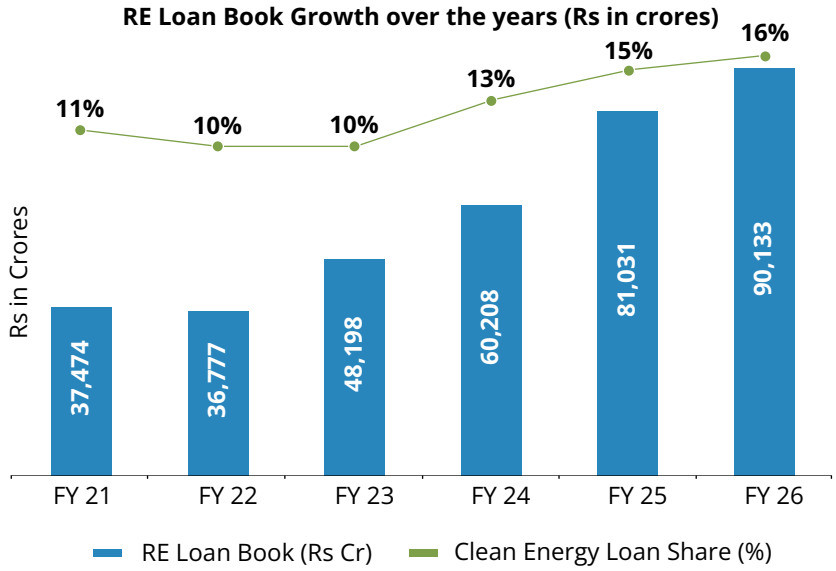
Clean energy projects financed by PFC

PFC continues to be among India's largest renewable energy financiers, having supported ~66 GW of renewable energy capacity in India till FY 2026. This accounts for ~24% of India's non fossil fuel based installed capacity (around 288 GW as per CEA, March 2026).

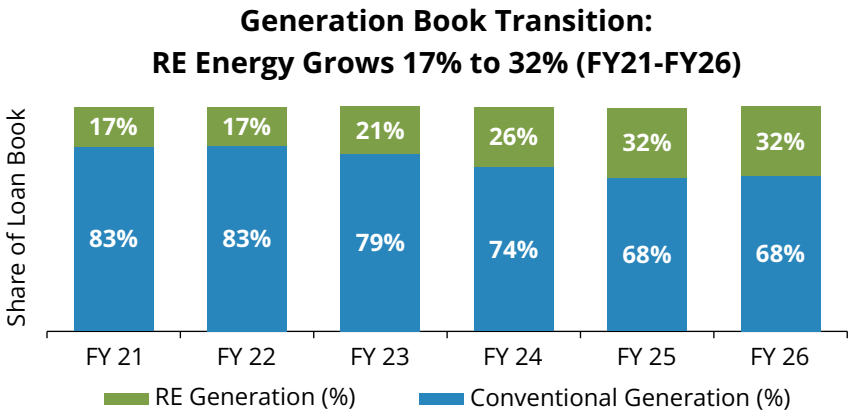
Our renewable energy loan book (including large hydro) has grown at a robust CAGR of ~19%, growing from INR 37,474 crore in FY 2021 to INR 90,135 crore in FY26 as seen in figure below.

Through ongoing financial innovation, strategic partnerships, and alignment with global climate priorities, PFC continues to mobilise 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 catalysing green growth at scale.





Over the past five years, the share of renewable book in our total loan assets has increased from 10% in FY 2021 to 16% in FY 2026, highlighting our strong alignment and commitment to advancing the GoI's clean energy transition goals.



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 17% in FY 21 to 32% in FY 26. This trajectory reflects PFC's strategic commitment to accelerating low-carbon

RE Book More than Doubled

Over the last five years, PFC's renewable energy loan book has more than doubled, reflecting our strong commitment to clean energy financing.

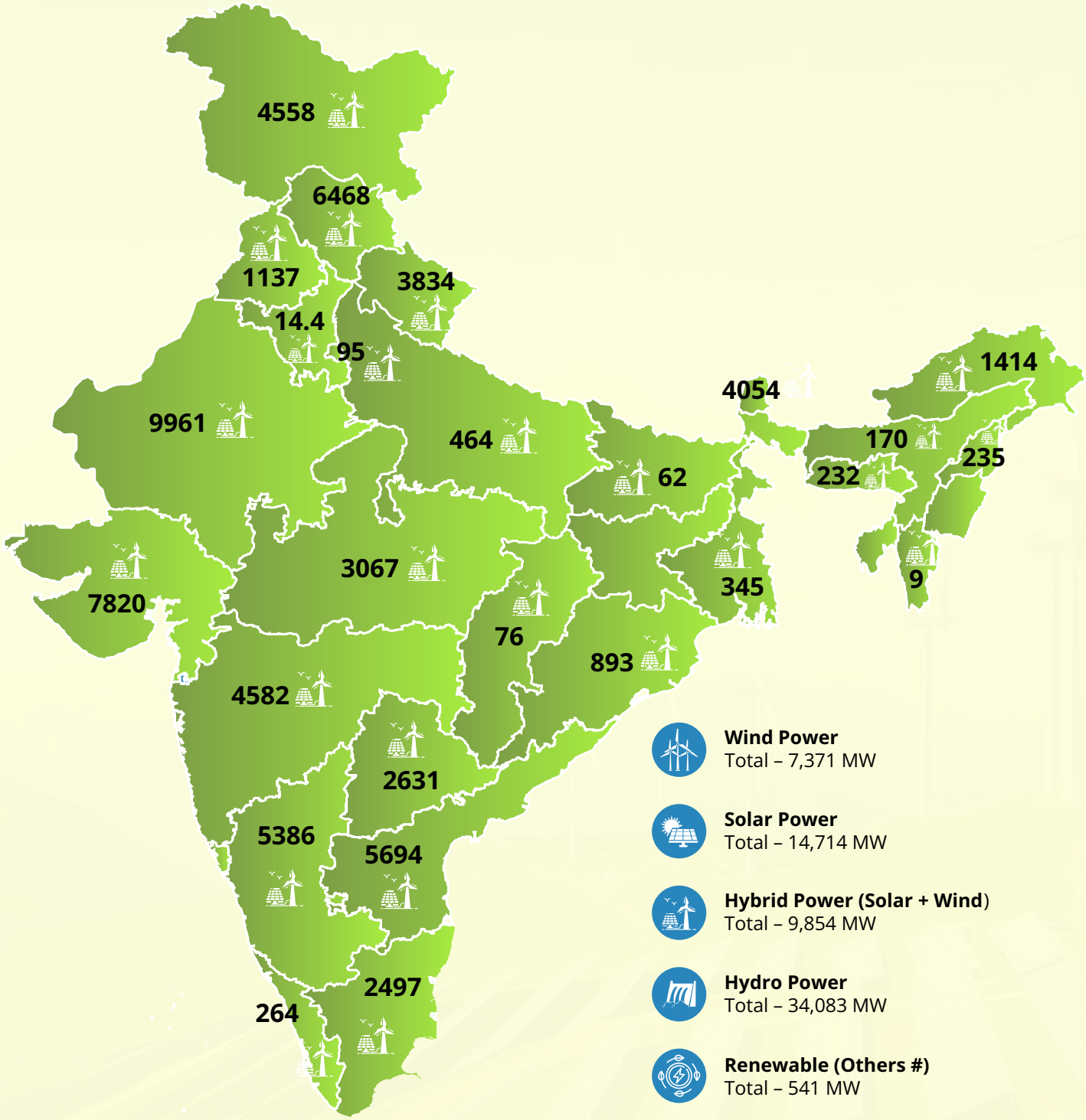
11% Year-on-Year Growth

PFC recorded a 11% Y-o-Y increase in its renewable energy portfolio, driven by strategic investments in solar, wind, and hydro projects.

Portfolio scale up momentum

Absolute RE loan book addition accelerated significantly post - FY23, with nearly 30,000 Cr added between FY24 and FY26 alone.





*Capacity supported in MW (Mega Watt) state-wise as on 31st March 2026 - cumulative of hydro, solar, wind, hybrid, waste to energy projects

Total Capacity supported- 66,562 MW

Includes Waste to Energy, Biomass, Bagasse

The RE capacity PFC has supported has CO_2 emission avoidance potential of 1,273 Lakh Tonnes per year*, equivalent to the amount of CO_2 absorbed by 509 Crore trees in a year**.

CO_2 Avoidance ~1273 Lakh Tonnes per year

CO_2 Absorbed 509 Crore trees in a year

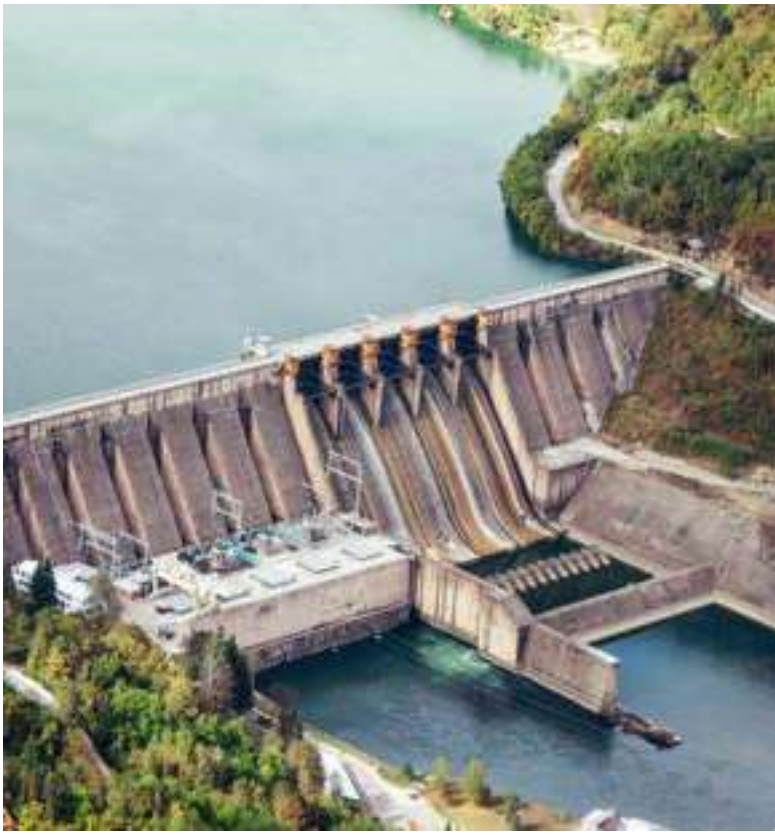
Notes:

*Assumptions for estimation of CO_2 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 2025 to March 2026 and installed capacity as on 31.03.2026 (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) (tCO_2/MWh) of 0.709 tonne CO_2 per MWh (CEA November 2025)
5. ** Assuming 25kg CO_2 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

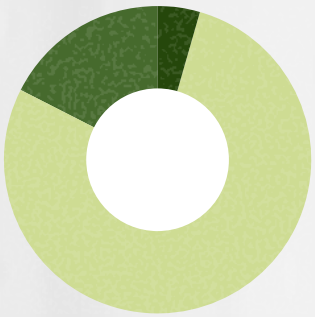
Our total energy consumption in FY26, increased from ~5893 GJ in FY25 to 7110.5 GJ in FY26. Furthermore, our energy intensity per INR crore of turnover has reduced from 0.11 GJ/INR. Cr. in FY25 to 0.10 GJ/INR. Cr. in FY26.

Our total water consumption in FY26 has decreased from approximately 6154 Kilolitres in FY25 to ~5079 Kilolitres in FY26. Furthermore, our water intensity per INR crore of turnover has reduced from 0.12 KL/INR. Cr. in FY 25 to 0.09 KL/INR. Cr. in FY26. We actively monitor our water footprint and remain committed to responsible water stewardship.

Emissions Management

Our GHG emissions intensity has remained the same at 0.02 tCO_2/INR. Cr. in FY26 as compared to FY25 levels, reflecting continued progress in operational decarbonisation. In line with our responsibility and commitment to sustainability, we are reporting Scope 3 emissions for Category 3 (Fuel- and Energy-Related Activities) and plan to progressively expand Scope 3 coverage in the coming financial year.

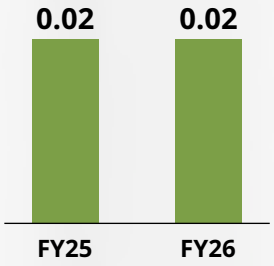
Scope Wise Emissions (tCO_2e)



Scope 1 emissions	70.71
Scope 2 emissions	1,186.52
Scope 3 emissions category 3 (Fuel and energy related activities)	262.58

Emissions intensity (Scope 1 and 2) per INR Crore of turnover

(TCO_2e per Rupee of Turnover)





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.

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.

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.

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.

Pillar II
Promoting the Pathway towards Inclusive Society



~22% **Female Employees** Diversity & Inclusion	**2589** **Person Days** In total employee training	**0** **Gender Pay Gap** At all pay grade levels
₹ 36.3 Crore **Profit per employee**	**100%** Return to work From **Maternity Leave**	**₹ 138 Crore** Disbursed for CSR In FY26

PFC is committed to building an inclusive workplace that promotes development, well-being, safety, and equal opportunity for all. This is integral to our long-term sustainable growth and value creation. During the year, this commitment was reflected through our engagement in various gender equity initiatives, wellness and sports programmes, safety and ethics workshops, and recognition for employee achievements and services.

Extending beyond our own operations, PFC remains committed to fostering positive and lasting impact in the communities we serve through targeted CSR initiatives.

This section outlines our initiatives and provides a brief overview of our employee practices, community development efforts, and CSR activities aligned with our vision of empowering people and supporting inclusive social progress.

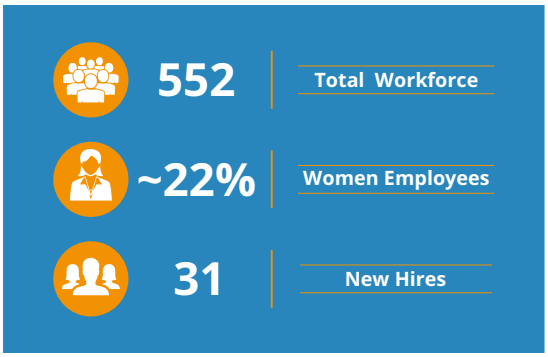
Material Topics at a Glance

The key highlights for FY 2025-26 under each material topic are presented below, with detailed disclosures provided in the subsequent sections of this chapter.

Material Topic		Overview
	Employee Engagement	• Employee training hours increased to **20,712 hours in FY26** from **15,368 hours in FY25**.
	Diversity, Equity & Inclusion	• Steady representation of women employees (22% in FY 26)- One of the highest women ratios among Maharatna PSUs
	Employee Health, Safety & Well-being	• **Zero** work-related injuries or fatalities and zero Lost Time Injury Frequency Rate (LTIFR). • **100%** return to work after maternity/paternity leave
	Sustainable Procurement	• Sustained procurement from Micro and Small Enterprises **(48.2% in FY26)**
CSR	Corporate Social Responsibility	₹ **₹ 307 crore CSR sanctions in FY'26**
	Customer Relationship Management	• **Zero** consumer complaints for FY'26

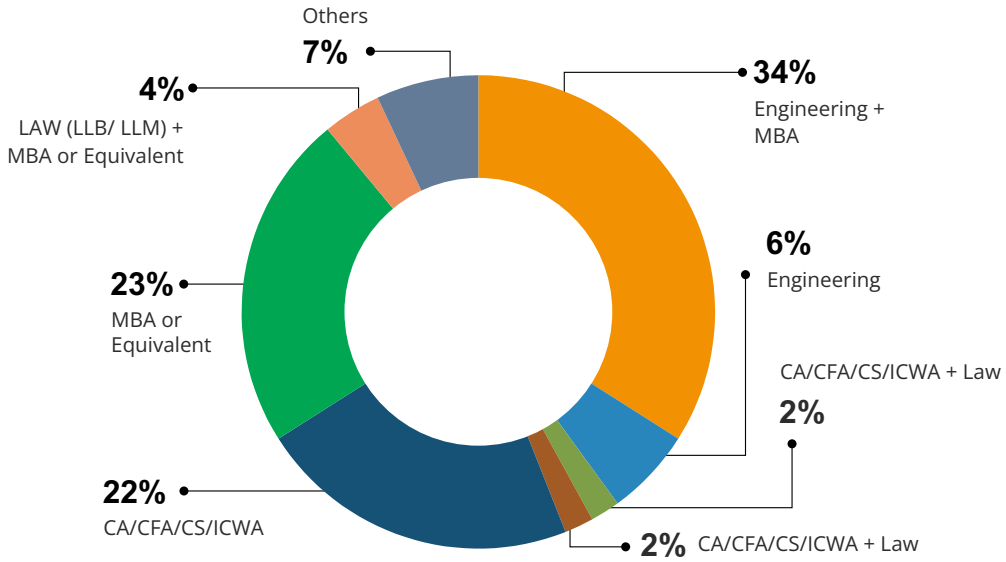
Employee Overview and Inclusive Work Culture

We are committed to fostering a diverse, inclusive, future-ready, and highly engaged workforce that underpins sustainable value creation. Our talent strategy is anchored in attracting, developing, and retaining skilled professionals while promoting an equitable, supportive, and high-performance work environment. Supported by strong employee retention, a continued focus on diversity and inclusion, employee well-being, and continuous learning, we seek to build a resilient workforce capable of advancing our long-term strategic objectives and delivering meaningful impact for stakeholders.



As of FY26, PFC had 552 permanent employees, with women representing 22% of our total workforce. Our employee attrition remained around 1%, reflecting strong employee satisfaction levels. Furthermore, ~19% of our new hires in FY 2026 were women underscoring our commitment to strengthen gender diversity within our organization. Over the past year, we advanced our people and culture agenda by expanding ESG-focused learning opportunities, strengthening employee grievance management processes, and fostering a culture of integrity through robust ethics and governance practices.

PFC's workforce comprises professionals from diverse academic and functional backgrounds, including management, engineering, finance, accountancy, law, and information technology. We continue to uphold merit-based hiring practices while attracting emerging talent from leading academic institutions, strengthening workforce diversity, capability, and organizational resilience for the future



Diversity and Inclusion



Strengthening Inclusivity: PFC Leadership Meets SC/ST & OBC Employees Welfare Association

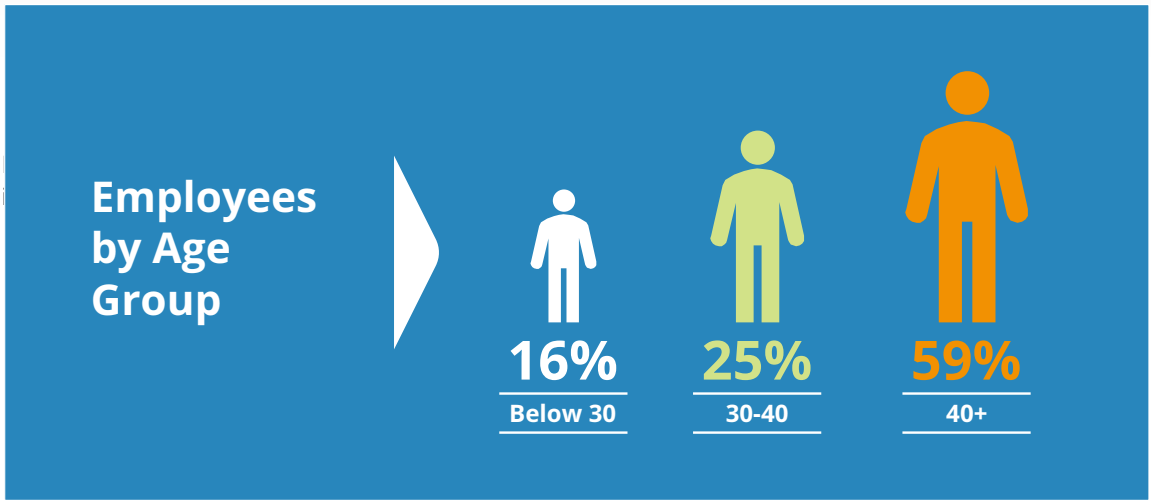


Hon'ble Member of National Commission for Scheduled Tribes visits PFC

At PFC, we believe that 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.





PFC's workforce of approximately 552 employees brings together the energy and fresh perspectives of younger employees with the expertise and leadership of seasoned professionals. This blend fosters a culture of collaboration, continuous learning, and innovation. By leveraging diverse perspectives and expertise, we strengthen organizational agility, support succession and capability development, and enhance our ability to deliver sustainable long-term value for stakeholders.

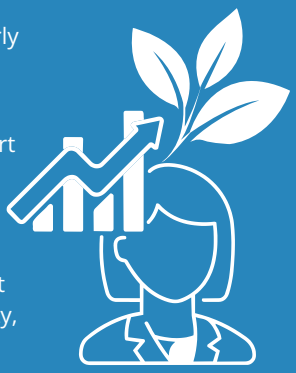
Advancing Gender Inclusion in India's Energy Financing Ecosystem

Context & Objective

India's energy and financial sectors continue to exhibit gender disparities, particularly in workforce participation and leadership roles. Within the energy sector, women remain underrepresented, especially in technical and project-related functions.

In May 2025, a comprehensive gender assessment study was conducted by Frankfurt School of Finance & Management in partnership with KfW (Kreditanstalt für Wiederaufbau) as part of the preparatory work for a new line of credit to PFC.

The study aimed to evaluate gender inclusion at PFC, identify structural gaps, and recommend targeted interventions aligned with international ESG and development finance expectations. Against this backdrop, we aimed to strengthen gender equality, diversity, and women's empowerment across our organization—while embedding gender inclusion within our financing and governance approach.



Methodology

We collaborated with KfW and international experts to facilitate a structured gender diagnostic, enabling a data-driven and institutional approach to gender mainstreaming.

The study involved:

- Desk research and review of policies and disclosures recruitment, pay parity, and training
- Primary consultations, including interviews with senior leadership and employee focus
- Analysis of workforce data, including representation, recruitment, pay parity, and training

Key Highlights of the study

- PFC's Human resource strategy already embeds its commitment and strategy for gender equality
  - Equal Opportunity Employment: leadership and development
  - Inclusive workplace: zero tolerance for harassment
  - Supportive policies(flexible working hours)
- No gender divide in terms of enhancing staff capacity and skills

Highlights of PFC Gender inclusion

- **22% women** workforce, reflecting steady improvement
- Ms. Parminder Chopra, first women CMD appointed in 2023 to lead India's largest NBFC
- **~19%** women participation in campus recruitment
- **5,414** person hours of training delivered to female employees in FY26
- Constituted Women's Cell post the recommendation under the study

Under the KfW gender assessment study, PFC is perceived as an organization of equal opportunities and gender equality

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

PFC is committed to upholding human rights and fostering a workplace culture built on dignity, equality, inclusion, and respect. Guided by applicable legal and regulatory frameworks, we strive to provide a safe, equitable, and discrimination-free work environment that safeguards the rights of all employees. Through established policies, governance mechanisms, and channels for employee representation and grievance resolution, we reinforce our commitment to protecting individual rights, promoting diversity and inclusion, and ensuring that every employee is treated with fairness, respect, and dignity throughout the employment lifecycle.

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.

Fair representation of marginalised 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 is committed to fostering a safe, respectful, and inclusive workplace where all employees are treated with dignity and free from any form of harassment or discrimination. In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Corporation has established an Internal Complaints Committee (ICC), comprising of senior executives and independent external member, to address and resolve workplace harassment-related concerns in a fair, confidential, and timely manner.

To promote awareness and strengthen preventive measures, PFC conducts regular sensitization and capacity-building programmes on workplace conduct, employee rights, grievance redressal mechanisms, and the provisions of applicable legislation. These initiatives are complemented by gender-sensitization programmes aimed at fostering a culture of mutual respect, inclusivity, and accountability across the organization.

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 on our Board. Notably, PFC has one of the highest female workforce ratio among Maharatna PSUs, reflecting its commitment to inclusive and empowered workplace. We foster a 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.

Gender Equity through Women Empowerment at PFC

Advancing Gender Equity and Inclusive Workplaces

- Continued to foster an inclusive workplace culture built **on respect, equal opportunity, and professional growth** for **all employees**.
- Maintained a **zero gender pay gap** across all employee grade levels, reinforcing the Corporation's commitment to pay equity.
- Promoted **women's leadership** through strong representation at the **highest level of the organization** and a sustained focus on gender inclusion.
- Celebrated **International Women's Day** to recognize and encourage the contributions of women employees.

Advancing Gender Equity in Power distribution sector

- PFC in collaboration with the Foreign, Commonwealth & Development Office (FCDO), Government of the United Kingdom, launched an insightful Gender Equity Report in Power Distribution under the ASPIRE programme.
- The comprehensive report presents findings from 33 DISCOMs across 22 states and brings to the fore the current gender dynamics in India's power distribution sector. It emphasizes the urgent need for inclusive policies, safer work environments, and systemic reforms to enhance gender diversity.

Commitment to Fair and Lawful Employment Practices

- Continued compliance with applicable labour laws relating to **minimum wages, equal remuneration, contract labour, workers' compensation, maternity benefits, and employee welfare.**
- Upheld **fair, ethical, and non-discriminatory employment practices** across the organization.



Performance Management:

At PFC, we foster a high-performance work culture that balances employee development, accountability, and continuous learning. Our structured performance management framework is designed to promote transparency, recognize individual contributions, facilitate constructive feedback, and support professional growth, reinforcing a culture of excellence and continuous improvement across the organization.

100% of our employees participate in regular performance and career development reviews, ensuring consistent alignment of individual objectives with organizational priorities. Our three-tier annual appraisal process provides a robust platform for evaluating performance, recognizing achievements, identifying development opportunities, and supporting long-term career progression.

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

Full Participation Across the Workforce



Training and Capacity Development

We view human capital development as a strategic enabler of long-term resilience and organizational success. Our learning and development philosophy goes beyond technical skill-building to emphasize leadership, adaptability, and sectoral expertise, equipping employees to navigate a rapidly evolving energy landscape and contribute meaningfully to our long-term growth and sustainability objectives.

In FY 2025-26, 20,712 person-hours of training were delivered across a broad set of thematic areas, spanning technical, managerial, and ESG domains. Key programs included:

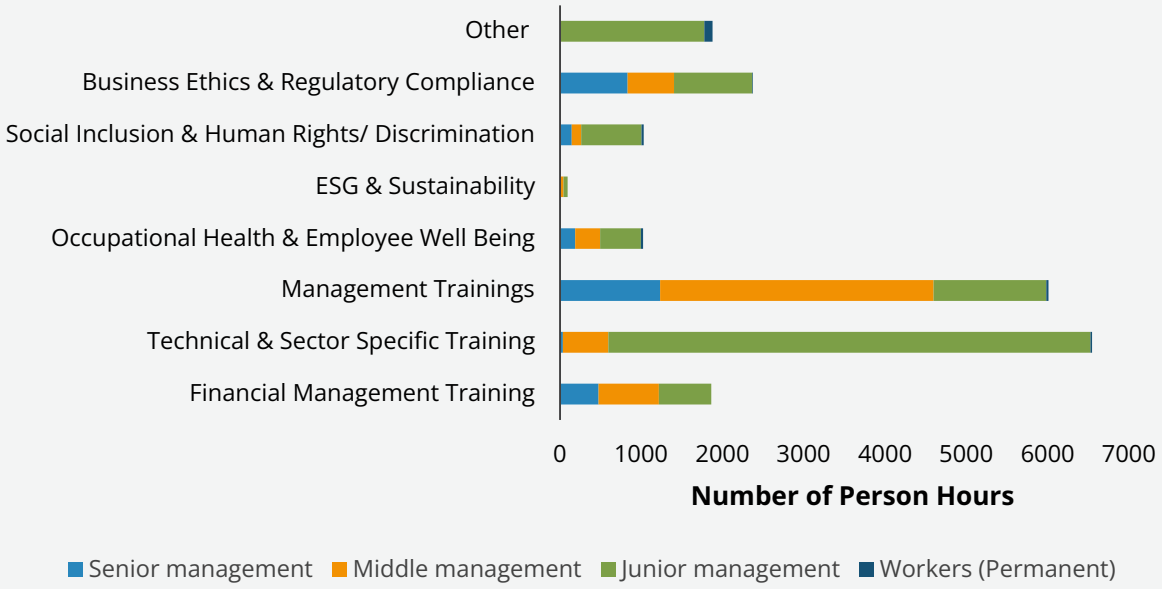
Average training by employees in a year

37.5

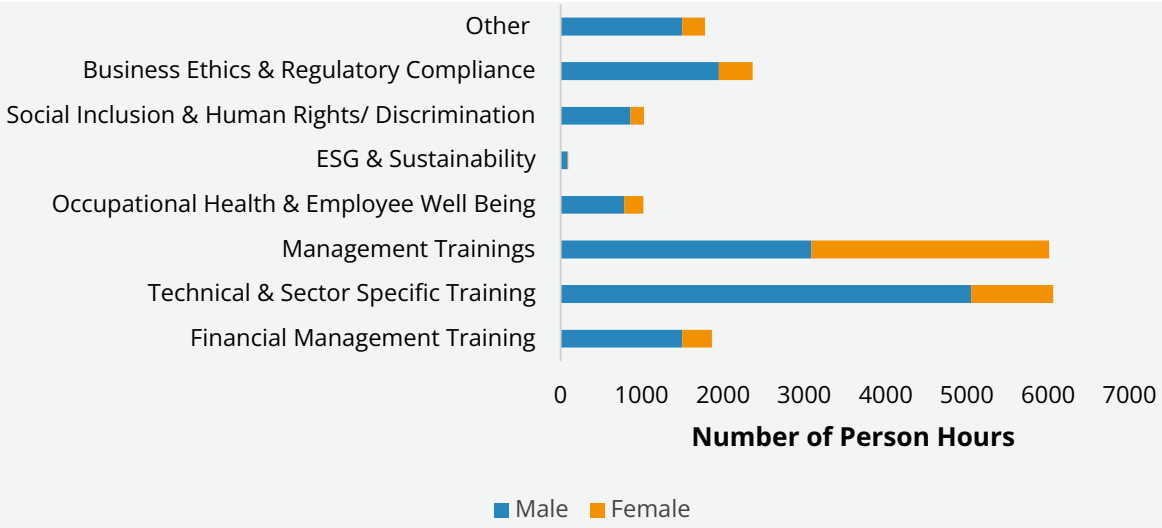
Person-hours

- Financial Management Training
- Technical and Sector-Specific Training
- Management Trainings
- General Training
- Occupational Health and Employee Well-being
- ESG and Sustainability
- Social Inclusion and Human Rights / Discrimination
- Business Ethics and Regulatory Compliance
- Other need-based training programmes

Total Training Manhours (Management Level)



Total Training Manhours (Gender-Wise)



During FY 2025–26, we partnered with premier institutions such as the National Power Training Institute (NPTI), National Institute of Bank Management (NIBM) and the Indian Institutes of Management, enabling employees to learn from industry experts and academia across technical, financial, managerial and leadership domains.

In addition to classroom and institution-led programmes, we continued supporting the e-learning sponsorship scheme introduced earlier. This scheme enables employees to pursue relevant certified courses through reputed digital platforms at their own pace, encouraging flexible and personalised learning. Through these initiatives, PFC continues to embed a culture of continuous learning and build an agile, skilled and future-ready workforce.



Employee engagement

At PFC, we promote a people-centric workplace that supports holistic employee well-being, meaningful engagement, and a strong sense of belonging. Through a culture of inclusivity, collaboration, and employee participation, we seek to create a positive work environment where our people can thrive and contribute to the organization's long-term success.

Enabling Sustainable Work Practices Through Flexible Work Policy

Context & Objective

We understand that tight work schedules often impact employee well being and productivity.

Recognizing this, we introduced a flexi timing policy to enhance workforce well-being, improve productivity, and contribute to environmental sustainability through reduced commute intensity. Our objective is to foster an inclusive, employee-centric workplace aligned with Social (employee well-being) and Environmental (emission reduction) priorities.



Methodology

We implemented a structured flexible work timing framework across our workforce, enabling employees to optimize work hours while maintaining operational efficiency.

- Introduced 2-hour flexible entry/exit window
- Integrated grace time provisions for flexibility
- This initiative reflects our role as a responsible organization, embedding employee well-being and low-carbon practices within operational policies

Key Activities

- Launched organization-wide flexi timing policy
- Enabled flexible attendance and leave structures
- Conducted employee survey (277 participants) to assess impact and uptake
- Incorporated employee feedback for policy refinement

Outcomes & Impact

- 87% rated the policy as better or much better
- 71% reported improved work-life balance
- 70% observed increased productivity
- 24 minutes/day reduction in commute time
- 75.8 tCO_2e_2/year emissions avoided through reduced commuting

Qualitative Impact

- Enhanced employee well-being and mental health
- Increased time for family, health, and personal commitments
- Reduced traffic stress and improved punctuality
- Strengthened organizational culture and employee satisfaction

ESG Contribution & Alignment

- **Social:** Improved work-life balance, employee satisfaction, and productivity
- **Environmental:** Lower commuting emissions and promotion of sustainable mobility
- **Governance:** Responsive policy design based on employee feedback

Aligned with SDG 3 (Good Health & Well-being), SDG 8 (Decent Work & Economic Growth), and SDG 13 (Climate Action)

Throughout the year, PFC conducted a range of initiatives that foster teamwork, employee well-being, and a strong sense of belonging, contributing to an inclusive and vibrant workplace culture.

Celebration of Swachhata Hi Seva (SHS) 2025, during 17.09.2025 to 02.10.2025



PFC observed SHS through a series of cleanliness, health and engagement initiatives, including :

- Distribution of hygiene kits to special school students, street vendors and housekeeping staff
- A painting competition
- A health check-up camp for contractual staff.

The campaign also included a large-scale Shramdaan event on 25 September 2025, where the Swachhata Pledge was administered.

The event concluded with the Fit India Swachhata Freedom Run 6.0 – "Swachh Bharat, Swasth Bharat" around PFC premises on 16 October 2025.

Voluntary Blood Donation Camp



- Ahead of World Blood Donor Day, PFC organised a voluntary blood donation camp in collaboration with Lions Blood Bank.
- The initiative encouraged employees and participants to contribute towards saving lives and reflected PFC's broader commitment to health, community welfare and responsible citizenship.



Swachhta Pakhwada 2025 on 16th – 31st May 2025

- As part of Swachhta Pakhwada 2025, PFC organized an awareness workshop on cleanliness and hygiene in the workplace on 20 May 2025.
- Nearly 40 hygiene, sanitation and canteen staff participated in the session, which reinforced the importance of maintaining a clean, safe and healthy work environment.

OBSERVING MOMENTS THAT
CONNECT PEOPLE, PLANET AND PURPOSE

PFC observes important national, cultural, environmental and organizational days to promote awareness, responsibility and employee engagement. These observances provide opportunities to reinforce environmental stewardship, inclusive participation, ethical conduct and organizational pride. Through such initiatives, PFC continues to nurture a workplace culture aligned with sustainability, values and collective purpose.



World Environment Day | 5 June 2025

PFC celebrated World Environment Day on June 5th with the world to raise awareness and encourage action for the protection of the environment.

World Blood Donor Day | 14 June 2025

PFC organized a voluntary blood donation camp in collaboration with Lions Blood Bank ahead of World Blood Donor Day, encouraging employees to contribute towards a life-saving cause and support community well-being.





International Day of Yoga | 21 June 2025

Through its "Yoga for Harmony & Peace" initiative, PFC promoted physical well-being, mindfulness and healthy living, highlighting the importance of holistic wellness in the workplace.

PFC Foundation Day | 16 July 2025

PFC celebrated its 40th Foundation Day, reflecting on four decades of contribution to India's power sector and reaffirming its commitment to nation-building and sustainable development.





Hindi Diwas | 14 September 2025

PFC observed Hindi Diwas to encourage the use of Hindi in official communication and celebrate India's linguistic diversity and cultural heritage.

Swachh Bharat, Swasth Bharat | 16 October 2025

A short run was organized Fit India by PFC as part of the observance of Swachhata Freedom Run 6.0 The event was organized to inculcate the habit of walking and running in quest of better health and fitness.





National Sports Day | 29 August 2025

PFC celebrated National Sports Day through employee participation in fitness and recreational activities, promoting physical well-being, teamwork, sportsmanship and workplace camaraderie.

Celebration of National Sports Day (NSD)

on 29.08.2025



PFC celebrated National Sports Day on 29 August 2025 with great enthusiasm and active participation from employees.

- The event began with the Fit India Pledge, reaffirming PFC's commitment to promoting health, fitness and overall well-being.
- A total of 118 employees participated in Inter-CPSU sports competitions.

These initiatives encouraged employee engagement, teamwork, physical well-being and greater participation in sports and recreational activities.

Throughout the year, we celebrated occasions that reflect our commitment to environmental stewardship, employee well-being, social responsibility, cultural heritage, and nation-building. From celebrating World Environment Day and promoting community welfare through blood donation drives, to encouraging holistic wellness through Yoga Day, these events provide meaningful opportunities for employees to connect with causes that align with PFC's values. Cultural and national events such as Hindi Diwas, reinforce a shared sense of identity, responsibility, and pride; while sporting and festive celebrations foster teamwork, inclusivity, and workplace camaraderie. Together, these engagements strengthen our organizational culture, promote employee participation, and reinforce our belief that sustainable progress is built by connecting people, purpose, and the communities.

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 associations function actively - The executive category employees are represented by the PFC Executives Association and those in the non-executive category are represented by PFC Employees' Union. Both these associations are recognized by PFC for discussions and deliberations on various issues from either side.

Employee Wellbeing and workplace safety

We are committed to maintaining a safe and healthy workplace through an Occupational Health and Safety Management System aligned with ISO 45001:2018. Supported by regular training, awareness programmes, and safety drills, our approach promotes risk prevention, employee well-being, and a strong culture of safety across the organization.

Strengthening Workplace Safety Through Emergency Preparedness

To foster a strong safety culture and enhance emergency readiness, PFC conducted a Mock Fire Safety Drill in collaboration with Delhi Fire Services. The exercise included live fire-fighting demonstrations, evacuation drills, hands-on training on fire safety equipment, and basic first-aid awareness.



Outcome:

- Enhanced employee awareness of fire safety protocols
- Improved emergency response preparedness across departments
- Reinforced a proactive workplace safety culture through practical, scenario-based training

Active participation from employees across departments helped strengthen organizational resilience and readiness for emergency situations.

We conducted periodic health check-up camps and health awareness programmes to promote preventive care and support employee well-being. Additionally, daily virtual yoga sessions and stress management workshops reinforce mental well-being.





Eye Health Check-up Camp
PFC organised an eye health check-up camp to promote preventive healthcare among employees.



Health Check-up Camp for Support Staff
PFC organized a comprehensive health check-up camp for over 150 hygiene, security and support staff.



Women's Health Awareness Session

- To mark International Women's Day, PFC organised a health awareness session for women employees on cancer prevention, care and treatment, with focus on breast, cervical and lung cancers.
- Experts shared insights on early detection, prevention and timely medical care.

PFC's on-site Wellness Centre supports employee health and well-being through access to first-aid facilities, basic diagnostic services, and full-time nursing support. The facility promotes preventive care, enables timely medical assistance, and reinforces the Corporation's commitment to workplace health, safety, and employee welfare.

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.

Eye Health Check-up Camp

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.

Transparent and Responsible Procurement

In alignment with the Government of India's Public Procurement Policy for Micro and Small Enterprises (MSEs), PFC is committed to promoting inclusive economic growth by supporting the participation of Micro, Small and Medium Enterprises (MSMEs) in its procurement processes. The Corporation extends various facilitative measures, including exemptions from tender fees and earnest money deposits, purchase preference benefits, timely payment provisions, and relaxation of prior experience and turnover requirements, subject to compliance with prescribed quality and technical standards.

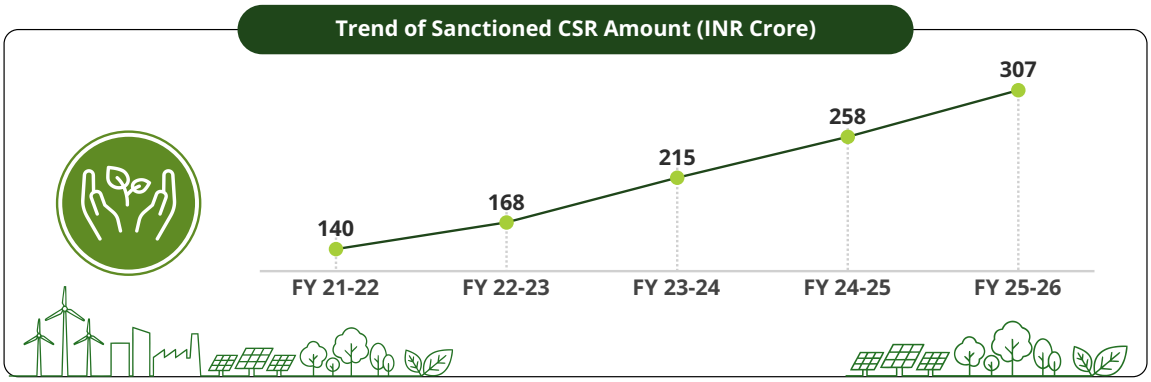
PFC leverages the Government e-Marketplace (GeM) platform to ensure procurement processes remain transparent, efficient, digital, and environmentally responsible. Through fair and accessible procurement practices, we seek to enhance opportunities for MSMEs, encourage entrepreneurship, strengthen supplier diversity, and contribute to sustainable and inclusive economic development.

Total Procurement	Procurement from MSMEs	MSME Contribution
INR 62.07 Crore	**INR 29.91** Crore	**~48%** Of total procurement

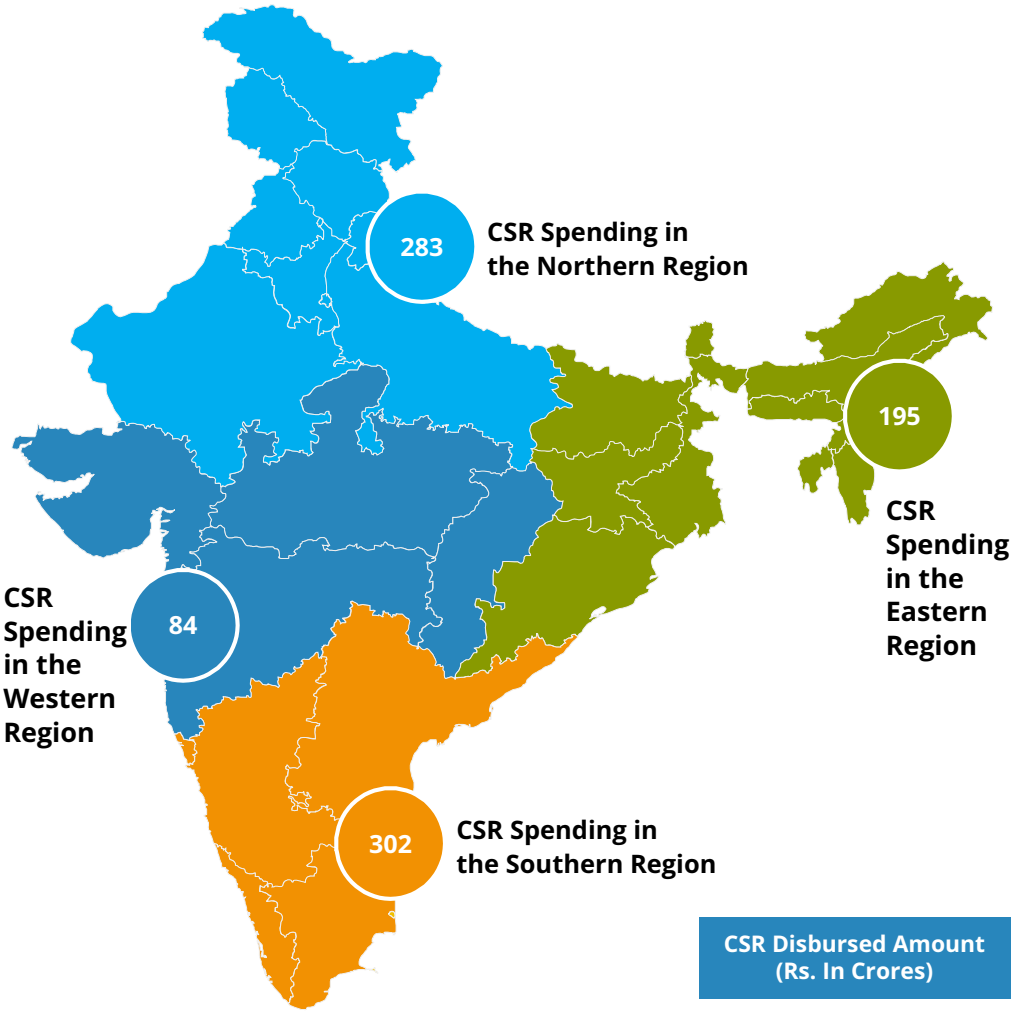
Community Engagement and CSR Initiatives

PFC continues to leverage its CSR programmes to drive inclusive development, support community well-being, and contribute to national priorities. As of date, the Corporation has cumulatively sanctioned ₹ 2,228 crore and disbursed ₹ 1,793 crore towards CSR, demonstrating its sustained commitment to responsible and inclusive development.

CSR Programmes	FY 2025-26		Till Date	
	Sanctioned Amount (INR Crores)	Amount Disbursed (INR Crores)	Sanctioned Amount (INR Crores)	Amount Disbursed (INR Crores)
	307	138	2,228	1,793



PFC's CSR spending across India till FY 26



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*;
- ₹ 398 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 framework is aligned with the provisions of Section 135 of the Companies Act, 2013, ensuring that all our CSR initiatives are focussed on the thematic priorities outlined under Schedule VII. These broadly encompass areas such as healthcare, sanitation and nutrition, education and skill development, gender equality, environmental sustainability, rural development, and water conservation. Our CSR initiatives cover diverse, high-impact social development areas like healthcare, sanitation, rural electrification, education, and disaster relief.

Presented below are select case studies that showcase our community development initiatives and the meaningful impact achieved through our efforts.

CSR Case Study 1

SOLAR POWERING SUSTAINABLE INSTITUTIONAL OPERATIONS



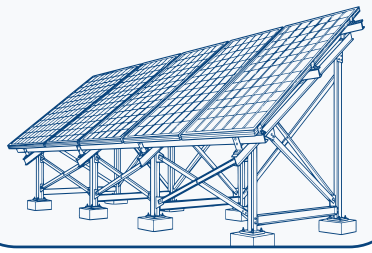
Context

Asoka Mission faced high electricity costs and reliance on conventional power, necessitating a reliable and sustainable energy solution to support uninterrupted operations.



PFC's support

PFC supported the installation of a 50 kWp grid-connected solar PV power plant at the institution's premises in New Delhi, covering modules, inverters, cabling, and full system integration.



Impact Created

- Reduced dependence on conventional power, lowering operational expenditure
- Ensured clean, reliable energy supply for uninterrupted functioning
- Contributed to reduced carbon emissions and long-term cost savings



PFC advances renewable adoption by enabling clean, efficient energy solutions for community institutions.

CSR Case Study 2

STRENGTHENING BLOOD BANKING AND DIAGNOSTIC SERVICES



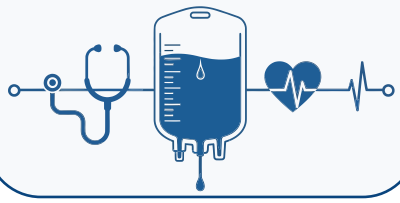
Context

Swami Vivekananda Blood Centre required infrastructure upgradation to meet rising demand for safe blood services and improve operational efficiency



PFC's support

PFC enabled the procurement and installation of advanced medical equipment to enhance blood collection, storage, and diagnostic capabilities at the Coimbatore facility.



Impact Created

- Strengthened blood banking and diagnostic efficiency
- Enhanced quality, reliability, and accessibility of healthcare services
- Supported improved public health service delivery in the region

PFC reinforces healthcare systems through targeted investments in critical medical infrastructure.

CSR Case Study 3

RESTORING MOBILITY, ENABLING INCLUSIVE INDEPENDENCE



Context

A large proportion of persons with disabilities lack access to assistive mobility devices due to financial constraints, limiting independence and socio-economic participation.

PFC's support

PFC facilitated the distribution of 2,000 motorized tricycles across 10 states, supported by a robust monitoring framework tracking mobility, livelihood, and participation outcomes.

Impact Created

- 89% beneficiaries reported improved independent mobility
- Transition from minimal to active community participation.

PFC drives inclusive growth by transforming mobility access into dignity, independence, and opportunity at scale.

Pillar III
Pursuing Prudence



At PFC, ethical conduct and sound governance forms the foundation of our business, guiding prudent decision-making, strengthening institutional resilience, and supporting sustainable long-term growth.

17%
Women in the Board of Directors

Listed entity
Regulated by RBI

9
Board level committees

171.5
Invested in Vigilance related training programs in FY26

Introduction

The strong governance framework supports responsible decision-making and effective oversight of business operations in a dynamic operating environment and helps strengthen

stakeholder confidence and sustain institutional resilience. By embedding ethical conduct, compliance requirements, risk oversight and internal controls across core business operations, we continue to support the power sector as a trusted partner.

Our operations are guided by a comprehensive governance framework which comprises of statutory requirements under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, RBI directions and Government guidelines issued by the Department of Public Enterprises, etc. and complemented by internal policies and procedural controls.

This chapter outlines the policies, frameworks, systems and practices through which PFC ensures regulatory compliance and enterprise-wide accountability. It also highlights the integration of vigilance mechanism, digital governance and stakeholder responsiveness within the broader governance framework.

To translate its governance principles into measurable outcomes, PFC focuses on a set of material governance topics that underpin responsible decision-making, regulatory compliance, board effectiveness, risk oversight, ethical conduct, and institutional accountability. These priority areas provide the foundation for the Corporation's governance framework and guide its approach towards sustainable value creation.



Material Topics at a Glance

The key highlights for FY 2025-26 under each material topic are presented below, with detailed disclosures provided in the subsequent sections of this chapter.

Material Topic		Progress
	**Financial Performance**	• **Profit after tax more than doubled over the last five years** • **Continues to be** India's highest profit-making NBFC – **Rs 20,051 crore PAT registered in FY'26** • **Consistent dividend paying company- Rs 18.55 dividend for FY'26** • **Strong asset quality**- declining Net NPA ratio from 2.09% in FY'21 to 0.15% in FY'26
	**Enterprise Risk Management**	• A **three-tier risk** management governance structure, headed by Chief Risk Officer (CRO)
	**Reporting & Disclosures**	• ESG reporting aligned with three internationally recognised frameworks – GRI, SASB and TCFD • ESG ratings covered by 5+ domestic and international rating agencies
	**Corporate Governance & Business Ethics**	• Governance oversight is provided by a **diverse Board supported by nine Board-level Committees** • More than **2,300 man hours of business ethics and regulatory compliance training** during FY'26 • **Zero insider trading complaints** during the year
	**Data Security & Privacy**	• Zero incidents of cyber security breaches in FY'26 • Strong culture of data security and cyber awareness.
	**Digitization of Business Processes**	• Key internal workflows and business processes digitised
	**Code of Conduct**	• Zero complaints reported under whistleblower and insider trading mechanisms during FY 2025–26.
	**Regulatory & Legal Compliance**	• A robust compliance framework with Company Secretariat (CS) and a dedicated Chief Compliance Officer (CCO) ensuring timely regulatory compliances
	**Grievance Redressal Mechanism**	• A structured grievance redressal mechanism in place for all the key stakeholders.

Corporate Governance Framework

The following corporate governance framework section presents a detailed view of how our governance practices have evolved over time, illustrating the structured improvements and sustained efforts that have enhanced transparency, accountability, and institutional robustness across the organization.

Philosophy of Corporate Governance

PFC's corporate governance philosophy is based on three core principles:



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.

Board Structure

We have instituted a multi-layered governance and oversight framework that supports responsible leadership, effective supervision, and prudent stewardship. This integrated governance framework, anchored in applicable laws and regulations, helps ensure that accountability, compliance, and control remain embedded in our day-to-day operations as well as strategic decision-making.

Our Board of Directors functions as an apex decision-making body and is supported by various sub-committees across key domains such as audit, investment, human resources, CSR and enterprise risk management. Board meetings and meetings of the board level committees are held at regular intervals.

Through this governance structure, we continue to promote disciplined oversight, operational transparency, and institutional integrity.

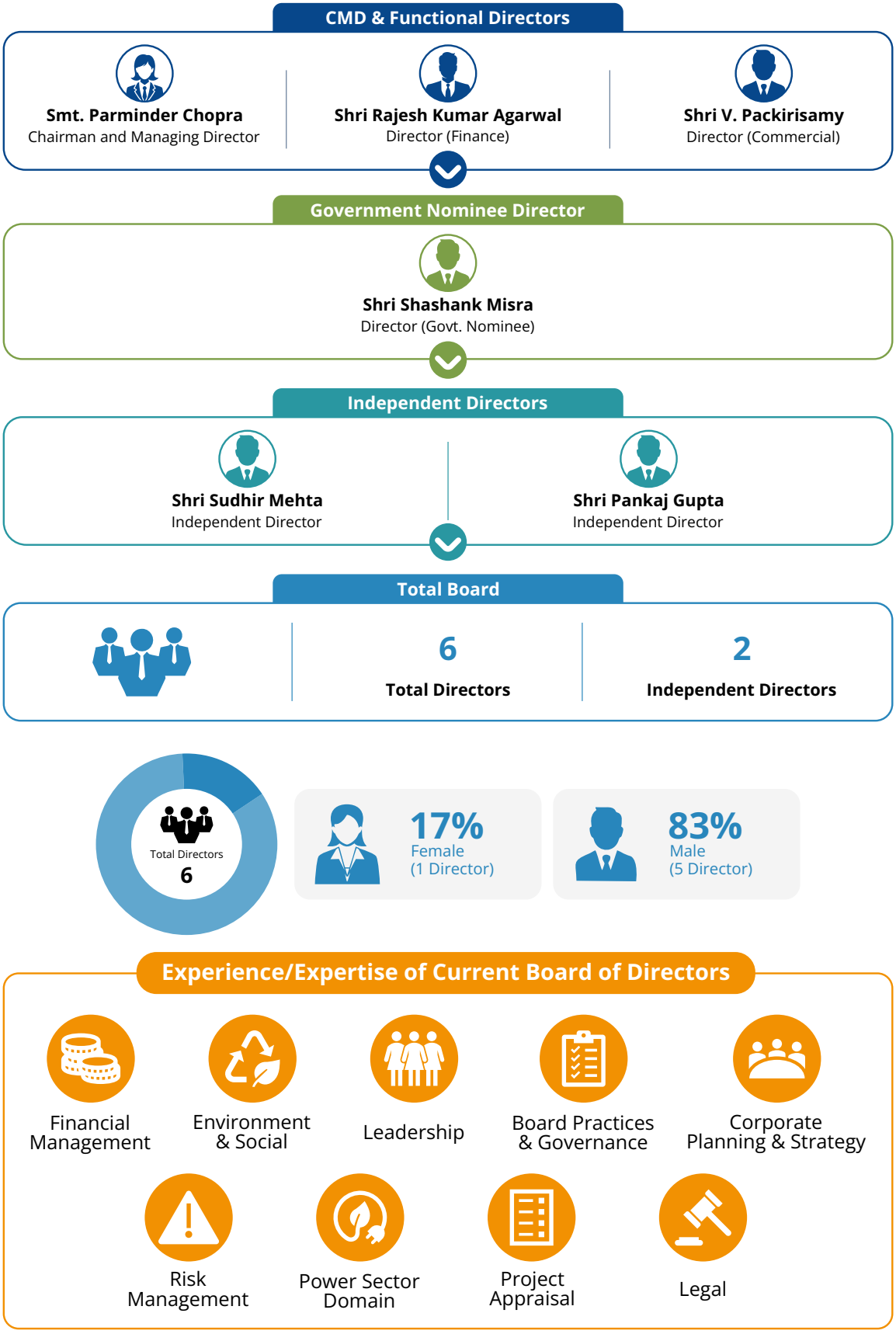
Board of Directors

Our Board of Directors comprises experienced professionals with expertise across finance, the power sector, policy and regulation, risk oversight, and corporate governance, enabling balanced guidance on our strategic priorities and long-term direction.

In accordance with Article 86 of our Articles of Association and PFC being a government company under the Companies Act, 2013, all the directors on the board of PFC are appointed by the Government of India. The Board comprises the Chairman & Managing Director, Functional Directors, a Government Nominee Director and Independent Director(s). Being a CPSE, the Functional Directors are appointed through a selection process guided by the principles of merit, transparency and compliance with the guidelines issued by the Department of Public Enterprises (DPE). The Public Enterprises Selection Board (PESB), a government authority, carries out the appointment process, including issuance of advertisement for the vacancy, specifying the eligibility criteria, scrutiny of applications, shortlisting of candidates and conducting interviews. Thereafter, PESB forwards its recommendations to the Appointments Committee of the Cabinet (ACC), headed by the Prime Minister of India, for final approval.



Current Board of Directors Composition



Board Tenure

The tenure of Directors on PFC's Board is shaped by three broad rules sets: The Companies Act. 2013, the SEBI (LODR) Regulations 2015 (Listing Regulation) and the Department of Public Enterprises (DPE) guidelines for Central Public Sector Enterprises (CPSEs). These frameworks, together with Ministry of Power (MoP) appointment orders, determine how long each category of Director may serve and the conditions for re-appointment or cessation.

PFC's whole time Directors, including the Chairperson & Managing Director (CMD) and the Functional Directors are appointed by the Government of India for a maximum of five years or until the incumbent's date of superannuation, whichever is earlier.

Part time Non-Official (Independent) Directors are governed by Section 149(10) – (11) of the Companies Act. 2013 and Regulation 17(1A) of the SEBI LODR Regulations, which together cap their service at two consecutive terms of up to five years each (an overall ceiling of ten years), after which requires a three-year cooling-off period. DPE's corporate governance guidelines for listed CPSEs mirror this philosophy, prescribing an initial three-year term that may be extended based on performance for another three years for Independent Directors, and a Board composition of at least 50% independent Directors once the CPSE is listed and having executive Chairman.

Board Committees

To enable focused oversight and efficient decision-making, we have constituted nine Board-level committees covering areas such as audit, risk, CSR, and IT governance. Each committee operates under a defined mandate and includes a mix of Functional Directors and Independent Directors, supporting balanced deliberation and specialized supervision.

This committee-led oversight approach also supports stronger institutional alignment between our strategic objectives, internal controls, and regulatory expectations. As governance priorities continue to evolve, this structure provides an effective mechanism for monitoring emerging risks, reviewing control effectiveness, and strengthening accountability across our key business functions.





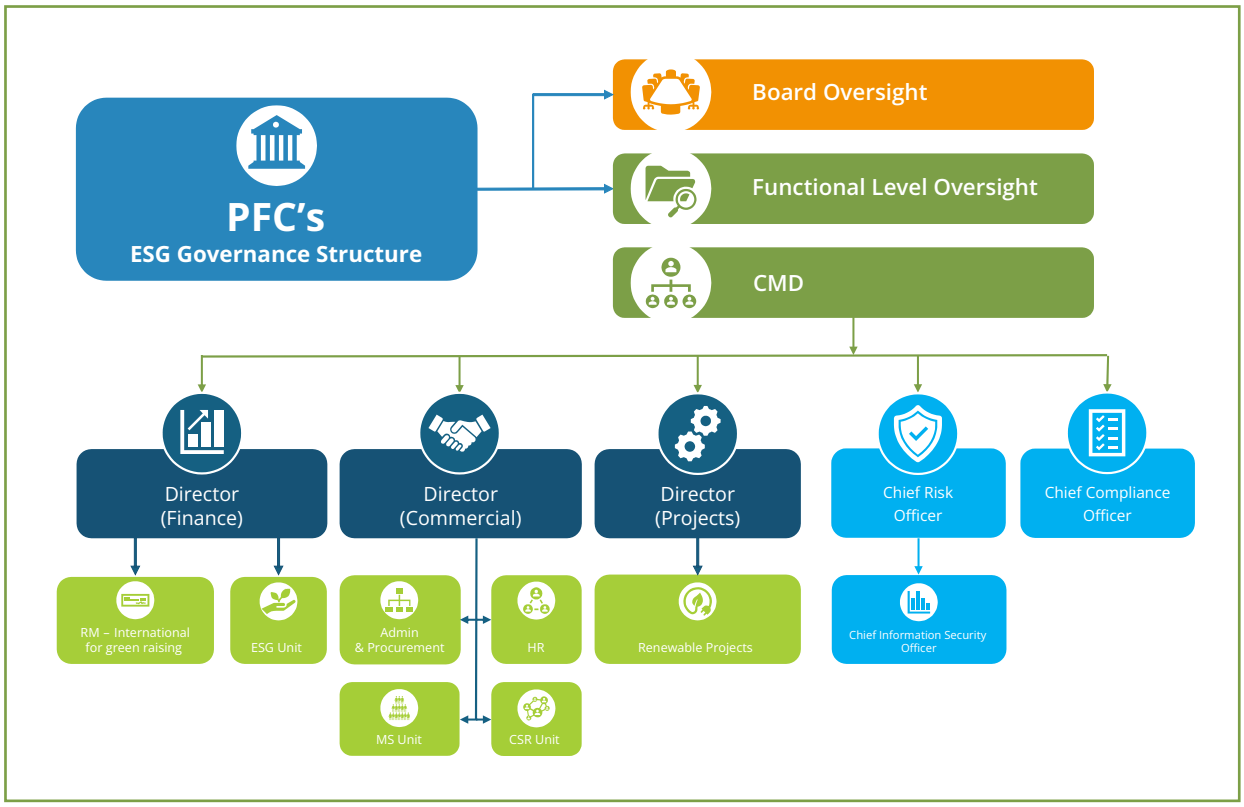
Performance related pay structure

PFC has a performance linked related pay component in place for its functional directors and employees. The performance of the company is evaluated in accordance with Department of Public Enterprises (DPE) MoU framework. The MoU is signed annually with the Ministry of Power, encompassing various financial and non-financial parameters. The assessment covers key metrics such as profitability, asset quality, shareholder returns, procurement through GeM, corporate governance compliance, MSME payment timelines, employee health and safety, and leadership development. Further, the targets achieved against the signed MoU form the basis for determining the Performance Related Pay (PRP) for employees and functional directors, reinforcing a culture of accountability, performance excellence, and value creation.

ESG Governance

At PFC, ESG governance is anchored at the Board level. This is reflected through the annual ESG Report, which is approved by the Board. We have a two tier ESG governance structure, comprising a dedicated ESG unit, headed by Director (Finance), responsible for laying down the ESG roadmap and overall strategy. The implementation of strategy is supported by various functional departments such as HR unit, CSR, Projects, MS unit, Projects, and other business units. This governance structure supports the integration of sustainability considerations across PFC's business activities, operations and corporate strategy.

PFC ESG Governance Structure



ESG Unit Responsibilities

We established a dedicated ESG unit in 2023 to formalize our ESG initiatives and shape our sustainability trajectory. Our ESG unit, currently headed by the Director (Finance), is responsible for coordinating ESG strategy development, preparation of ESG report, and engaging with national and international stakeholders on ESG-related matters.

PFC's Governance Policy Framework

Powering Trust Through Integrity and Accountability

Our governance policy framework forms the foundation for structured decision-making, responsible conduct, and enterprise-wide compliance. Covering areas such as business ethics, insider trading, risk management, whistleblower protection, and information technology, these policies translate regulatory requirements and our organizational values into operational practice. Together, they support a governance environment that emphasizes transparency, control discipline, and stakeholder trust.



By combining policies with continuous employee sensitization and oversight mechanisms, we continue to strengthen governance effectiveness and reinforce responsible institutional conduct.

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 Policy

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 behavior 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 the corporation.



Figure 1: QR Code linking to policies hosted on the website

At PFC, our core commitment is to conduct business with the highest standards of ethics, maintaining a zero-tolerance stance against all forms of corruption and bribery. PFC works to cultivate a workplace culture built on ethical behavior and trust among employees. We strictly adhere to guidelines from the Central Vigilance Commission (CVC), ensuring transparency, fairness, and accountability in all public procurement. For the wide dissemination of business ethics and to ensure employees are aware of the code of conduct, the vigilance division, functioning under the CVO, has published a vigilance handbook.

PFC continues to promote an ethics-led culture through sustained training, institutional sensitisation and leadership-led commitment to integrity and accountability.

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 the corporation.
	Anti-Bribery & Corruption Framework Governed by PFC's Code of Conduct and CDA Rules, which is aligned with Government of India regulations. Defined norms on conflict of interest to prevent undue influence.
	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, preclearance of trades, mandatory disclosures and penalties for contravention. Company Secretary serves as the Compliance officer to oversee adherence with the code.

Figure 2: QR Code linking to Code of Prevention of Insider Trading hosted on the website

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 onDealing 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.

Figure 3: QR Code linking to Policy on Materiality of Related Party transactions and on Dealing with Related Party Transactions hosted on the website

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

Figure 4: QR Code linking to Fair Practices Code hosted on the website

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.

Figure 5: QR Code linking to Anti-Fraud hosted on the website

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.

Figure 6: QR Code linking to Dividend Distribution Policy hosted on the website

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. Whistle Blower 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.

Figure 7: QR Code linking to Whistle Blower Protection Policy hosted on the website

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.

Figure 8: QR Code linking to Policy on Material Subsidiary hosted on the website

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.

Figure 9: QR Code linking to Policy on Board Diversity hosted on the website

12. Information Technology Policy

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.

Figure 10: QR Code linking to Information Technology Policy hosted on the website

IT and Cyber Security Governance Framework

IT Practices:

Information Technology continues to serve as an important enabler of internal efficiency, service delivery, and digital transformation within our organisation. Through our technology initiatives, we seek to simplify processes, improve responsiveness, strengthen accessibility, and maintain secure digital platforms. Our technology interventions are centred around policy and risk management, infrastructure enhancement, and operational improvements, with information security and governance forming a common foundation across these areas.

PFC has established a structured IT and Cyber Security Governance Framework to ensure that technology, information security, operational resilience and regulatory compliance are governed through clearly defined oversight mechanisms. The framework is aligned with RBI Master Directions and provides for a clear separation between IT operations and independent risk oversight. At the Board level, the IT Strategy Committee provides strategic supervision over IT planning, cyber security preparedness, budgetary alignment and business continuity/disaster recovery arrangements. This is supported by senior management-level committees, including the IT Steering Committee and the Information Security Committee, which oversee execution, operational architecture, information security policies, cyber risk mitigation, security awareness initiatives, audit findings and incident response. Through this multi-layered governance structure, PFC continues to strengthen digital resilience, safeguard information assets and support secure, reliable and accountable technology-enabled operations.

Our technology initiatives are structured 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 and Cyber Security Governance Framework

Board Level Oversight
IT Strategy Committee (ITSC)

Composition	Leadership	Primary Mandates	Meeting Frequencies
• Minimum of three (3)directors. • Includes functional, government nominee and independent director representation	• Must be chaired by an Independent Director possessing substantial IT expertise in managing or guiding technological initiatives	• Ensures an effective IT strategic planning process is actively running. • Ensures IT & cyber security budgetary allocations match the RE's unique digital depth, maturity & threat landscape. • Reviews the adequacy & effectiveness of the BCP/DR setup at least annually	• Mandated to meet at least quarterly

Senior Management Executive
IT Strategy Committee (ITSC)

Composition	Leadership	Primary Mandates	Meeting Frequencies
• A cross-functional committee featuring senior representation from both IT & operational business units	• Senior management leadership as per internal role assignments	• Assists the board-level ITSC by driving strategic IT planning. • Monitors operational IT architecture. • Oversees BCP/DR execution	• Mandated to meet at least quarterly

Information Security & Cyber Security Governance
Information Security Committee (ISC)

Composition	Leadership	Primary Mandates	Meeting Frequencies
• Formed by the ITSC and features the CISO alongside key representatives from IT and business function	• The Head of the ISC must be appointed from the Risk Management vertical to ensure complete objectivity	• Develops security policies and procedures to ensure risks stay within the RE's defined risk appetite. • Approves and monitors all information security projects and security awareness training. • Evaluates active cyber incidents, systems audit findings, and ongoing mitigation campaign	• Mandated to meet at least quarterly

IT Policy

PFC's IT Policy ensures robust governance, vendor risk, and capacity assessment. Awareness is promoted via internal circulars.

Infrastructure Augmentation

Regular upgrades include SOAR implementation for advanced threat detection and response.

Disaster Recovery & Continuity

A DR site on a private cloud in a separate seismic zone ensures uninterrupted operations. Biannual DR drills test readiness.

Remote Work

Secure remote access with enhanced security enables seamless work-from-anywhere capabilities.

Red Team

An internal Red Team simulates cyberattacks to identify vulnerabilities and strengthen defenses.

Data Backup

Automated daily, weekly, and monthly backups with offsite storage in Mumbai, Chennai, and New Delhi ensure data integrity.

Firewall & Network Upgrades

Enhanced firewall, upgraded Link Load Balancer (LLB), and increased internet bandwidth (90 Mbps to 300 Mbps) improve

Phishing Simulation

Regular exercises assess user awareness and reinforce cybersecurity hygiene.

24x7 NOC & SOC Monitoring

Continuous monitoring ensures rapid incident response and system availability.

Email-SOC Integration

Email services are integrated with SOC for proactive threat filtering and secure communication.

Storage Upgrade

Enhanced storage capacity and performance support critical operations

Multi Factor Authentication

To meet RBI rules and block cyber threats, PFC's IT infra team rolled out MFA organization wide. VPNs, critical servers and desktops now demand a second verification step, bolstering

Link Load Balancer (LLB) Upgrade

Upgraded LLB optimizes network traffic, enhances system availability, and supports uninterrupted digital services.

Information Security & Risk Management

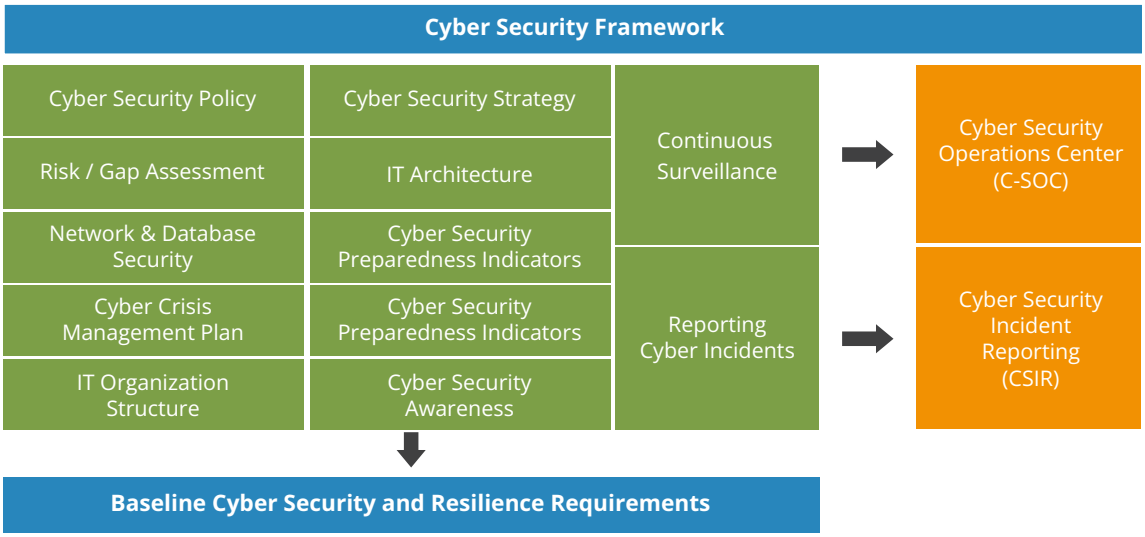
Ensures data confidentiality, integrity, and availability through proactive risk assessments, regular patching, and policy updates strengthen cybersecurity and regulatory compliance.

State-of-the-Art Data Center

A 24x7 operational data center 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.



Our MS-IT Infrastructure Unit oversees cybersecurity preparedness and continuously aligns our systems with evolving risks. We treat information as a critical organizational asset and enforce controls to safeguard access, confidentiality, and integrity. Our cybersecurity framework encompasses a combination of preventive, detective, and responsive controls.



To further enhance security and comply with RBI guidelines, PFC has implemented Multi-Factor Authentication (MFA) across the organization. MFA requires a second form of verification, beyond passwords, when accessing VPN services, critical servers, and end-user desktops, ensuring robust protection against unauthorized access.

Cyber risks are embedded within PFC's enterprise risk management framework, ensuring they are monitored, assessed, and mitigated systematically. Through proactive governance, advanced technical safeguards, and ongoing employee engagement, PFC remains committed to protecting data and upholding digital trust across all stakeholder interactions.

Preventive Control

- Application Security Life Cycle (ASLC), Vulnerability Assessment and Penetration Testing (VAPT), Antivirus, Vendor Risk Assessment, Firewall, Intrusion Detection System (IDS)
- Access Management
- Distributed Denial of Service (DDos) mitigation

Responsive Control

- Security Operation Centre (SOC) Monitoring
- Web Application Firewall
- Network Operation Centre (NOC) Monitoring
- RED Teaming exercises

Detective Control

- Incident Response Plan
- Cyber Crisis Management Plan (CCMP)
- Forensic Agreements with partners

Risk Management Framework

PFC has implemented an Integrated Risk Management Framework to manage enterprise-wide risks through clearly defined roles and responsibilities. The framework is designed to ensure that risk oversight is embedded at Board, Committee and Operational levels, supporting decision-making and strong internal control.

PFC follows the three lines of defence model, where Business Units own and manage risks in their day-to-day activities, the Risk and Compliance Function provide oversight, and Internal Audit offers independent assurance.

This structure helps strengthen accountability and ensures that existing and emerging risks are reviewed and addressed in a timely manner.

Risk identification and assessment is carried out across a broad spectrum of risks, including credit, market, liquidity, operational, strategic, reputational, IT, compliance, fraud, ESG risk, etc. Risk monitoring is supported through periodic review of risk appetite, regular updating of the risk register and reporting outcomes to the Risk Management Committees and the Board of Directors.

The figure below illustrates our 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.

Grievance Redressal Mechanism

We recognise grievance redressal as an essential component of good governance, stakeholder responsiveness, and ethical business conduct. To support the fair and timely resolution of concerns, we have established a structured, multi-tier grievance framework covering both internal and external stakeholders, including employees, vendors, shareholders, customers, and the public. This system promotes openness, strengthens confidence in our institutional processes, and supports a culture of constructive resolution

Our grievance architecture includes dedicated channels such as employee grievance cells, shareholder communication platforms, vendor support systems, and customer service interfaces, each designed to address concerns with procedural clarity and objectivity.

Internal Complaints Committee for Sexual Harassment
A policy to foster a safe workplace for women employees

Vigil Mechanism
A Policy for Directors and Employees to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy.

Employee Grievance Redressal Policy
Dedicated policy for handling grievances, which is available to the employees on the company intranet



Shareholders
PFC has constituted a Stakeholder Relationship and Shareholders'/Investors' Grievance Committee as per the Companies Act, 2013 and SEBI regulations. A dedicated desk and Investor Relations Cell handle shareholder queries and ensure transparent communication.

Bondholders
For bond-related queries, including interest or bank detail updates, bondholders can contact PFC's registrar. Dedicated helpdesks handle general and 54EC bond queries—both pre- and post-allotment—with responses within 24 hours.

Customers /Borrowers
PFC has a Borrowers Grievance Redressal Mechanism to address issues related to interest charges, loan terms, covenant interpretation, and policy-related matters.

Vendors/Suppliers
PFC conducts procurement via the Government e-Marketplace (GeM). Vendor complaints are handled through the GeM Incident Management System for quick grievance resolution.

"We have also instituted a four-tier grievance structure for all permanent employees, alongside an Internal Complaints Committee under the PoSH Act, 2013, to address workplace harassment through a fair, structured, and legally compliant redressal mechanism."

To reinforce our commitment to transparency and responsiveness, PFC introduced three dedicated digital platforms: Vendor Grievance Redressal Portal, Vigilance Complaint Portal, and Employee Grievance Redressal Portal, during Vigilance Awareness Week 2024. Furthermore, during FY 2025-26, PFC launched an Online Borrower Grievance Redressal Portal, aimed at ensuring timely and transparent resolution of borrower grievances and improving service delivery. These platforms collectively continue to strengthen timely resolution of concerns while fostering 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.
- **Borrower Grievance Portal / Online Grievance Redressal Portal**: PFC has also established an Online Grievance Redressal Portal, including a dedicated Borrower Grievance Portal, to enable borrowers to raise concerns and seek timely resolution through a structured and accessible digital mechanism.

Through this integrated approach, PFC ensures that all grievances, whether internal or external - are addressed fairly, promptly, and in compliance with regulatory frameworks.

Vigilance – promoting transparency and accountability

Our vigilance function serves as a cornerstone of our governance framework, driving ethical conduct, transparency, and institutional integrity. Headed by the Chief Vigilance Officer (CVO), appointed by the Government of India, our 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: Our Shared Responsibility (FY 2025–26)

PFC observed Vigilance Awareness campaign in line with the guidelines of the Central Vigilance Commission (CVC). This observance formed part of a preventive vigilance campaign focused on strengthening systems, promoting ethical conduct, and enhancing transparency across our organisation. During FY 2025–26, PFC observed Vigilance Awareness Week from October 27 to November 2, 2025, across its corporate and regional offices, as part of the Central Vigilance Commission's three-month Preventive Vigilance Campaign. The Week was observed under the theme "***Vigilance: Our Shared Responsibility***" and focused on strengthening systems and controls, promoting ethical conduct, enhancing transparency and accountability, and building a culture of integrity.

The observance commenced with the administration of the Integrity Pledge to employees, including through the e-Integrity Pledge available on PFC's intranet portal. Various awareness activities were organised, including slogan writing, poem writing and pictorial competitions, along with a workshop on "Vigilance Angle." At the valedictory function held on October 30, 2025, PFC unveiled the third

edition of Prahari, the Vigilance Unit's annual in-house magazine, launched the Online Borrower Grievance Portal and recognised winners of the competitions and selected contributors to Prahari. These initiatives reinforced PFC's commitment to preventive vigilance, ethical decision-making and transparent and accountable business practices.

Vigilance Awareness and Preventive Vigilance Initiatives, FY 2025–26

Integrity Pledge

- Administered across the organization
- 274 employees participated through the e-Pledge
- Reaffirmed the Corporation's commitment to integrity and accountability

Capacity Building & Training

- 7 workshops and knowledge sessions conducted
- 276 employee participations, representing 171.5 person-days of training
- Covered AI-enabled preventive vigilance, cyber hygiene, fraud risk management, CDA Rules and vigilance frameworks
- 4 officials attended CVC training programmes

Prahari Magazine & Institutional Initiatives

- Third edition of Prahari, the Vigilance Unit's annual in-house magazine, published
- Employee insights on vigilance and governance featured
- Online Borrower Grievance Redressal Portal launched to improve transparency and service delivery

Awareness & Outreach

- Slogan, poem and pictorial competitions organised
- 85 students from Kendriya Vidyalayas in Chennai and Mumbai participated
- Vendor development programme conducted to promote transparency and fair practices

Valedictory & Employee Engagement

- Vigilance quiz and knowledge-based activities conducted with 100 employee participants
- Participation from employees and senior leadership
- Competition winners recognized and awarded

Digital Learning & Organisational Impact

- 629 course completions recorded on the iGOT platform
- Courses covered ethical leadership, cyber safety and public procurement
- Strengthened governance, digital accountability and organizational integrity

Regulatory Compliance

We remain committed to embedding regulatory compliance within our wider governance and risk management framework. In alignment with the requirements of authorities such as RBI, SEBI, and the Ministry of Power, we have instituted a structured compliance control system supported by an independent compliance function, periodic audits, regular assessments, and reporting to senior leadership and the Board. This system helps us identify gaps, facilitate corrective action, and mitigate legal, financial, and reputational risks.

To foster a strong compliance culture, PFC has a dedicated Chief Compliance Officer (CCO), who is responsible for overall oversight in ensuring adherence to applicable regulatory requirements for NBFCs. The CCO is responsible for monitoring compliance risks, and compliance testing to determine the organisation compliances with legal/regulatory requirements, risks and control framework.

Further strengthening governance, PFC has an independent Internal Audit function that serves as a critical pillar of its risk management framework. This function provides independent assurance that the organization's risk management, governance and internal control processes are operating effectively. PFC has a Board approved Risk Based Internal Audit (RBIA) framework in place in line with RBI regulations.

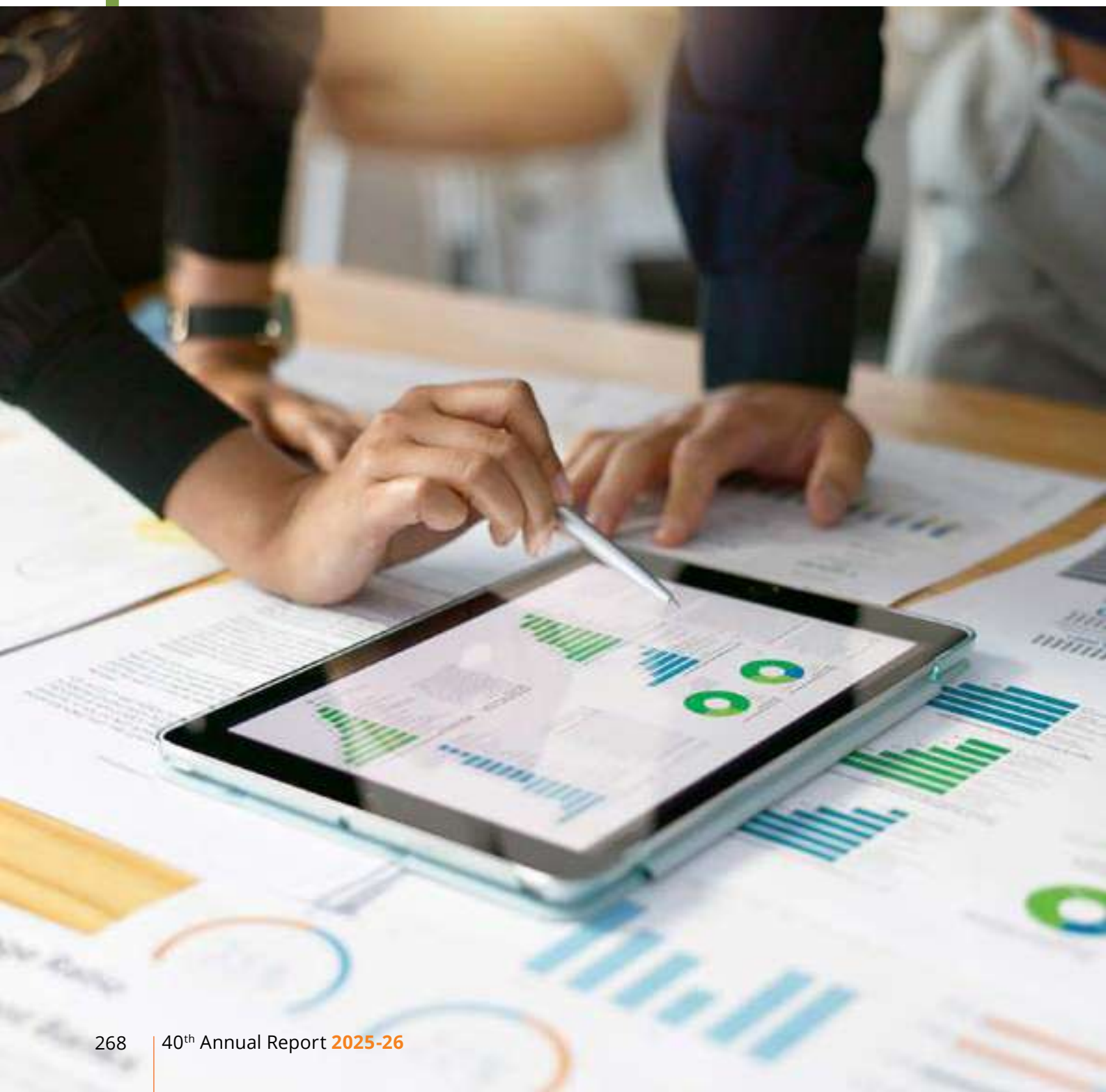
By integrating regulatory compliance with vigilance, risk oversight, and awareness-building, we continue to strengthen institutional assurance, procedural discipline, and trust in our governance systems.



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 Indexing



GRI Standard	GRI Disclosure	Section Reference
GRI 2: General Disclosures 2021	2-1 Organizational details	Organization profile - About PFC
GRI 2: General Disclosures 2021	2-2 Entities included in sustainability reporting	About this report - Reporting scope and boundary
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	About this report - Reporting period and frequency; About this report - About PFC's ESG Team
GRI 2: General Disclosures 2021	2-4 Restatements of information	About this report - Restatement of details from previous ESG report
GRI 2: General Disclosures 2021	2-5 External assurance	BRSR Report is externally assured
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Organization profile - About PFC; Organization profile - Our diverse financing domains and product offerings; Organization profile - Strategic Partnerships with the Government of India; Pillar I - Low carbon financing - Green Financing Initiatives
GRI 2: General Disclosures 2021	2-7 Employees	Pillar II - Employee Overview and Inclusive Work Culture; Pillar II - Diversity and Inclusion;
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	Not Applicable
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Pillar III - Board Structure; Pillar III - Board of Directors; Pillar III - Board Composition; Pillar III - Board Committees; Pillar III - ESG Governance
GRI 2: General Disclosures 2021	2-10 Nomination and selection of highest governance body	Pillar III - Board of Directors; Pillar III - PFC's Governance Policy Framework - Policy on Board Diversity
GRI 2: General Disclosures 2021	2-11 Chair of highest governance body	Pillar III - Board of Directors; Pillar III - Board Composition
GRI 2: General Disclosures 2021	2-12 Role of highest governance body in overseeing impacts	Pillar III - Board Structure; Pillar III - Board Committees; Pillar III - ESG Governance; Pillar III - Risk Management Framework
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Pillar III - ESG Governance; Pillar III - ESG Unit Responsibilities;

GRI Standard	GRI Disclosure	Section Reference
GRI 2: General Disclosures 2021	2-14 Role of highest governance body in sustainability reporting	Pillar III - ESG Governance; Pillar III - ESG Unit Responsibilities
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Pillar III - PFC's Governance Policy Framework - Code of Business Conduct and Ethics
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Pillar III - Grievance Redressal Mechanism; Pillar III - PFC's Governance Policy Framework - Whistle Blower Protection Policy; Pillar III - Vigilance – promoting transparency and accountability
GRI 2: General Disclosures 2021	2-17 Collective knowledge of highest governance body	Pillar III - Board of Directors; Pillar III - Board Committees; Pillar III - ESG Governance
GRI 2: General Disclosures 2021	2-18 Evaluation of performance of highest governance body	Pillar III - Board Committees
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Pillar II - Equal Opportunity Policy and Pay Parity; Pillar III - Performance related pay structure
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	Pillar III - Board Committees on Remuneration, Equal Opportunity Policy
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Annual Report, BRSR Report
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	CMD Message
GRI 2: General Disclosures 2021	2-23 Policy commitments	Pillar III - PFC's Governance Policy Framework; Pillar III - PFC's Governance Policy Framework - Code of Business Conduct and Ethics; Pillar II - Human Rights; Pillar III - Regulatory Compliance
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Pillar III - PFC's Governance Policy Framework; Pillar III - ESG Governance; Pillar III - Vigilance – promoting transparency and accountability

GRI Standard	GRI Disclosure	Section Reference
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Pillar III - Grievance Redressal Mechanism
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Pillar III - Grievance Redressal Mechanism; Stakeholder Engagement
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Pillar III - Regulatory Compliance
GRI 2: General Disclosures 2021	2-28 Membership associations	Organization profile - Industry collaboration
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder Engagement & Materiality Assessment - Stakeholder Engagement; Stakeholder Engagement & Materiality Assessment - Stakeholder Engagement - Stakeholder Group table; Pillar III - Grievance Redressal Mechanism
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	Pillar II - Employee Associations and Groups
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement & Materiality Assessment - Stakeholder Engagement; Stakeholder Engagement & Materiality Assessment - Materiality Assessment
GRI 3: Material Topics 2021	3-2 List of material topics	Stakeholder Engagement & Materiality Assessment - Materiality Assessment; Pillar I - Material Topics at a Glance; Pillar II - Material Topics at a Glance; Pillar III - Material Topics at a Glance
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement & Materiality Assessment - Materiality Assessment; Pillar I - Material Topics at a Glance; Pillar II - Material Topics at a Glance; Pillar III - Material Topics at a Glance
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

GRI Standard	GRI Disclosure	Section Reference
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	Given the nature of PFC's operations, there is no significant direct impact on biodiversity
GRI 101: Biodiversity 2024	101-3 Access and benefit-sharing	Given the nature of PFC's operations, there is no significant direct impact on biodiversity
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts	Given the nature of PFC's operations, there is no significant direct impact on biodiversity
GRI 101: Biodiversity 2024	101-5 Locations with biodiversity impacts	Given the nature of PFC's operations, there is no significant direct impact on biodiversity
GRI 101: Biodiversity 2024	101-6 Direct drivers of biodiversity loss	Given the nature of PFC's operations, there is no significant direct impact on biodiversity
GRI 101: Biodiversity 2024	101-7 Changes to state of biodiversity	Given the nature of PFC's operations, there is no significant direct impact on biodiversity
GRI 101: Biodiversity 2024	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	Organization profile - Financial Performance
GRI 201: Economic Performance 2016	201-2 Financial implications and risks/opportunities due to climate change	Annual Report, BRSR Report
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations	Pillar II - Employee benefits
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Organization profile - Strategic Partnerships with the Government of India
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annual Report; BRSR;

GRI Standard	GRI Disclosure	Section Reference
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Annual Report; BRSR;
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pillar I - Low carbon financing; Pillar I - Clean energy projects financed by PFC; Pillar II - Community Engagement and CSR Initiatives
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Pillar I - Clean energy projects financed by PFC; Pillar II - Community Engagement and CSR Initiatives; Pillar II - Community Engagement and CSR Initiatives - CSR Case Studies
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pillar II - Transparent and Responsible Procurement
GRI 205: Anti-corruption 2016	205-1 Operations assessed for corruption risks	Pillar III - PFC's Governance Policy Framework
GRI 205: Anti-corruption 2016	205-2 Communication and training on anti-corruption	Pillar III - PFC's Governance Policy Framework
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents and actions taken	Pillar III - PFC's Governance Policy Framework
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior	Pillar III - Antifraud Policy; Annual Report, BRSR Report
GRI 207: Tax 2019	207-1 Approach to tax	Pillar III - Regulatory Compliance
GRI 207: Tax 2019	207-2 Tax governance, control and risk management	Pillar III - Regulatory Compliance

GRI Standard	GRI Disclosure	Section Reference
GRI 207: Tax 2019	207-3 Stakeholder engagement on tax	Pillar III - Regulatory Compliance; Stakeholder Engagement & Materiality Assessment; Subsection: Stakeholder Engagement
GRI 207: Tax 2019	207-4 Country-by-country reporting	Organisation profile; Subsection: Financial Performance; Annual Report
GRI 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
GRI 301: Materials 2016	301-2 Recycled input materials used	Pillar I - Waste Management
GRI 301: Materials 2016	301-3 Reclaimed products and packaging	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 organization	Pillar I - Natural resource consumption and management - Resource management
GRI 302: Energy 2016	302-2 Energy consumption outside organization	Not Applicable
GRI 302: Energy 2016	302-3 Energy intensity	Pillar I - Natural resource consumption and management - Resource management
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Pillar I - Natural resource consumption and management
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products/services	Pillar I - Natural resource consumption and management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as shared resource	Pillar I - Natural resource consumption and management - Resource management
GRI 303: Water and Effluents 2018	303-2 Management of discharge-related impacts	Annual Report, BRSR Report
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Pillar I - Natural resource consumption and management - Resource management; Annual Report; BRSR Report

GRI Standard	GRI Disclosure	Section Reference
GRI 303: Water and Effluents 2018	303-4 Water discharge	Annual Report, BRSR Report
GRI 303: Water and Effluents 2018	303-5 Water consumption	Pillar I - Natural resource consumption and management - Resource management
GRI 305: Emissions 2016	305-1 Direct Scope 1 GHG emissions	Pillar I - Emissions Management Framework; Pillar I - Natural resource consumption and management - Emissions Management
GRI 305: Emissions 2016	305-2 Energy indirect Scope 2 GHG emissions	Pillar I - Emissions Management Framework; Pillar I - Natural resource consumption and management - Emissions Management
GRI 305: Emissions 2016	305-3 Other indirect Scope 3 GHG emissions	Pillar I - Natural resource consumption and management - Emissions Management (Scope 3 reporting currently covers Category 3(Fuel- and Energy-Related Activities), with broader coverage planned in the coming FY)
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Pillar I - Emission Intensity Performance: Cross-Sector Benchmarking; Pillar I - Emissions Management Framework; Pillar I - Natural resource consumption and management - Emissions Management
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Pillar I - Natural resource consumption and management - Emissions Management
GRI 305: Emissions 2016	305-6 Ozone-depleting substances	Not Applicable
GRI 305: Emissions 2016	305-7 NOx, SOx and other 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 impacts	Annual Report, BRSR Report
GRI 306: Waste 2020	306-2 Management of waste impacts	Pillar I - Natural resource consumption and management - Waste management
GRI 306: Waste 2020	306-3 Waste generated	Annual Report, BRSR Report

GRI Standard	GRI Disclosure	Section Reference
GRI 306: Waste 2020	306-4 Waste diverted from disposal	Annual Report, BRSR Report
GRI 306: Waste 2020	306-5 Waste directed to disposal	Annual Report, BRSR Report
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	Pillar II - Transparent and Responsible Procurement
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental supply-chain impacts	Not Applicable
GRI 401: Employment 2016	401-1 New hires and turnover	Pillar II - Employee Overview and Inclusive Work Culture
GRI 401: Employment 2016	401-2 Benefits for full-time employees	Pillar II - Employee benefits; Pillar II - Employee Wellbeing and workplace safety
GRI 401: Employment 2016	401-3 Parental leave	Pillar II - Material Topics at a Glance - Employee Health, Safety & Well-being; Pillar II - Employee benefits
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods for operational changes	PFC Adheres to DPE Guidelines
GRI 403: Occupational Health and Safety 2018	403-1 OHS management system	Pillar II - Employee Wellbeing and workplace safety
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification and incident investigation	Pillar II - Employee Wellbeing and workplace safety
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Pillar II - Employee Wellbeing and workplace safety; Pillar II - Employee benefits
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation and communication	Pillar II - Employee Wellbeing and workplace safety; Pillar II - Employee Associations and Groups

GRI Standard	GRI Disclosure	Section Reference
GRI 403: Occupational Health and Safety 2018	403-5 Worker OHS training	Pillar II - Training and Capacity Development
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Pillar II - Employee Wellbeing and workplace safety
GRI 403: Occupational Health and Safety 2018	403-7 Prevention of OHS impacts linked to business relationships	Pillar II - Employee Wellbeing and workplace safety
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by OHS system	Pillar II - Employee Wellbeing and workplace safety
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Pillar II - Employee Wellbeing and workplace safety
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	Pillar II - Employee Wellbeing and workplace safety
GRI 404: Training and Education 2016	404-1 Average training hours	Pillar II - Training and Capacity Development
GRI 404: Training and Education 2016	404-2 Skill upgrading and transition assistance	Pillar II - Training and Capacity Development; IT Practices
GRI 404: Training and Education 2016	404-3 Performance and career development reviews	Pillar II - Performance Management
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pillar II - Employee Overview and Inclusive Work Culture; Pillar II - Diversity and Inclusion

GRI Standard	GRI Disclosure	Section Reference
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of salary/ remuneration of women to men	Pillar II - Ensuring Pay Parity; Annual Report, BRSR Report
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions	Pillar II - Human Rights
GRI 407: Freedom of Association 2016	407-1 Operations/ suppliers where freedom of association is at risk	Pillar II - Employee Associations and Groups
GRI 408: Child Labor 2016	408-1 Operations/ suppliers at risk for child labor	Pillar II - Human Rights, Fair Practice Code
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations/ suppliers at risk for forced labor	Pillar II - Human Rights, Fair Practice Code
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights	Pillar II - Human Rights, Training and Capacity Development
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents involving indigenous peoples	Not Applicable - PFC's operations do not involve land acquisition or activities impacting indigenous communities
GRI 413: Local Communities 2016	413-1 Community engagement, impact assessments and programs	Pillar II - Community Engagement and CSR Initiatives
GRI 413: Local Communities 2016	413-2 Operations with significant negative community impacts	Pillar II - Community Engagement and CSR Initiatives
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Pillar II - Transparent and Responsible Procurement

GRI Standard	GRI Disclosure	Section Reference
GRI 414: Supplier Social Assessment 2016	414-2 Negative social supply-chain impacts	Pillar II - Transparent and Responsible Procurement
GRI 415: Public Policy 2016	415-1 Political contributions	Not Applicable
GRI 416: Customer Health and Safety 2016	416-1 Assessment of health/safety impacts of products/services	Not Applicable - PFC provides financial services with no physical products or services posing health and safety risks
GRI 416: Customer Health and Safety 2016	416-2 Non-compliance incidents	Not Applicable - PFC provides financial services with no physical products or services posing health and safety risks
GRI 417: Marketing and Labeling 2016	417-1 Product/ service information requirements	Pillar I - Low Carbon Financing, Green Bond Framework
GRI 417: Marketing and Labeling 2016	417-2 Non-compliance with product/service information	Not Applicable
GRI 417: Marketing and Labeling 2016	417-3 Non-compliance with marketing communications	Not Applicable
GRI 418: Customer Privacy 2016	418-1 Complaints on customer privacy and data loss	Pillar III - Material Topics at a Glance - Data Security & Privacy

SASB Indexing



TOPIC	METRIC	CODE	ESG Report Reference Section
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected Description of approach to identifying and addressing data security risks	FN-CB-230a.1	Pillar III - Data Security & Privacy; Pillar III - IT and Cyber Security Governance Framework - Data Privacy and Cyber Security
		FN-CB-230a.2	Pillar III - PFC's Governance Policy Framework - Information Technology Policy; Pillar III - IT and Cyber Security Governance Framework; Pillar III - IT and Cyber Security Governance Framework - Data Privacy and Cyber Security; Pillar III - Risk Management Framework
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	FN-CB-240a.1	Being a power sector financier with corporate client base, this is not applicable for PFC
	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	FN-CB-240a.2	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	

TOPIC	METRIC	CODE	ESG Report Reference Section
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	Organization profile - Our diverse financing domains and product offerings; Pillar I - Green Financing Initiatives; Pillar I - Financing solutions and policy support for energy transition; Pillar III - ESG Governance; Pillar I - Green Bond Framework
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-CB-410b.1	Not estimated. However, we have computed emission avoidance on our commissioned renewable book, which is detailed in Pillar 1 section
	Gross exposure for each industry by asset class	FN-CB-410b.2	
	Percentage of gross exposure included in the financed emissions calculation	FN-CB-410b.3	
	Description of the methodology used to calculate financed emissions	FN-CB-410b.4	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	BRSR report Principle 1
	Description of whistleblower policies and procedures	FN-CB-510a.2	Pillar III - PFC's Governance Policy Framework - Whistle Blower Protection Policy; Pillar III - Grievance Redressal Mechanism; Pillar III - Vigilance – promoting transparency and accountability

TOPIC	METRIC	CODE	ESG Report Reference Section
Systemic Risk Management	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	Refer Capital management and Financial risk management section of the annual report

TCFD Indexing



Topic	Recommended Disclosure	Section in ESG Report
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	Pillar I - Green Bond Framework; Pillar III - Board Structure; Pillar III - Board Committees; Pillar III - ESG Governance; Pillar III - Risk Management Framework
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	About PFC - Alignment with Panchamrit Goals; Pillar III - ESG Governance; Pillar III - Risk Management Framework
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CMD Message; Organization profile - Our contribution to India's Panchamrit goals; Pillar I - Low carbon financing; Pillar I - Financing solutions and policy support for energy transition; Pillar I - Clean energy projects financed by PFC; Pillar III - Risk Management Framework BRSR report- Section A: General disclosures S.No. 26
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	CMD Message; Organization profile - Our contribution to India's Panchamrit goals; Pillar I - Low carbon financing; Pillar I - Low carbon financing - Green Financing Initiatives; Pillar I - Financing solutions and policy support for energy transition; Pillar I - Clean energy projects financed by PFC; Organization profile - Financial Performance
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pillar I - PFC's Emission Performance, Emissions Management Framework

Topic	Recommended Disclosure	Section in ESG Report
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	Pillar III - Risk Management Framework; Pillar III - ESG Governance; Pillar III - PFC's Governance Policy Framework - Integrated Risk Management Policy; Pillar I - Low carbon financing; Pillar I - Financing solutions and policy support for energy transition
	b) Describe the organization's processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Pillar I - Material Topics at a Glance; Pillar I - Low carbon financing; Pillar I - Clean energy projects financed by PFC; Pillar I - Emission Intensity Performance: Cross-Sector Benchmarking; Pillar I - Natural resource consumption and management - Resource management; Pillar I - Natural resource consumption and management - Emissions Management
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pillar I - Emission Intensity Performance: Cross-Sector Benchmarking; Pillar I - Natural resource consumption and management - Emissions Management Scope 3 reporting currently covers Category 3(Fuel- and Energy-Related Activities). We have also computed emission avoidance on our commissioned renewable book, which is detailed in Pillar 1 - Emissions Management Framework
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Organization profile - Our contribution to India's Panchamrit goals

Annexure F of Board's Report

FORM MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026)

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 read with Rule No. 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 CIN: L65910DL1986GOI024862** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on verification of the books, papers, minute books, forms, returns filed and other records maintained by the Company, information provided by the Company, its officers (including RTA), electronic records available on the official portal of the Ministry of Corporate Affairs www.mca.gov.in, portal of the Stock Exchanges, namely BSE Limited ('BSE') and the National Stock Exchange of India Ltd. ('NSE'), representation made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended on **March 31, 2026**, complied with the statutory provisions listed hereunder 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 with the stock exchanges, on the official portal of the Ministry of Corporate Affairs (MCA) etc. and other records maintained by the Company for the audit period ended on March 31, 2026 according to the applicable 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 thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines, as amended from time to time, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable to the Company during the audit period)**

d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021;

e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(not applicable to the Company during the audit period)**

f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021; **(not applicable to the Company during the audit period)**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(not applicable to the Company during the audit period)**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; **(not applicable to the Company during the audit period)**

i. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015; and

j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

VI. The Management of the Company represented that fiscal, labour and environmental laws and other Statutes which are applicable to such type of companies, are generally complied with which inter-

alia includes the followings which are specifically applicable to the Company:

(a) Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation Directions, 2023

(b) The Competition Act,2002

(c) The Right to Information Act, 2006

(d) E-Waste (Management and Handling) Rules, 2011

(e) Labour and Social Security Laws

(f) Regulation and Prevention of Money Laundering Act, 2022

(g) Maternity Benefit Act, 1961

(h) The Apprentice Act,1961

(i) The Sexual Harassment of Women at Workplace (Prevention, Protection and Redressal) Act,2013

We have also examined compliance of the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings (SS-1) and General Meetings (SS-2).

b. The Listing Agreements entered into by the Company with the stock exchange(s) read with the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

c. Guidelines issued by Department of Public Enterprises for Central Public Sector Undertakings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above except:

(i) Regulation 17(1) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 16-04-2025, the number of non-executive directors were less than fifty percent of total number of directors and no independent directors including independent women director were appointed on the Board which also resulted in non-compliance of Regulation17(2A) of this regulation. From 17-04-2025 to 13-05-2025, the number of independent directors were less than fifty percent of total number of directors.

(ii) Regulation 18(1) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, no independent directors were appointed in the Audit Committee and the chairperson of Audit Committee was not an Independent Director.

(iii) Regulation 19(1), (2) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, the Nomination Remuneration Committee (NRC) was constituted with Executive Directors, there was no independent directors in NRC and chairperson of NRC was also a non-independent director.

(iv) Regulation 20(2A) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, no independent directors were appointed in Stakeholder Relationship Committee.

(v) Regulation 21(2) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, no independent directors were appointed in Risk Management Committee.

We report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Independent Directors except as mentioned above. Changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except those agendas that were sent at a shorter notice in accordance with the applicable provisions and a system exists for seeking and obtaining further information on and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

c) All the decisions of the Board and Committees thereof was carried unanimously and was recorded as part of the minutes.

We further report that based on review of the compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which are commensurate with its size and operations, to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

We report that during the period under review; the Board meetings were conducted where option was given to the Board Members to participate either physically or through video conferencing and adequate facilities are used to facilitate the Directors at other locations to participate in the meeting.

We also report that on 29-05-2025, BSE Limited and NSE limited has imposed fines on the Company for non-compliance of Regulation 17(1),17(2A),18(1),19(1),19(2),20(2A), and 21(2) of SEBI(LODR) Regulations, 2015.

We further report that the current policy on related party transaction is under consideration of the Board and the Company is under the process of forming a separate section for the website disclosures as required under the listing regulations.

We further report that during the audit period, no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard etc. except as mentioned below:

Sakhigopal Integrated Power Company Limited and Ghogarpalli Integrated Power Company Limited, wholly owned subsidiaries of the Company were strike off and dissolved w.e.f. 12-03-2026 and 16-03-2026, respectively.

For **T.Chatterjee & Associates**
Company Secretaries
FRN: P2007WB067100
Peer Review: 7747/2026

Sd/-
CS Indrani Chaudhuri
Partner
ACS: 8739, COP:6667
UDIN:A008739H000670499

Place: New Delhi
Date: 23-06-2026

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

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 Guidance Notes on ICSI Auditing Standard, 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit 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 **T.Chatterjee & Associates**
Company Secretaries
FRN: P2007WB067100
Peer Review: 7747/2026

Sd/-
CS Indrani Chaudhuri
Partner
ACS: 8739, COP:6667
UDIN:A008739H000670499

Place: New Delhi
Date: 23-06-2026

Annexure-II

OBSERVATIONS OF THE SECRETARIAL AUDITOR ALONG-WITH EXPLANATIONS TO THE SAME REQUIRED TO BE INCLUDED IN THE DIRECTORS REPORT TO THE SHAREHOLDERS FOR THE FY2025-26.

Sr. no.	Observation	Explanation
1.	Regulation 17(1) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 16-04-2025, the number of non-executive directors were less than fifty percent of total number of directors and no independent directors including independent women director were appointed on the Board which also resulted in non-compliance of Regulation 17(2A) of this regulation. From 17-04-2025 to 13-05-2025, the number of independent directors were less than total number of directors	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. During the FY2025-26, 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 & Shri Sudhir Mehta w.e.f. May 13, 2025 & May 14, 2025 respectively on Board of PFC. Accordingly, as on 31.03.2026, the composition of Board of Directors was in compliance with Regulation 17 of the Listing Regulations.
2.	Regulation 18(1) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, no independent directors were appointed in the Audit Committee and the chairperson of Audit Committee was not an Independent Director.	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. During the FY2025-26, Ministry of Power, Government of India appointed Independent Directors on Board of PFC as stated in the explanation to Point 1 of the Observation above. Accordingly, as on 31.03.2026, the composition of Audit Committee was in compliance with Regulation 18 of the Listing Regulations.
3.	Regulation 19(1), (2) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, the Nomination Remuneration Committee (NRC) was constituted with Independent Directors, there was no independent directors in NRC and chairperson of NRC was also a non-independent director.	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. During the FY2025-26, Ministry of Power, Government of India appointed Independent Directors on Board of PFC as stated in the explanation to Point 1 of the Observation above. Accordingly, as on 31.03.2026, the composition of Nomination Remuneration Committee was in compliance with Regulation 19 of the Listing Regulations.
4.	Regulation 20(2)/(2A) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, no independent directors were appointed in Stakeholder Relationship Committee.	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. During the FY2025-26, Ministry of Power, Government of India appointed Independent Directors on Board of PFC as stated in the explanation to Point 1 of the Observation above. Accordingly, as on 31.03.2026, the composition of Stakeholder Relationship Committee was in compliance with Regulation 20 of the Listing Regulations.
5.	Regulation 21(2) of the SEBI (LODR) Regulations, 2015- From 01-04-2025 to 20-04-2025, no independent directors were appointed in Risk Management Committee.	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. During the FY2025-26, Ministry of Power, Government of India appointed Independent Directors on Board of PFC as stated in the explanation to Point 1 of the Observation above. Accordingly, as on 31.03.2026, the composition of Risk Management Committee was in compliance with Regulation 21 of the Listing Regulations.

Annexure G of Board's Report

Annual Report on CSR Activities for the FY2025-26

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 31.03.2026

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Naresh Dhanrajbhai Kella Independent Director	Chairman	6	6
Smt. Usha Sajeev Nair Independent Director	Member	6	6
Shri Rajiv Ranjan Jha Director (Projects)	Member	6	5
Shri Manoj Sharma Director (Commercial)	Member	6	6
Shri Sandeep Kumar, Director (Finance)	Member	6	6

Company Secretary acts as the Secretary to the Committee.

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://www.pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/CSR/CSR%20Policy_V1.pdf
(c)	CSR projects approved by the board	https://pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/CSR/List_of_PFC_CSR_Project_compressed.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:

Sr. No.	Name of Project	Cost of Project (in ₹ crore)	Key findings of Project	Name of Impact Assessment Agency
1	Project of creating Adarsh Panchayat project in three villages of Belsand Block, Sitamarhi District and transformation of two Government Schools in Bhandari, Bihar	2.76	a. Enhanced agricultural productivity through adoption of mechanization and scientific crop practices, resulting in reduced cultivation costs and improved yields. b. Improved livelihood security via diversification activities such as kitchen gardens, goatery, and allied interventions, leading to additional income and reduced household expenditure. c. Better village sanitation and environmental sustainability through construction of soak pits and compost units, improving hygiene and promoting eco-friendly waste management.	Society for Indo German Institute of Advanced Technology (IGIAT)

Sr. No.	Name of Project	Cost of Project (in ₹ crore)	Key findings of Project	Name of Impact Assessment Agency
			d. Upgraded government school infrastructure, creating safer, cleaner, and digitally enabled learning environments and contributing to improved student attendance and learning outcomes. e. Increased community awareness and behavioral change, particularly in health, hygiene, digital literacy, and access to government schemes. f. Strengthened Panchayat-level governance and participation, enabling improved planning, transparency, and community involvement.	
2	Project of to construct new hostel building for SC/ST students in the campus of V.M.H.E. High school Siwan, Bihar	3.13	a. Creation of Improved Infrastructure: The project has resulted in the creation and upgradation of essential hostel infrastructure, ensuring safe, functional, and adequate facilities for SC/ST students. b. Enhanced Educational Support: Improved residential facilities have positively impacted student attendance, retention, and continuity of education by providing a conducive living and learning environment. c. Promotion of Social Equity: The intervention has strengthened access to quality accommodation and basic amenities for students from marginalized communities, supporting inclusive and equitable development. d. Sustainable Utilization of Assets: The assets created under the project are being effectively utilised and are expected to deliver long-term benefits, reflecting efficient use of project funds.	Centre for Goods Governance (CGG)
3	CSR Project for supply, installation and commissioning of Grid Connected SPV Power Plant with a cumulative capacity of 450 kWp in various Leprosy Mission Hospitals across the country	1.99	a. Installation of 450 kWp Grid-Connected Solar PV Power Plants across 11 Leprosy Mission Hospitals and Vocational Training Centres resulted in an average 27% reduction in electricity expenditure (ranging from 10% to 48%). b. The savings in electricity costs enabled beneficiary institutions to allocate additional resources towards patient care, rehabilitation, vocational training, and other welfare activities for leprosy-affected persons and economically disadvantaged communities. c. The project enhanced institutional sustainability by providing a reliable source of clean energy, reducing operational costs, and ensuring uninterrupted healthcare and training services. d. Beneficiaries and stakeholders expressed high satisfaction with the project and recognised its significant contribution to strengthening the long-term resilience of the institutions. e. The project promotes renewable energy adoption and environmental sustainability, while contributing to SDGs 3 (Good Health and Well-being), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), and 13 (Climate Action)	Centre for Goods Governance (CGG)
4	CSR Project for Upgradation of Public Health Infrastructure in Machilipatnam region, Andhra Pradesh	5.07	a. Strengthened Healthcare Infrastructure: Upgraded 25 government healthcare facilities (1 Area Hospital, 3 CHCs and 21 PHCs) with critical medical equipment and healthcare assets, significantly enhancing service delivery. b. Enhanced Healthcare Services: Expanded diagnostic capabilities with laboratory tests, leading to substantial increases in laboratory investigations and 11–51% growth in OPD attendance across the supported facilities. c. Improved Emergency & Maternal Care: Strengthened emergency response through life-saving equipment and enhanced maternal and neonatal services, benefiting maternal and newborn care cases. d. Strengthened Emergency Care: Availability of defibrillators, multipara monitors, emergency crash carts, ventilatory support and other life-saving equipment enabled timely stabilization of critical patients before referral, reducing treatment delays. e. Improved Accessibility & Quality of Care: 84% of beneficiaries reported reduced travel time, while 94% expressed satisfaction with healthcare services and 93% would recommend the facilities to others. f. Sustainable Healthcare Assets: All project-supported equipment was found to be functional and regularly utilised, supported by the Government of Andhra Pradesh's centralised maintenance mechanism, ensuring long-term sustainability	Centre for Goods Governance (CGG)
5	CSR Project for Supply, Installation and commissioning of LED Street Lightining Systems and fixtures in 21 villages of Faridabad region of Haryana	2.49	a. Enhanced safety and security b. Improved night time mobility c. Improved accessibility of Public Spaces Strengthened rural Infrastructure and Community Well Being d. Promotion of Energy Efficient and Sustainable Development e. Support to local Businesses and Economic Activities	Centre for Goods Governance (CGG)

Sr. No.	Name of Project	Cost of Project (in ₹ crore)	Key findings of Project	Name of Impact Assessment Agency
6	CSR Project for Construction of Building of Govt. Higher Secondary School, Munderi, Kannur, Kerala	3.30	a. Enhanced teaching and learning environment: Improved laboratories, classrooms, accessibility features, and digital learning facilities strengthened the quality of education and enabled more effective practical sessions. b. High student satisfaction: students reported satisfaction or high satisfaction with the upgraded infrastructure, learning environment, and practical learning opportunities. c. Improved academic experience: Teachers observed better laboratory functionality, larger and better-equipped learning spaces, and enhanced practical learning outcomes for students. d. Strengthened institutional capacity and recognition: The intervention improved the school's ability to deliver quality education and enhanced its institutional profile	Centre for Goods Governance (CGG)

The detailed impact assessment report is available at https://www.pfcindia.co.in/ensite/Home/VS/45

5. (a) Average net profit of the Company as per sub-section (5) of section 135.

₹15,318.54 crore

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135.

₹ 306.37 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).

₹ 306.37 crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

₹ 46.36 crore

(b) Amount spent in Administrative Overheads.

₹ 6.79 crore

(c) Amount spent on Impact Assessment, if applicable.

₹ 0.18 crore

(d) Total amount spent for the Financial Year (6a+6b+6c).

₹ 53.33 crore

Note: The total CSR amount charged to Standalone Statement of Profit and Loss during FY2025-26 is ₹ 311.06 crore. Out of this, ₹ 4.69 crore pertains to projects sanctioned against the budget of the period upto 31.03.2020, whereas, the remaining amount i.e. ₹ 306.37 crore pertains to projects sanctioned against the budget of FY2025-26.

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Crore)	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
53.33	253.51	09.04.2026	NA	NA	NA

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per section 135(5)	306.37
(ii)	Total amount spent for the Financial Year	306.84*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.47
(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)]	0.47

*The amount spent includes an amount of ₹ 253.51 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:

Sr. 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 FY2019-20	217.59*	37.74	4.69	NA	NA	33.05	Nil
2	FY2022-23	106.34	66.86	23.85	NA	NA	43.01#	Nil
3	FY2023-24	116.02	77.72	25.37	NA	NA	52.35	Nil
4	FY2024-25	81.92	81.92	9.68	NA	NA	72.24	Nil
	Total	**521.87**	**264.24**	**63.59**	**NA**	**NA**	**202.88**	

*Not required to be transferred as the provision of Section 135 (6) was made effective from the FY2020-21.

#Unutilised amount of ₹51.11 crore [Un-utilised Amount of Project upto 31.03.2026 ₹43.01 crore minus ₹4.19 crore (paid to agencies for completed work up to 31.03.2026) (plus interest earned up to April 2026 ₹12.29 crore)] has been transferred to the 'Swachh Bharat Kosh' on 29.04.2026; Previous Year Unutilised amount of ₹24.08 crore [Unutlised Amount of Project up to 31.03.2025 ₹20.56 crore minus ₹1.66 crore (paid to agencies for completed work up to 31.03.2025) plus interest earned upto April 2026 ₹5.18 crore] has been transferred to the 'Swachh Bharat Kosh' on 30.04.2025.

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 ₹ 253.51 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/-
(Rajesh Kumar Agarwal)
Chairman, CSR Committee
DIN: 09699001

Annexure H of 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

Sr. 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.
(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	-
(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

Place: New Delhi
Dated: August 07, 2026

Annexure I of Board's Report

Debenture Trustees Appointed by the Company for the Different Series of Bonds as on March 31, 2026

Name Debenture Name	Bond Series
PNB Investment Services Limited 10 Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi - 110049	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
	Infrastructure Bonds (2011-12) - tranche 1 - Series III
	Infrastructure Bonds (2011-12) - tranche 1 - Series IV
	8.72 % SERIES III INFRA BONDS PRIVATE PLACEMENT
	8.72% SERIES IV INFRA BONDS PRIVATE PLACEMENT
Vistra ITCL (India) Ltd. (Formerly IL&FS Trust Company Ltd.) IL&FS Financial Centre Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051	8.46% TAX FREE BOND SERIES 107-B
	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
	7.54% TR 2 TAX FREE BONDS 12-13
	7.36% 15 YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2
Catalyst Trusteeship Limited (Formerly GDA Trusteeship Ltd.) Unit No- 901, 9th Floor, Tower – B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013	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
	8.03% 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
	Infrastructure Bonds (2010-11) - tranche 1 - Series III
	Infrastructure Bonds (2010-11) - tranche 1 - Series IV
	Tax Free Bonds 2011-12 Series II
	7.27 TAX FREE BONDS 2 A 2015 16
	7.52 TAX FREE BONDS 2 B 2015 16
	7.35 TAX FREE BONDS 3 A 2015 16
	7.60 TAX FREE BONDS 3 B 2015 16

Name Debenture Name	Bond Series
Beacon Trusteeship Limited 5W, 5th Floor, The Metropolitan, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051	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 and 195R
	7.41%TX USB BOND SRS196 and 196R
	7.41%TX USB BOND SRS197
	7.40 TX USC BND SRS 200
	7.68 TX USC BND SRS 201
	7.79 TX USC BND SRS 202C
	7.75 TX USC BND SRS 203B
	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 and 207R
	7.34 TX USC BND SRS 209
	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 and 214R1
	7.13 TX UNS BND SRS 216
	7.42 TX UNS BND SRS 217A
	7.15 TX USC BND SRS 217B STRPP2
	7.15 TX USC BND SRS 217B STRPP3
	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
	7.64 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
	7.55 TX UNS BND SRS 228A
	7.62 TX UNS BND SRS 228B
	7.37 TX UNS BND SRS 230
	7.48 TX UNS BND SRS 231
	7.57 TX UNS BND SRS 232
	7.64 TX UNS BND SRS 233B
	7.60 TX UNS BND SRS 233C
	ZCB TX UNS BND SRS 233A YTM 7 65
	7.70 TX UNS BND SRS 234
	7.69 TX UNS BND SRS 235
	7.88 PERPETUAL TX UNS BND SRS 236
	7.60 TX UNS BND SRS 237A
	7.49 TX UNS BND SRS 237B
	7.55 TX UNS BND SRS 238
	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

Name Debenture Name	Bond Series
Beacon Trusteeship Limited 5W, 5th Floor, The Metropolitan, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051	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
	6.61 TX UNS BND SRS 250A
	6.64 TX UNS BND SRS 250B
	6.27 TX UNS BND SRS 251A
	6.59 TX UNS BND SRS 251B
	6.59 TX UNS BND SRS 251B R1
	6.27 TX UNS BND SRS 251A R1
	6.64 TX UNS BND SRS 250B R1
	7.43 PERPETUAL TX UNS BND SRS 252
	6.73 TX UNS BND SRS 253
	COMMERICIAL PAPER SERIES 120
	7.10 TX UNS BND SRS 254
	7.08 TX UNS BND SRS 255
	6.92 TX UNS BND SRS 258A
	7.24 TX UNS BND SRS 258B
	6.96 TX UNS BND SRS 259A
	7.31 TX UNS BND SRS 259B
	Commercial Paper Series 122
	PFC Capital Gain Bonds Series IV
	PFC Capital Gain Bonds Series V
	PFC Capital Gain Bonds Series VI
	PFC Capital Gain Bonds Series VII
	5.25 SEC 54EC BD SR 8 2425 08
	5.25 SEC 54EC BD SR 9 2526 9
	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
	10YR GSEC LINK SEC TAX NCD PI TR I SER V CAT I-II
	10YR 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
	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
	PISECTAXNCD685TR1SR1CAT12
	PISECTAXNCD690TR1SR1CAT3
	PISECTAXNCD700TR1SR1CAT4
	PISECTAXNCD700TR1SR2CAT12
	PISECTAXNCD710TR1SR2CAT3
	PISECTAXNCD720TR1SR2CAT4
	PISECTAXNCD705TR1SR4CAT12
	PISECTAXNCD720TR1SR4CAT3
	PISECTAXNCD730TR1SR4CAT4
	PISECTAXNCD720TR1SR5CAT3
	PISECTAXNCD730TR1SR5CAT4
	PISECTAXNCD680TR1SR3CAT12
	PISECTAXNCD685TR1SR3CAT3
	PISECTAXNCD695TR1SR3CAT4

Independent Auditors' Report

To the Members of Power Finance Corporation Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. OPINION:

We have audited the accompanying Standalone Financial Statements of Power Finance Corporation Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2026, 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 March 31, 2026, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

2. BASIS FOR OPINION:

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 judgment, 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.	**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. • 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 recognized and the related disclosures to be acceptable and satisfactory.

Sr. No.	Key Audit Matter	Auditors' Response
	The most significant areas where we identified greater levels of management Judgments are: 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)]	
(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 categorized at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorized at FVTPL is recognized in Statement of Profit and Loss and that of Hedge Accounting is recognized 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 March 31, 2026 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 becomes 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are 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 judgment 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. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

I 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.

II 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"**.

III As required by Section 143(3) of the Act, we report that:

a. 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;

b. 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;

c. 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;

d. 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;

e. 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;

f. 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"**;

g. 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

h. 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:

i. The Company has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its Standalone Financial Statements – Refer Note No.46 to the Standalone Financial Statements;

ii. 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.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented (refer Note No.11.4) 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 understaing, 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.

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 appl-cable.

(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, 2026 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 **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 000038N

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN: 26096584BNNXAG4785

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700
UDIN: 26515700BTBDEX6371

Date: 13.05.2026
Place: Mumbai

Annexure A

to Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 7 (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 March 31, 2026)

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)
19	5,595.37	6,721.03	12,316.40

* 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 Sections 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.

(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 the directives issued by the 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 March 31, 2026, as per the accounts of the Company.

(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 ₹43.21 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*	22.77	22.77	-	AY 2016-17	ITAT, Delhi
		20.44	20.44	-	AY 2018-19	

* 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).

(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 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 raised ₹600.77 crore through Public Issue of non-convertible debentures during FY 2025-26 and fully utilized the proceeds towards the purposes for which it was raised.

(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 except, one of the borrowers suspected to have committed fraud on the company during the FY 2024-25 has been reported as committed fraud during the FY 2025-26. 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 realization 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 the 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.

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN: 26096584BNNXAG4785

Date: 13.05.2026
Place: Mumbai

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700
UDIN: 26515700BTBDEX6371

Annexure B

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 7 (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 March 31, 2026)

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:

Sr. No.	Directions	Replies
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	Investment of the Funds against Post-retirement benefits are being made and managed by the respective Trust as per applicable law/ requirement for the same applicable to the respective Trust. These Trust are registered under Indian Trust Act. Valuation of the Investments by these trusts is made as per its approved policies. However, Company, as an employer, assess the fair value of such Investments in accordance with the prescribed guidelines. A brief methodology followed by the company for the same are as under: • Central Govt. Securities/State Government Securities (formerly State Development Loans) are valued using prices and yields published by the Financial Benchmarks India Private Limited (FBIL) under the administration mandate received from the Reserve Bank of India. • Corporate Bonds securities are valued using Fixed Income Money Market and Derivatives Association of India (FIMMDA) published prices, spread matrices, and traded data available on BSE/NSE platforms as applicable. • Equity or Equity linked mutual funds unit are valued using traded data available on BSE/NSE platforms as applicable. • In our opinion and as per information and explanation given to us, the valuation method adopted is reasonable in compliance with the applicable regulation and there is no material deviation or misstatement.
2.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies, financial reporting process as well as cyber security has been done by information security auditing organization empaneled by Cert – In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	Yes, the Company has a system to process all the accounting transactions through IT system, except the following where significant accounting transactions/workings are processed manually through excel spreadsheets and the resulting impact are then recorded in IT system manually viz. (i) Expected Credit Loss, (ii) Hedge Accounting, (iii) Consolidation entries and (iv) Tax Expense. As per information and explanation provided to us, the company has empaneled information system auditors for the IT Controls and cyber security audits. However, System Audit for the year is still in progress and report has not yet been submitted by such auditor. Based on audit procedure followed by us and information and explanations provided to us, we have not come across any instance having significant implications on the integrity of accounts.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	The Company has not received any Grants/Subsidy etc. for the specific Schemes from Central/State Governments or its Agencies. However, Company is acting as a nodal agency for the operationalization of RDSS Scheme, Government of India and such Fund is also provided by the Govt. to the beneficiary and not through the Company.
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	As per information & explanation provided to us, company has identified the key risk areas and has formulated an Integrated Risk Management Policy to ensure that these risks are monitored and managed. Further, as per ISO 9001:2015 and ISO 45001:2018 certification, the said policy is based on global best practices. As per information and explanation provided to us no separately identifiable data assets requiring valuation are recognised in the books of account.

Sr. No.	Directions	Replies
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on audit procedure followed by us and information and explanations given to us, we have not come across any instance of deviation from such compliance except in the case of minimum requirement of independent directors.

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN: 26096584BNNXAG4785

Date: 13.05.2026
Place: Mumbai

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700
UDIN: 26515700BTBDEX6371

Annexure C

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 7 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 March 31, 2026)

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 March 31, 2026 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 judgment, 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 unauthorized 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 March 31, 2026, 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/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN: 26096584BNNXAG4785

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700
UDIN: 26515700BTBDEX6371

Date: 13.05.2026
Place: Mumbai

Non-Banking Financial Companies Auditors' Report

For The Year Ended March 31, 2026

To The Board of Directors of
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi-110001

We have audited the accompanying Standalone Financial Statements of Power Finance Corporation Limited ('the Company'), which comprises the Balance Sheet as at 31.03.2026, 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 13.05.2026. 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 31.03.2026.

2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in Reserve Bank of India (Non-Banking Financial Companies) Directions, 2025.

3. The Company is registered as non-deposit accepting Infrastructure Finance Company with RBI. The Board of Directors has passed resolution in its meeting held on 17.03.2026 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 2025-26.

5. The Standalone Financial Statements of the Company for the year 2025-26 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 2025. However, in this regard, in compliance of Reserve Bank of India (Non-Banking Financial Companies) Directions, 2025, 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 2025-26 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 31.03.2026 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 **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 000038N

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN: 26096584BNNXAG4785

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700
UDIN: 26515700BTBDEX6371

Date: 13.05.2026
Place: Mumbai

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 2026

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2026 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 13 May 2026.

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 2026 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/-
(Ashutosh Joshi)
Director General of Audit (Power)
New Delhi

Place: New Delhi
Date: 31.07.2026

Standalone Balance Sheet

as at March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2026 (Audited)	As at 31.03.2025 (Audited)
ASSETS				
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	7	**1,078.31**	22.03
(b)	Bank Balance other than Cash and Cash Equivalents	8	**1,183.03**	6,820.63
(c)	Derivative Financial Instruments	9	**10,627.18**	6,647.30
(d)	Trade Receivables	10A	**-**	-
(e)	Loans	11	**5,74,018.10**	5,32,818.27
(f)	Investments	12	**20,718.13**	20,719.99
(g)	Other Financial Assets	13	**5,433.72**	5,951.72
	Total Financial Assets (1)		**6,13,058.47**	**5,72,979.94**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	14	**178.11**	228.24
(b)	Deferred Tax Assets (Net)		**3,358.47**	3,351.04
(c)	Property, Plant and Equipment	15	**62.13**	46.68
(d)	Intangible Assets under development	15	**15.85**	11.98
(e)	Intangible Assets	15	**4.15**	5.23
(f)	Right-of-use Assets	15	**33.05**	33.50
(g)	Other Non-Financial Assets	16	**1,804.45**	1,520.72
	Total Non-Financial Assets (2)		**5,456.21**	**5,197.39**
	Total Assets (1+2)		**6,18,514.68**	**5,78,177.33**
LIABILITIES AND EQUITY				
Liabilities				
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	9	**1,940.54**	773.17
(b)	Trade Payables	10B		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		**2.30**	0.10
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		**23.12**	9.46
(c)	Debt Securities	17	**3,37,163.01**	3,19,747.77
(d)	Borrowings (other than Debt Securities)	18	**1,56,620.81**	1,52,203.32
(e)	Subordinated Liabilities	19	**3,994.45**	3,564.35
(f)	Other Financial Liabilities	20	**14,651.77**	9,682.28
	Total Financial Liabilities (1)		**5,14,396.00**	**4,85,980.45**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	14	**22.04**	50.92
(b)	Provisions	21	**776.18**	476.38
(c)	Other Non-Financial Liabilities	22	**788.52**	732.71
	Total Non-Financial Liabilities (2)		**1,586.74**	**1,260.01**
	Total Liabilities (1+2)		**5,15,982.74**	**4,87,240.46**
3	**Equity**			
(a)	Equity Share Capital	23	**3,300.10**	3,300.10
(b)	Other Equity	24	**99,231.84**	87,636.77
	Total Equity (3)		**1,02,531.94**	**90,936.87**
	Total Liabilities and Equity (1+2+3)		**6,18,514.68**	**5,78,177.33**

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700

Place: Mumbai
Date: 13.05.2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
REVENUE FROM OPERATIONS				
(i)	Interest Income	25	55,072.80	49,874.70
(ii)	Dividend Income	26	2,952.46	2,992.30
(iii)	Fees and Commission Income	27	478.47	232.22
I.	**Total Revenue from Operations**		**58,503.73**	**53,099.22**
II.	Other Income	28	37.86	28.54
III.	**Total Income (I+II)**		**58,541.59**	**53,127.76**
EXPENSES				
(i)	Finance Costs	29	33,176.92	30,511.94
(ii)	Net Translation/Transaction Exchange Loss/(Gain)	30	1,588.31	466.76
(iii)	Fees and Commission Expense	31	20.22	28.66
(iv)	Net Loss/(Gain) on Fair Value changes	32	19.43	(230.45)
(v)	Impairment on Financial Instruments	33	(1,816.36)	457.11
(vi)	Employee Benefit Expenses	34	280.42	266.18
(vii)	Depreciation, Amortisation and Impairment	15	24.18	19.83
(viii)	Corporate Social Responsibility Expenses	35	311.06	270.28
(ix)	Other Expenses	36	162.98	165.08
IV.	**Total Expenses**		**33,767.16**	**31,955.39**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**24,774.43**	**21,172.37**
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**		**24,774.43**	**21,172.37**
	Tax Expense:	37		
	(i) Current Tax:			
	- Current Year		3,776.44	3,585.36
	- Earlier Years		4.29	(15.31)
	(ii) Deferred Tax Expense/(Income)		942.36	250.13
VIII.	**Total Tax Expense**		**4,723.09**	**3,820.18**
IX.	**Profit/(Loss) from Continuing Operations (VII-VIII)**		**20,051.34**	**17,352.19**
X.	Profit/(Loss) from Discontinued Operations (After Tax)		-	-
XI.	**Profit/(Loss) (from continuing and discontinued operations) (IX+X)**		**20,051.34**	**17,352.19**
OTHER COMPREHENSIVE INCOME				
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		3.87	(6.17)
	- Net Gain/(Loss) on Fair Value of Equity Instruments		(291.98)	(2.90)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(0.69)	1.45
	- Net Gain/(Loss) on Fair Value of Equity Instruments		63.24	(52.23)
	Sub-Total (A)		**(225.56)**	**(59.85)**
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains/(Loss) in Cash Flow Hedge		(85.19)	(197.26)
	- Cost of Hedging Reserve		(3,438.39)	(124.79)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains/(Loss) in Cash Flow Hedge		21.44	49.65
	- Cost of Hedging Reserve		865.37	31.41
	Sub-Total (B)		**(2,636.77)**	**(240.99)**
XII.	**Other Comprehensive Income (A+B)**		**(2,862.33)**	**(300.84)**
XIII.	**Total Comprehensive Income (XI+XII)**		**17,189.01**	**17,051.35**
XIV.	**Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):**	38		
	(1) For continuing operations (in ₹)		60.76	52.58
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		60.76	52.58

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700

Place: Mumbai
Date: 13.05.2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the year	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31, 2025	3,300.10	-	3,300.10	-	3,300.10
Year ended March 31, 2026	3,300.10	-	3,300.10	-	3,300.10

Refer note 23 for details.

B. OTHER EQUITY

FY 2025-26

(₹ in crore)

Particulars	Other Reserves									Retained Earnings	Other Comprehensive Income			Total
	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viia)(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 Other comprehensive Income	Effective portion of Gain/(Loss) Cash Flow Hedges	Cost of Hedging Reserve	
Balance as at 31.03.2025	**14,903.08**	**915.33**	**599.85**	**32,611.74**	**89.18**	**2,115.74**	**(358.15)**	**68.90**	**15,933.06**	**20,292.33**	**1,108.99**	**188.50**	**(831.78)**	**87,636.77**
Changes in Accounting Policy/Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	20,051.34	-	-	-	20,051.34
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	3.17	-	-	-	3.17
Other Comprehensive Income/ (Expense)	-	-	-	-	-	-	-	-	-	-	(228.74)	(63.75)	(2,573.02)	(2,865.51)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,054.51**	**(228.74)**	**(63.75)**	**(2,573.02)**	**17,189.00**
Dividends	-	-	-	-	-	-	-	-	-	(5,494.67)	-	-	-	(5,494.67)
Transfer to/from Retained Earnings	4,010.27	971.47	-	3,379.72	-	-	-	-	-	(8,361.46)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(915.33)	-	-	-	-	-	-	915.33	-	-	-	-	-
Reclassification of gain/(loss) on sale/ extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions/Deletions during the year (net)	-	(3.71)	-	79.45	-	-	(99.26)	(0.13)	-	(75.61)	-	-	-	(99.26)
Balance as at 31.03.2026	**18,913.35**	**967.76**	**599.85**	**36,070.91**	**89.18**	**2,115.74**	**(457.41)**	**68.77**	**16,848.39**	**26,415.10**	**880.25**	**124.75**	**(3,404.80)**	**99,231.84**

FY 2024-25

(₹ in crore)

Particulars	Other Reserves									Retained Earnings	Other Comprehensive Income			Total
	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto 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 Other 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)	-	-	-	-
Transfer to/from General Reserve	-	-	-	-	-	-	-	-	-	-	-	-		-
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**

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of the Board of Directors

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

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN - 08530587

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Signed in terms of our report of even date attached

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700

Place: Mumbai
Date: 13.05.2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2026 (Audited)		Year ended 31.03.2025 (Audited)	
I.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before Tax	**24,774.43**		**21,172.37**	
	Adjustments for:				
	Loss/(Gain) on derecognition of Property, Plant and Equipment (net)	5.27		4.62	
	Loss/(Gain) on Fair value changes (Net)	19.43		(256.55)	
	Unrealised Foreign Exchange Translation Loss/(Gain)	8,383.09		1,714.44	
	Depreciation and Amortisation	24.18		19.83	
	Impairment on Financial Instruments	(1,816.36)		457.11	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	28.39		(111.85)	
	Interest expense on Zero Coupon Bonds and Commercial Papers	(149.54)		47.30	
	Other interest expense	(102.00)		3.65	
	Interest accrued on investments	(32.61)		(74.17)	
	Provision for unspent CSR created	253.51		81.92	
	Provision (others) created	75.42		83.78	
	Operating profit before Working Capital Changes:	**31,463.21**		**23,142.45**	
	Increase/Decrease:				
	Loans (Net)	(39,339.13)		(63,408.11)	
	Other Financial and Non-Financial Assets	6,235.76		(6,508.72)	
	Derivative	(7,008.88)		(1,649.97)	
	Other Financial & Non-Financial Liabilities, Trade Payables and Provisions	5,108.21		1,595.13	
	Cash used before Exceptional Items	**(3,540.83)**		**(46,829.22)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**(3,540.83)**		**(46,829.22)**	
	Income Tax paid	(3,827.98)		(3,573.86)	
	Income Tax Refund	33.14		37.61	
	Net Cash Inflow/(Outflow) from Operating Activities		**(7,335.67)**		**(50,365.47)**
II.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Proceeds from disposal of Property, Plant and Equipment	0.40		0.35	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(264.70)		(760.75)	
	Investment in Subsidiaries	(400.00)		(100.00)	
	Sale/(Purchase) of Other Investments	129.45		(74.56)	
	Net Cash Inflow/(Outflow) from Investing Activities		**(534.85)**		**(934.96)**
III.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Raising of Bonds (including premium) (Net of Redemptions)	14,063.59		23,632.42	
	Raising of Long Term Loans (Net of Repayments)	5,791.10		9,873.52	
	Raising of Foreign Currency Loans (Net of Repayments)	(101.35)		14,625.63	
	Raising of Subordinated Liabilities (Net of Redemptions)	475.00		(2,000.00)	
	Raising of Commercial paper (Net of Repayments)	248.03		5,987.27	
	Raising of Working Capital Demand Loan/OD/CC/Line of Credit (Net of Repayments)	(6,056.23)		4,543.87	
	Payment of Dividend	(5,493.33)		(5,362.01)	
	Payment of Lease Liability	(0.01)		(0.01)	
	Net Cash Inflow/(Outflow) from Financing Activities		**8,926.80**		**51,300.70**
	Net Increase/(Decrease) in Cash and Cash Equivalents		**1,056.28**		**0.27**
	Add: Cash and Cash Equivalents at beginning of the financial year		22.03		21.76
	Cash and Cash Equivalents at the end of the year		**1,078.31**		**22.03**

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
	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	11.97	22.03
	- In Bank Deposit (Callable)/Demand Deposits (original maturity up to 3 months)	1,066.34	-
	Total Cash and Cash Equivalents at the end of the year	**1,078.31**	**22.03**

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 ₹ 58.02 crore (previous year ₹ 188.36 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	Total
	Opening Balance as at 01.04.2024	**2,47,670.45**	**79,003.44**	**72,836.46**	**2,361.48**	**-**	**5,511.50**	**4,07,383.33**
	Cash Flow During the Year (Net)	23,632.42	9,873.52	14,625.63	4,543.87	5,987.27	(2,000.00)	56,662.71
	Non-Cash Changes due to:							
	Amortisation of discount/interest on Zero Coupon Bond/Financial Charges on Commercial Paper	38.33	-	-	-	8.97	-	47.30
	Variation in Exchange Rates	-	-	1,669.74	-	-	-	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**	**4,65,763.08**
	Cash Flow During the Year (Net)	14,063.59	5,791.10	(101.35)	(6,056.23)	248.03	475.00	14,420.14
	Non-Cash Changes due to:							
	Amortization of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers	(410.64)	-	-	-	261.10	-	(149.54)
	Variation in Exchange Rates	-	-	8,482.35	-	-	-	8,482.35
	Closing Balance as at 31.03.2026	**2,84,994.15**	**94,668.06**	**97,512.83**	**849.12**	**6,505.37**	**3,986.50**	**4,88,516.03**

*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 the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700

Place: Mumbai
Date: 13.05.2026

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

1 COMPANY INFORMATION

Power Finance Corporation Limited ("PFC" or "the Company") [CIN: L65910DL1986GOI024862] 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 Reserve Bank of India (RBI) (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 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 13.05.2026.

4 STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) has made amendments to various Indian Accounting Standards during the year some of which are applicable w.e.f. 01.04.2026.

The Company has evaluated the said amendments and there will be no impact of the same on the Financial Statements as and when these are made applicable. Further, MCA has not issued any new Ind-AS applicable to the company.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

5.3.1 Financial Assets

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

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

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

(a) Financial Assets at Amortised Cost:

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

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

Effective Interest Rate (EIR) method

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

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

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

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

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

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

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

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

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

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

Business Model

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(ii) Classification, Measurement and Derecognition of Equity Instruments

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

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

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

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

(iii) Impairment of Financial Assets

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

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

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

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

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

(b) Impairment of other financial assets:

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

(iv) De-recognition of Financial Assets

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

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 recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognized immediately in Statement of Profit and Loss.

(v) Fair Value hedge

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.

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

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

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

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

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

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

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

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 recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

(ii) The Company as a lessor

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

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

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

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

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

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

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.

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 recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

(iii) Other long term employee benefits

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

(iv) Short term employee benefits

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

(v) Loan to employees at concessional rate

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

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

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for the year ended March 31, 2026

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

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 recognize new assets or liabilities. Adjustments are made only to harmonize material accounting policy information.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

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

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

Notes to the Standalone Financial Statements

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6. USE OF ESTIMATES AND MANAGEMENT JUDGEMENT

In preparation of the Standalone Financial Statements, the Management is required to make judgments, 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 recognized 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 judgments, 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.

(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 realization 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 assets (including Credit Conversation Factor (CCF) applied undrawn commitment thereof), LoCs, investments (other than equity), 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

7. CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
	Balances with Banks (of the nature of cash and cash equivalents)		
(i)	- In Current Accounts	11.97	22.03
(ii)	- In Bank Deposit (Callable)/Demand Deposits (original maturity up to 3 months)	1,066.34	-
	Total Cash and Cash Equivalents	**1,078.31**	**22.03**

8. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
	Earmarked Balances with Banks for		
(i)	- Bank Deposit (Callable)/Demand Deposits - On Lien*	894.71	6,521.64
(ii)	- Unclaimed Dividend	7.48	6.14
(iii)	- Unclaimed - Bonds/Interest on Bonds etc.	84.95	79.39
(iv)	- Amount received under GOI schemes	0.00	0.00
(v)	- Current Accounts with Banks - Unspent CSR Purposes	195.89	185.14
(vi)	- Bank deposits- Security for FCNR(B) loans	-	28.32
	Total Bank Balance other than Cash and Cash Equivalents	**1,183.03**	**6,820.63**

* 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 31.03.2026			As at 31.03.2025		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives**						
	- Currency Swaps	7,803.80	856.93	-	16,302.92	184.36	25.75
	- Options	1,25,743.90	9,482.64	1,593.80	1,05,845.58	5,988.28	640.91
	Total Currency Derivatives (i)	**1,33,547.70**	**10,339.57**	**1,593.80**	**1,22,148.50**	**6,172.64**	**666.66**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	73,657.35	287.61	346.74	65,581.89	474.66	106.51
	Total Interest Rate Derivatives (ii)	**73,657.35**	**287.61**	**346.74**	**65,581.89**	**474.66**	**106.51**
	Total Derivative Financial Instruments (i+ii)	**2,07,205.05**	**10,627.18**	**1,940.54**	**1,87,730.39**	**6,647.30**	**773.17**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026			As at 31.03.2025		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(i)	**Fair Value Hedging**						
	- Interest Rate Derivatives	**30,037.40**	**-**	**230.00**	30,036.90	435.57	-
	Total Fair Value Hedging (i)	**30,037.40**	**-**	**230.00**	**30,036.90**	**435.57**	**-**
(ii)	**Cash Flow Hedging**						
	- Currency Derivatives	**1,33,547.70**	**10,339.57**	**1,593.80**	1,22,148.50	6,172.64	666.66
	- Interest Rate Derivatives	**43,619.95**	**287.61**	**116.74**	34,594.99	32.16	106.51
	Total Cash Flow Hedging (ii)	**1,77,167.65**	**10,627.18**	**1,710.54**	**1,56,743.49**	**6,204.80**	**773.17**
(iii)	**Undesignated Derivatives**	**-**	**-**	**-**	950.00	6.93	-
	Total Undesignated Derivatives (iii)	**-**	**-**	**-**	**950.00**	**6.93**	**-**
	Total Derivative Financial Instruments (i+ii+iii)	**2,07,205.05**	**10,627.18**	**1,940.54**	**1,87,730.39**	**6,647.30**	**773.17**

9.1 Details of Forward Rate Agreements/Interest Rate Swaps:

(₹ in crore)

Sr. No.	Description	As at 31.03.2026	As at 31.03.2025
(i)	Notional principal of swap agreements	**73,657.35**	65,581.89
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**287.61**	474.66
(iii)	Collateral required upon entering into swaps	Refer note (a) below	
(iv)	Concentration of credit risk arising from swaps	Refer note (b) below	
(v)	Fair value of swap book (obtained from counterparty banks)	**(59.13)**	368.15

(a) Company is covered under RBI Master Directions (Margining for Non- Centrally Cleared OTC Derivatives), 2024 and places the required collateral in accordance with the provisions of the said Directions.

(b) The Company enters into swap agreements with Category-I Authorized 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 31.03.2026	As at 31.03.2025	Terms
	Notional principal (₹ in crore)		
1 Yr OIS	**30,037.40**	30,036.90	Fixed Receivable Vs Floating Payable
FBIL G-Sec	**-**	950.00	Fixed Receivable Vs Floating Payable
USD SOFR	**15,192.02**	17,330.23	Fixed Payable Vs SOFR Receivable
JPY TONA	**13,925.52**	13,337.94	Fixed Payable Vs TONA Receivable
6M Euribor	**8,823.16**	3,926.81	Fixed Payable Vs 6M Euribor Receivable
3M T-bill	**5,679.25**	-	3M T-bill payable V/s SOFR Receivable
Total	**73,657.35**	**65,581.89**	

9.3. The Company does not hold any exchange traded Interest Rate (IR) derivatives as at 31.03.2026 (as at 31.03.2025 Nil).

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for the year ended March 31, 2026

9.4. Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026		As at 31.03.2025	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging [a] & [b]	**1,33,547.69**	**73,657.35**	1,22,148.50	65,581.89
(ii)	Marked to Market Positions (MTM)				
	(a) Asset (+MTM)	**10,339.57**	**287.61**	6,172.64	474.66
	(b) Liability (-MTM)	**1,593.80**	**346.74**	666.66	106.51
(iii)	Credit Exposure	**20,707.56**	**1,001.01**	15,477.19	1,427.08
(iv)	Unhedged Foreign Currency Exposures	**2,599.40**	**11,390.58**	4,358.78	10,551.58

[a] Interest rate derivatives include derivatives on rupee liabilities of ₹ 30,037.40 crore as at 31.03.2026 (as at 31.03.2025 ₹ 30,986.90 crore).

[b] Hedging of loan liabilities via multi-leg cross-currency derivatives has resulted in multiple recognition of derivative exposure, amounting to ₹ 38,634.27 crore (as at 31.03.2025 ₹ 37,375.45 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 31.03.2026	As at 31.03.2025
(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 2026-26	FY 2024-25
(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, 2026

10A.2 TRADE RECEIVABLES AGEING SCHEDULE

(₹ in crore)

Particulars	As at 31.03.2026					
	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)

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**

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	**2.30**	0.10
(ii)	Total outstanding dues of creditors other than micro, small and medium enterprises	**23.12**	9.46
	Total Trade Payables	**25.42**	**9.56**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

10B.1 TRADE PAYABLES AGEING SCHEDULE

Particulars		As at 31.03.2026				
		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	2.30				**2.30**
(ii)	Others	22.86	0.01	0.00	0.25	**23.12**
(iii)	Disputed dues-MSME					-
(iv)	Disputed dues-Other					-
	Total	**25.16**	**0.01**	**0.00**	**0.25**	**25.42**

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**

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 31.03.2026	As at 31.03.2025
(A)	**Loans to Borrowers***		
(i)	Term Loans**	5,61,447.41	4,98,659.62
(ii)	Buyer's Line of Credit	1,546.30	1,719.69
(iii)	Working Capital Loans	16,584.97	42,204.48
(iv)	Others -Deferred Payment Guarantee	536.62	536.62
(v)	**Principal Outstanding (i to iv)**	**5,80,115.30**	**5,43,120.41**
(vi)	Interest accrued but not due on Loans on (v) above	4,025.35	3,626.23
(vii)	Interest accrued & due on Loans on (v) above	595.33	702.83
(viii)	Unamortised Fee on Loans on (v) above	(319.12)	(265.15)
	Gross Carrying Amount (v to viii)	**5,84,416.86**	**5,47,184.32**
	Less: Impairment loss allowance	(10,398.76)	(14,366.05)
	Net Carrying Amount	**5,74,018.10**	**5,32,818.27**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	2,08,273.50	2,12,447.81
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,99,920.38	1,90,663.21
(iv)	Unsecured	1,76,222.98	1,44,073.30
	Gross Security-wise classification	**5,84,416.86**	**5,47,184.32**
	Less: Impairment loss allowance	(10,398.76)	(14,366.05)
	Net Security-wise classification	**5,74,018.10**	**5,32,818.27**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(C) I	**Loans in India**		
(i)	Public Sector	**4,46,439.79**	4,24,079.90
(ii)	Private Sector	**1,37,977.07**	1,23,104.42
	Gross Carrying Amount of Loans in India	**5,84,416.86**	**5,47,184.32**
	Less: Impairment loss allowance	**(10,398.76)**	(14,366.05)
	Net Carrying amount of Loans in India	**5,74,018.10**	**5,32,818.27**
(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	**5,74,018.10**	**5,32,818.27**

*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 2025-26	FY 2024-25
(i)	Opening balance	**14,366.06**	15,822.68
(ii)	Creation during the year	**1,095.48**	2,628.03
(iii)	Reversal during the year	**(5,062.78)**	(4,084.65)
	Closing balance	**10,398.76**	**14,366.06**

11.2 During the year, the Company has sent letters to borrowers seeking confirmation of balances as at 31.03.2026 except where loans have been recalled or pending before court/NCLT.

Confirmation for 99.94% of the said balances have been received.Out of the remaining loans amounting ₹ 336 crore for which balance confirmation have not been received, 100% loans are secured by way Charge on assets.

11.3 The details of resolution plans implemented during the year:

(₹ 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	Remarks
FY 2025-26						
1	TRN Energy Pvt Ltd	Restructuring with existing promoter outside NCLT	**1,138.70**	**544.62**	**300.70**	Sustainable debt of ₹ 838 crore was created upon resolution against which loan amounting to ₹ 746.95 crore (after repayment) is continuing in the books of the Company as at 31.03.2026. Further, Optionally Convertible Debentures (OCDs) & Equity share of the borrower company were received which are valued at fair value of ₹ 1.
2	Sinnar Thermal Power Limited	Resolution with change in ownership through NCLT	**3,001.34**	**2,401.07**	**1,728.89**	Loan stands settled as at 31.03.2026.
3	Octant Industries Limited (OIL)	Resolution under SARFAESI & DRT Acts	**22.15**	**22.15**	**22.15**	Based on Board approval principal outstanding of ₹ 22.15 crore has been written off. Loan stands settled as at 31.03.2026.
	Total		**4,162.19**	**2,967.84**	**2,051.74**	

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ 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	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 Renergies 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**	

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 31.03.2026					
		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	2,627.29	-	-	-	-	2,627.29
(ii)	Debt securities	315.35	-	-	-	-	315.35
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	15,000.65	15,000.65
	- Associates	-	-	-	-	0.15	0.15
	- Others	-	2,597.37	177.76	2,775.13	-	2,775.13
(iv)	Preference Shares	72.95	-	-	-	-	72.95
	Total Investments	**3,015.59**	**2,597.37**	**177.76**	**2,775.13**	**15,000.80**	**20,791.52**
(B)	**Geography wise investment**						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	3,015.59	2,597.37	177.76	2,775.13	15,000.80	20,791.52
	Gross Geography wise investment	**3,015.59**	**2,597.37**	**177.76**	**2,775.13**	**15,000.80**	**20,791.52**
	Less: Impairment loss allowance	(73.39)	-	-	-	-	(73.39)
	Net Geography wise investment	**2,942.20**	**2,597.37**	**177.76**	**2,775.13**	**15,000.80**	**20,718.13**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ 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**

* 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 31.03.2026			As at 31.03.2025		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(i)	**Government Securities - Quoted@ ****	Amortised Cost	**24,96,64,700**	**100**	**2,627.29**	24,96,64,700	100	2,635.70
(ii)	**Debt securities@****							
	- Bonds from State Power Corporation - Quoted	Amortised Cost	**2,250**	**10,00,000**	**225.06**	2,625	10,00,000	262.58
	Debentures - Unquoted							
	- 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
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	FVTPL	**1,75,26,000**	**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	**92,94,586**	**100**	**90.29**	1,00,91,263	100	100.91
	- TRN Energy Private Limited -OCD - Series A	FVTPL	**3,00,70,000**	**100**	**0.00**	-	-	-
	- TRN Energy Private Limited -OCD - Series B	FVTPL	**2,76,86,000**	**100**	**0.00**	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Sr. No.	Particulars	Measured at	As at 31.03.2026			As at 31.03.2025		
			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	-	10	-	50,000	10	0.05
	- PFC Infra Finance IFSC Limited - Unquoted*	Cost	50,00,00,000	10	500.00	10,00,00,000	10	100.00
	Associates							
	- Companies for development of Ultra Mega Power Projects (3/11 companies) - Unquoted *##	Cost	1,50,000	10	0.15	5,50,000	10	0.55
	Others							
	- PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	189.06	1,20,00,000	10	196.33
	- Coal India Limited - Quoted **	Designated - FVTOCI	1,39,64,530	10	629.03	1,39,64,530	10	556.07
	- NHPC Limited - Quoted	Designated - FVTOCI	10,26,79,475	10	756.95	10,26,79,475	10	844.03
	- Power Exchange India Limited - Unquoted*	Designated - FVTOCI	32,20,000	10	6.48	32,20,000	10	5.06
	- Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	526.56	13,31,04,997	2	754.17
	- Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	24,55,00,000	10	40.27	24,55,00,000	10	101.18
	- Jhabua Power Limited - Unquoted ***	Designated - FVTOCI	6,90,45,455	10	424.62	6,90,45,455	10	418.61
	- Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	239	10	24.40	239	10	13.91
	- KSK Mahanadi Power Company Limited- Unquoted***	Designated - FVTOCI	2,665	10	0.00	2,665	10	0.00
	- RattanIndia Power Limited - Quoted	FVTPL	23,51,27,715	10	177.76	23,51,27,715	10	230.19
	- RKM PowerGen Pvt. Ltd - Unquoted	FVTPL	40,39,15,920	10	0.00	40,39,15,920	10	0.00
	- TRN Energy Private Limited - Unquoted	Designated - FVTOCI	7,53,87,045	10	0.00			
(iv)	**Preference Shares - Unquoted**							
	- 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				**20,791.52**			**20,792.94**
	Less: Impairment Loss Allowance				**(73.39)**			**(72.95)**
	Net Investments				**20,718.13**			**20,719.99**

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, OCD - Optionally Convertible Debenture, NCD- Non Convertible Debentures

@ includes interest accrued but not due

Under the proces of strike off

Three UMPPS have been struck off and five others have been filed for struck off with Registrar of Companies during the FY 2025-26.

* Investment held in physical form

** earmarked for HQLA (excluding GoI Securities with a face value of ₹112.94 crore (previous years Nil) held as collateral with Clearing Corporation of India Limited for initial margin). Refer Note 53.24 for disclosure regarding High Quality Liquid Assets (HQLA)

*** Equity shares held by the lender's trustee on behalf of Company

**** Number of OCD's are subject to corporate action pending from borrower side on account of ₹ 218 crore realised during the FY 2024-25

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

12.2 Movement of impairment loss allowance on investments

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Opening Balance	**72.95**	72.95
Add: Impairment loss allowance recognized during the year	**0.44**	-
Less: Reversal of excess impairment loss allowance during the year	**-**	-
Closing Balance	**73.39**	**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	
			31.03.2026	31.03.2025
A.	**Subsidiaries:**			
(i)	REC Limited	India	**52.63%**	52.63%
(ii)	PFC Consulting Limited	India	**100%**	100%
(iii)	PFC Projects Limited#	India	**-**	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%
(iv)	Ghogarpalli Integrated Power Company Limited*	India	**-**	100%
(v)	Deoghar Mega Power Limited#	India	**-**	100%
(vi)	Cheyyur Infra Limited#	India	**-**	100%
(vii)	Odisha Infrapower Limited*	India	**-**	100%
(viii)	Deoghar Infra Limited#	India	**-**	100%
(ix)	Bihar Infrapower Limited#	India	**-**	100%
(x)	Bihar Mega Power Limited**	India	**100%**	100%
(xi)	Jharkhand Infrapower Limited#	India	**-**	100%

*struck off during the year by the Registrar of Companies.

#Filed for struck off during the year by the Registrar of Companies.

**As per directions received from Ministry of Power, GoI, 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, 2026

Details of FVTOCI instruments de-recognised during the year:

Details of investment	No. of shares/units de-recognised	Fair Value as on date of de-recognition (in ₹ Cr)	Cumulative gain/ (loss) on de-recognition (in ₹ Cr)
FY 2025-26			
NHPC Limited	-	-	-
FY 2024-25			
NHPC Limited[(a)]	1,49,99,717	161.01	114.38

(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.

Dividend income earned on equity/Invit investments designated at FVOCI is ₹ 89.09 crore for current financial year (previous year ₹ 82.08 crore).

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 31.03.2026	As at 31.03.2025
(i)	Recoverable on account of Government of India Serviced Bonds	**5,038.21**	5,038.21
(ii)	Advances to Subsidiaries and Associates	**133.71**	217.40
(iii)	Security Deposits	**5.80**	5.19
(iv)	Advances to Employees	**140.32**	140.06
(v)	Dividend Receivable	**-**	498.96
(vi)	Others	**137.44**	80.99
	Less: Impairment loss allowance on Others	**(21.76)**	(29.09)
	Total Other Financial Assets	**5,433.72**	**5,951.72**

13.1 Detail of Advances to KMPs (Included in Note 13 (iv) above):

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Advances to KMPs (including interest accrued)	**0.98**	1.17
(ii)	Advances to KMPs (including interest accrued) as a % of Employee Advances	**0.70%**	0.84%

13.2 Movement of Impairment on Other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(i)	Opening Balance	**29.09**	21.46
(ii)	Add: Creation during the year	**8.24**	13.79
(iii)	Less: Reversal during the year	**(15.57)**	(6.16)
	Closing Balance	**21.76**	**29.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

14 CURRENT TAX ASSETS/LIABILITIES (NET)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Advance income tax and TDS net of Provision	178.11	133.83
(ii)	Tax deposited on income tax demands under contest	-	94.41
	Current Tax Assets (Net)	**178.11**	**228.24**
(i)	Provision for income tax net of Advance Tax	22.04	50.92
	Current Tax Liabilities (Net)	**22.04**	**50.92**

15 PROPERTY, PLANT AND EQUIPMENT (PPE), INTANGIBLE ASSETS UNDER DEVELOPMENT AND INTANGIBLE ASSETS

FY 2025-26

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)							Intangible Assets under development	Intangible Assets
	Freehold Land	Buildings	EDP Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2025	**3.38**	**24.92**	**31.78**	**47.11**	**18.14**	**0.13**	**125.46**	**11.98**	**15.76**
Additions	-	-	33.26	14.82	4.56	-	52.64	3.87	-
Disposals/Adjustments	-	-	(7.31)	(27.21)	(5.85)	-	(40.37)	-	(0.12)
Gross Carrying Amount as on 31.03.2026 (A)	**3.38**	**24.92**	**57.73**	**34.72**	**16.85**	**0.13**	**137.73**	**15.85**	**15.64**
Accumulated Depreciation/ Amortisation as on 01.04.2025	**-**	**15.19**	**23.96**	**28.22**	**11.30**	**0.11**	**78.78**	**-**	**10.53**
Charge for the year	-	0.47	10.51	9.32	2.34	0.01	22.65	-	1.08
Assets disposed/ written off from books	-	-	(5.89)	(15.91)	(4.03)	-	(25.83)	-	(0.12)
Accumulated Depreciation/ Amortisation as on 31.03.2026 (B)	**-**	**15.66**	**28.58**	**21.63**	**9.61**	**0.12**	**75.60**	**-**	**11.49**
Net Carrying Amount as on 31.03.2026 (A-B)	**3.38**	**9.26**	**29.15**	**13.09**	**7.24**	**0.01**	**62.13**	**15.85**	**4.15**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

FY 2024-25

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)							Intangible assets under development	Intangible Assets
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2024	**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**

Right-of-use Assets

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Balance of Leasehold Land	**33.50**	33.95
Additions	**-**	-
Less: Depreciation*	**(0.45)**	(0.45)
Closing Balance of Leasehold Land	**33.05**	**33.50**

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

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) and Note 5.5(viii) as modified. Refer Note 49 for details.

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	Building	EDP Equipment		Office Equipment	Furniture and Fixture	Vehicles	Intangible Assets
		Servers and networks	End user devices i.e. desktops, laptops etc.				
Useful Life (in Years)	60	6	3	5	10	8	5
Residual value as a % of original Cost	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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026	As at 31.03.2025
Gross Carrying Value	4.12	4.12
Net Carrying Value	3.31	3.33

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 31.03.2026					
Projects in progress	3.87	0.78	-	11.20	15.85
Projects temporarily suspended	-	-	-	-	-
Total	**3.87**	**0.78**	**-**	**11.20**	**15.85**
As at 31.03.2025					
Projects in progress	0.78		11.20	-	11.98
Projects temporarily suspended	-	-	-	-	-
Total	**0.78**	**-**	**11.20**	**-**	**11.98**

15.8 Intangible assets under development completion schedule:

(₹ in crore)

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 31.03.2026					
Project in progress	15.85	-	-	-	15.85
As at 31.03.2025					
Project in progress	-	11.98	-	-	11.98

16 OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Prepaid Expenses	6.55	11.24
(ii)	Deferred employee benefits	52.07	53.51
(iii)	Advance towards Capital assets	1,594.26	1,377.20
(iv)	Amount Recoverable From Income Tax Deptt.	61.69	26.75
(v)	Advance Towards Contractual Obligations - CSR	39.05	37.50
(vi)	Excess Spent - CSR Expenses	0.47	-
(vii)	Security Deposits - Non Refundable	18.40	-
(viii)	Others	31.96	14.52
	Total Other Non-Financial Assets	**1,804.45**	**1,520.72**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026	As at 31.03.2025
(A)	**Secured Bonds/Debenture**		
(i)	- Infrastructure Bonds (Refer note 17.5)	**38.51**	38.51
(ii)	- Tax Free Bonds (Refer note 17.8)	**7,031.13**	7,485.57
(iii)	- 54EC Capital Gain Tax Exemption Bonds (Refer note 17.9)	**10,258.01**	9,943.09
(iv)	- Taxable Bonds (Refer note 17.10)	**7,826.87**	7,251.51
	Sub-Total (A)	**25,154.52**	**24,718.68**
(B)	**Unsecured Bonds/Debenture**		
(i)	- Taxable Bonds (Refer note 17.12)	**2,59,839.63**	2,46,622.52
(ii)	- Foreign Currency Notes (Refer note 17.13)	**36,399.20**	32,723.23
(iii)	- Commercial Paper (Refer note 17.14)	**6,505.37**	5,996.24
	Sub-Total (B)	**3,02,744.20**	**2,85,341.99**
(C)	**Total Principal Outstanding of Debt Securities (A+B)**	**3,27,898.72**	**3,10,060.67**
(D)	Interest accrued but not due on (C) above	**9,733.25**	9,508.46
(E)	Unamortised Transaction Cost on (C) above	**(260.63)**	(209.18)
(F)	Hedging Adjustments - Loan Liability - FV Hedge on (C) above	**(208.33)**	387.82
	Total Debt Securities (C to F)	**3,37,163.01**	**3,19,747.77**
	Geography wise Debt Securities		
(i)	Debt Securities in India	**3,00,447.30**	2,86,764.44
(ii)	Debt Securities outside India	**36,715.71**	32,983.33
	Total Geography wise Debt Securities	**3,37,163.01**	**3,19,747.77**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

17.5 Details of 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
			31.03.2026	31.03.2025			
1	Infrastructure Bonds (2010-11) - Series III	8.50%	**5.27**	5.27	31.03.2026	17.6	Due on 31.03.26, but Repaid in FY 2026-27(02.04.26)
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	**19.33**	19.33	31.03.2026	17.7	Redeemable at par 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		Redeemable at par with cumulative interest compounded annually, 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 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 with cumulative interest compounded annually, 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.

17.8 Details of 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
			31.03.2026	31.03.2025			
1	Tax Free Bonds Series 136	7.16%	-	300.00	17.07.2025	17.11	Repaid in FY 2025-26
2	Tax Free Bonds (2015-16) Series 1B	7.36%	-	77.22	17.10.2025		
3	Tax Free Bonds (2015-16) Series 1A	7.11%	-	77.23	17.10.2025		
4	Tax Free Bond Series 79-B	7.75%	**217.99**	217.99	15.10.2026		Redeemable at par on maturity
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%	**167.96**	171.38	04.01.2028		
10	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	**189.04**	185.62	04.01.2028		
11	Tax Free Bonds (2012-13) Tranch II	7.54%	**53.21**	52.18	28.03.2028		

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2026	31.03.2025			
12	Tax Free Bonds (2012-13) Tranch II	7.04%	**16.00**	17.03	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**	44.45	17.10.2030		
17	Tax Free Bonds (2015-16) Series 2-A	7.27%	**132.05**	132.05	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**	127.37	17.10.2035		
21	Tax Free Bonds (2015-16) Series 3-A	7.35%	**241.68**	241.68	17.10.2035		
	Total		**7,031.13**	**7,485.57**			

17.9 Details of 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
			31.03.2026	31.03.2025		
1	Series III (FY 2019-20)	5.75%	-	129.01		Repaid in FY 2025-26
2	Series IV (FY 2020-21)	5.75%	-	252.38		
3	Series IV (FY 2020-21)	5.00%	**238.47**	685.41		Repaid in FY 2025-26 (₹238.47 Cr repaid on 02.04.26)
4	Series V (FY 2021-22)	5.00%	**1,434.64**	1,434.64		Redeemable at par during FY 2026-27
5	Series VI (FY 2022-23)	5.00%	**2,600.87**	2,600.87	17.11	Redeemable at par during FY 2027-28
6	Series VII (FY 2023-24)	5.25%	**2,740.99**	2,740.99		Redeemable at par during FY 2028-29
7	Series VIII(FY 2024-25)	5.25%	**2,099.77**	2,099.77		Redeemable at par during FY 2029-30
8	Series IX(FY 2025-26)	5.25%	**1,143.27**	-		Redeemable at par during FY 2030-31
	Total		**10,258.01**	**9,943.09**		

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for the year ended March 31, 2026

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
			31.03.2026	31.03.2025			
1	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	-	27.05	22.01.2026		Repaid in FY 2025-26
2	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	-	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		
11	Secured Public Issue (25-26) 6.85 Tranch1 Series1 Category12	6.85%	**1.08**	-	03.02.2031		
12	Secured Public Issue (25-26) 6.90 Tranch1 Series1 Category3	6.90%	**2.95**	-	03.02.2031		
13	Secured Public Issue (25-26) 7.00 Tranch 1 Series1 Category 4	7.00%	**20.52**	-	03.02.2031	17.11	Redeemable at par on maturity
14	7 47 SEC TAX NCD 2324 PI TR I SR II CAT I-II	7.47%	**362.51**	362.51	01.08.2033		
15	7 53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV	7.53%	**45.48**	45.48	01.08.2033		
16	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	**1,330.05**	1,330.05	22.01.2036		
17	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	**50.05**	50.05	22.01.2036		
18	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	**53.36**	53.36	22.01.2036		
19	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	**3.51**	3.51	22.01.2036		
20	Secured Public Issue (25-26) 7.00 Tranch1 Series2 Category12	7.00%	**32.06**	-	03.02.2036		
21	Secured Public Issue (25-26) 7.10 Tranch 1 Series2 Category3	7.10%	**2.15**	-	03.02.2036		
22	Secured Public Issue (25-26) 7.20 Tranch1 Series2 Category4	7.20%	**13.04**	-	03.02.2036		
23	Secured Public Issue (25-26) 6.80 Tranch1 Series3 Category12	6.80%	**266.34**	-	03.03.2036		
24	Secured Public Issue (25-26) 6.85 Tranch1 Series3 Category3	6.85%	**82.68**	-	03.03.2036		
25	Secured Public Issue (25-26) 6.95 Tranch1 Series3 Category4	6.95%	**136.78**	-	03.03.2036		

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for the year ended March 31, 2026

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2026	31.03.2025			
26	7 50 SEC TAX NCD 2324 PI TR I SR III CAT I-II	7.50%	**183.70**	183.70	01.08.2038		
27	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		
28	Secured Public Issue (25-26) 7.05 Tranch1 Series4 Category12	7.05%	**7.61**	-	03.02.2041		
29	Secured Public Issue (25-26) 7.20 Tranch 1 Series4 Category 3	7.20%	**10.61**	-	03.02.2041		
30	Secured Public Issue (25-26) 7.30 Tranch1 Series4 Category4	7.30%	**21.83**	-	03.02.2041		
31	Secured Public Issue (25-26) 7.20 Tranch1 Series5 Category3	7.20%	**1.52**	-	03.02.2041		
32	Secured Public Issue (25-26) 7.30 Tranch1 Series5 Category4	7.30%	**6.76**	-	03.02.2041		
	Total		**7,826.87**	**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.

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
			31.03.2026	31.03.2025		
1	Series 204A	5.77%	-	900.00	11.04.2025	
2	Series 130-C	8.39%	-	925.00	19.04.2025	Repaid in FY 2025-26
3	Series 199B	7.16%	-	1,320.00	24.04.2025	
4	7 44 TX UNS BND SRS 229 (2Y Put Call)	7.44%	-	1,550.00	09.05.2025	Redemption due to exercise of call option
5	Series 65 III	8.70%	-	1,337.50	14.05.2025	
6	Series 202B	7.17%	-	810.00	22.05.2025	
7	7 17 TX UNS BND SRS 202B R1	7.17%	-	3,100.00	22.05.2025	
8	Series 66-B	8.75%	-	1,532.00	15.06.2025	
9	Series 210A - STRPP1	6.35%	-	405.60	30.06.2025	
10	Series 215	7.13%	-	2,420.00	08.08.2025	Repaid in FY 2025-26
11	Series 217B STRPP I	7.15%	-	276.40	08.09.2025	
12	Series 208	6.50%	-	2,806.00	17.09.2025	
13	Series 141-B	8.40%	-	1,000.00	18.09.2025	
14	Series 218	7.59%	-	1,450.00	03.11.2025	
15	Series 71	9.05%	-	192.70	15.12.2025	
16	Series 222	7.58%	-	2,540.00	15.01.2026	
17	7 75 TX UNS BND SRS 248A	7.75%	**1,685.00**	1,685.00	15.04.2026	
18	Series 147	8.03%	**1,000.00**	1,000.00	02.05.2026	Redeemable at par on maturity
19	7 37 TX UNS BND SRS 230	7.37%	**2,990.00**	2,990.00	22.05.2026	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
20	Series 210A - STRPP2	6.35%	540.80	540.80	30.06.2026	
21	Series 216	7.13%	3,000.00	3,000.00	15.07.2026	
22	Series 225A	7.77%	3,262.70	3,262.70	15.07.2026	
23	7 55 TX UNS BND SRS 228A	7.55%	2,330.00	2,330.00	15.07.2026	
24	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026	
25	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026	
26	7 64 TX UNS BND SRS 233B	7.64%	2,500.00	2,500.00	25.08.2026	
27	ZCB TX UNS BND SRS 233A YTM 7 65	7.65%	580.68	539.37	25.08.2026	
28	Series 212A	6.09%	2,450.00	2,450.00	27.08.2026	
29	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026	
30	Series 217B STRPP II	7.15%	276.40	276.40	08.09.2026	
31	Series 227A	7.70%	1,200.00	1,200.00	15.09.2026	
32	Series 151-B	7.56%	210.00	210.00	16.09.2026	
33	Series 152	7.55%	4,000.00	4,000.00	25.09.2026	
34	Series 155	7.23%	2,635.00	2,635.00	05.01.2027	
35	7 55 TX UNS BND SRS 238	7.55%	2,754.00	2,754.00	15.04.2027	
36	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027	
37	Series 210A - STRPP3	6.35%	405.60	405.60	30.06.2027	
38	6 27 TX UNS BND SRS 251A	6.27%	2,500.00	-	15.07.2027	
39	6 27 TX UNS BND SRS 251A R1	6.27%	2,450.00	-	15.07.2027	
40	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027	
41	Series 217B STRPP III	7.15%	276.40	276.40	08.09.2027	Redeemable at par on maturity
42	6 73 TX UNS BND SRS 253	6.73%	3,450.00	-	15.10.2027	
43	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027	
44	Series 171	7.62%	5,000.00	5,000.00	15.12.2027	
45	Series 221B	7.59%	3,500.00	3,500.00	17.01.2028	
46	Series 172	7.74%	850.00	850.00	29.01.2028	
47	6 92 TX UNS BND SRS 258A	6.92%	2,000.00	-	16.02.2028	
48	6 96 TX UNS BND SRS 259A	6.96%	3,000.00	-	02.03.2028	
49	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028	
50	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028	
51	Series 103	8.94%	2,807.00	2,807.00	25.03.2028	
52	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	
53	Series 227B	7.77%	1,390.00	1,390.00	15.04.2028	
54	7 42 TX UNS BND SRS 246A	7.42%	4,000.00	4,000.00	15.04.2028	
55	7 45 TX UNS BND SRS 248B	7.45%	4,000.00	4,000.00	15.07.2028	
56	6 61 TX UNS BND SRS 250A	6.61%	2,450.00	-	15.07.2028	
57	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
58	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
59	7.60 TX UNS BND SRS 237A	7.60%	3,000.00	3,000.00	13.04.2029	
60	Series 187 B	8.85%	1,982.10	1,982.10	27.05.2029	
61	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
62	Series193	7.93%	4,710.50	4,710.50	31.12.2029	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
63	7 40 TX UNS BND SRS 244B	7.40%	2,545.00	2,545.00	15.01.2030	
64	7 44 TX UNS BND SRS 247A	7.44%	3,340.00	3,340.00	15.01.2030	
65	Series 196R1	7.41%	1,500.00	1,500.00	25.02.2030	
66	Series 196	7.41%	2,500.00	2,500.00	25.02.2030	
67	Series 225B STRPP I	7.82%	625.00	625.00	13.03.2030	
68	Series 195	7.86%	1,100.00	1,100.00	12.04.2030	
69	7 86 TX UNS BND SRS 195 R1	7.86%	1,260.00	1,260.00	12.04.2030	
70	Series 200	7.40%	2,920.00	2,920.00	08.05.2030	
71	Series 197	7.41%	5,000.00	5,000.00	15.05.2030	
72	Series 203B	7.75%	3,318.00	3,318.00	11.06.2030	
73	Series 66-C	8.85%	633.00	633.00	15.06.2030	
74	Series 201	7.68%	3,101.30	3,101.30	15.07.2030	
75	6 64 TX UNS BND SRS 250B	6.64%	2,500.00	-	15.07.2030	
76	6 64 TX UNS BND SRS 250B R1	6.64%	2,425.00	-	15.07.2030	
77	Series 202C	7.79%	1,936.00	1,936.00	22.07.2030	
78	Series 205A	7.05%	1,610.10	1,610.10	09.08.2030	
79	6 59 TX UNS BND SRS 251B	6.59%	1,980.00	-	15.10.2030	
80	6 59 TX UNS BND SRS 251B R1	6.59%	2,500.00	-	15.10.2030	
81	Series 71	9.05%	192.70	192.70	15.12.2030	
82	Series 207R1	7.04%	2,549.10	2,549.10	16.12.2030	
83	Series 207	7.04%	1,097.40	1,097.40	16.12.2030	
84	7 24 TX UNS BND SRS 258B	7.24%	2,000.00	-	17.02.2031	Redeemable at par on maturity
85	Series 225B STRPP II	7.82%	625.00	625.00	13.03.2031	
86	Series 204B	6.88%	1,300.00	1,300.00	11.04.2031	
87	Series 213	6.95%	1,988.00	1,988.00	01.10.2031	
88	7 27 TX UNS BND SRS 242A	7.27%	3,500.00	3,500.00	15.10.2031	
89	7 38 TX UNS BND SRS 246B	7.38%	2,835.00	2,835.00	15.01.2032	
90	Series 225B STRPP III	7.82%	625.00	625.00	12.03.2032	
91	Series 214 (BBETF)	6.92%	1,180.00	1,180.00	14.04.2032	
92	6 92 TX UNS BND SRS 214 R1	6.92%	1,330.00	1,330.00	14.04.2032	
93	Series 217A	7.42%	4,000.00	4,000.00	08.09.2032	
94	Series 223	7.64%	3,500.00	3,500.00	22.02.2033	
95	Series 225B STRPP IV	7.82%	625.00	625.00	11.03.2033	
96	Series 220	7.58%	470.00	470.00	15.04.2033	
97	Series 226A	7.66%	1,200.00	1,200.00	15.04.2033	
98	Series 226B	7.70%	583.50	583.50	15.04.2033	
99	7 57 TX UNS BND SRS 232	7.57%	3,000.00	3,000.00	12.07.2033	
100	7 62 TX UNS BND SRS 228B	7.62%	2,102.00	2,102.00	15.07.2033	
101	7 60 TX UNS BND SRS 233C	7.60%	3,500.00	3,500.00	25.08.2033	
102	Series 179-B	8.64%	528.40	528.40	19.11.2033	
103	7 70 TX UNS BND SRS 234	7.70%	2,625.00	2,625.00	30.11.2033	
104	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
105	7.49 TX UNS BND SRS 237B	7.49%	3,000.00	3,000.00	22.02.2034	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
106	Series 186	8.79%	2,578.90	2,578.90	30.04.2034	
107	7 44 TX UNS BND SRS 239	7.44%	3,178.00	3,178.00	15.07.2034	
108	Series 189	8.15%	4,035.00	4,035.00	08.08.2034	
109	Series 190	8.25%	4,016.00	4,016.00	06.09.2034	
110	7 30 TX UNS BND SRS 241	7.30%	2,741.10	2,741.10	16.10.2034	
111	7 10 TX UNS BND SRS 243B	7.10%	3,052.00	3,052.00	15.01.2035	
112	7 24 TX UNS BND SRS 245A	7.24%	2,500.00	2,500.00	15.01.2035	
113	7 40 TX UNS BND SRS 247B	7.40%	3,075.00	3,075.00	15.01.2035	
114	Series 205B	7.20%	1,605.70	1,605.70	10.08.2035	
115	Series 209	7.34%	1,711.00	1,711.00	29.09.2035	
116	7 08 TX UNS BND SRS 255	7.08%	3,000.00	-	27.11.2035	
117	7 31 TX UNS BND SRS 259B	7.31%	3,000.00	-	03.03.2036	
118	Series 210B	7.11%	1,933.50	1,933.50	30.06.2036	Redeemable at par on maturity
119	Series 212B	7.15%	2,343.68	2,343.68	27.08.2036	
120	Series 219	7.65%	4,000.00	4,000.00	13.11.2037	
121	Series 221A	7.72%	2,782.70	2,782.70	19.12.2037	
122	Series 224	7.82%	3,468.50	3,468.50	06.03.2038	
123	7 48 TX UNS BND SRS 231	7.48%	3,896.90	3,896.90	20.06.2038	
124	7 69 TX UNS BND SRS 235	7.69%	3,335.00	3,335.00	15.12.2038	
125	7 32 TX UNS BND SRS 240	7.32%	3,050.00	3,050.00	15.07.2039	
126	7 22 TX UNS BND SRS 242B	7.22%	3,226.55	3,226.55	15.10.2039	
127	7 11 TX UNS BND SRS 243A	7.11%	3,200.00	3,200.00	16.01.2040	
128	7 16 TX UNS BND SRS 244A	7.16%	2,700.00	2,700.00	16.01.2040	
129	7 10 TX UNS BND SRS 254	7.10%	2,486.00	-	12.11.2040	
130	7 25 TX UNS BND SRS 245B	7.25%	1,450.00	1,450.00	16.01.2045	
	Total		**2,59,839.63**	**2,46,622.52**		

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
			31.03.2026	31.03.2025		
1	3.75% USD Green Bonds 2027	3.75%	3,786.17	3,423.26	06.12.2027	
2	5.25% USD Bonds 2028	5.25%	2,839.63	2,567.44	10.08.2028	
3	1.841% EUR Bonds 2028	1.84%	3,270.19	2,769.74	21.09.2028	
4	6.15% USD Bonds 2028	6.15%	4,732.72	4,279.07	06.12.2028	Redeemable at par on maturity
5	4.50% USD Bonds 2029	4.50%	5,679.26	5,134.88	18.06.2029	
6	3.90% USD Bonds 2029	3.90%	4,259.44	3,851.16	16.09.2029	
7	3.95% USD Bonds 2030	3.95%	7,099.07	6,418.60	23.04.2030	
8	3.35% USD Bonds 2031	3.35%	4,732.72	4,279.07	16.05.2031	
	Total		**36,399.20**	**32,723.23**		

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17.14 The details of Commercial Papers outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
1	CP 118	7.80%	-	1,675.00	15.04.2025	Repaid in FY 2025-26
2	CP117A	7.53%	-	3,000.00	23.06.2025	
3	CP117B	7.55%	-	1,450.00	15.12.2025	
4	CP-120	6.40%	3,000.00	-	15.04.2026	Redeemable at par on maturity
5	CP-122	7.65%	3,575.00	-	25.06.2026	
	Total (A)		**6,575.00**	**6,125.00**		
	Less:Unamortised Financial charge (B)		69.63	128.76		
	Total C= (A-B)		**6,505.37**	**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 31.03.2026	As at 31.03.2025
(A)	**Secured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Rupee Term Loans (Refer note 18.3)	-	1,216.25
(ii)	Other Loans from Banks		
	- Loan against Term Deposits (Refer note 18.5)	849.12	5,923.35
	Sub-Total (A)	**849.12**	**7,139.60**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 18.6)	51,187.75	52,283.65
	- Rupee Term Loans (Refer note 18.7)	87,168.06	80,160.71
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans- Multilateral/Bilateral Agencies (Refer note 18.8)	9,925.87	4,124.95
	- 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
	Sub-Total (B)	**1,55,781.68**	**1,45,051.31**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) - (A+B)**	**1,56,630.80**	**1,52,190.91**
(D)	Interest accrued but not due on (C) above	542.50	594.73
(E)	Unamortised Transaction Cost on (C) above	(552.49)	(582.32)
	Total Borrowings (other than Debt Securities) (C to E)	**1,56,620.81**	**1,52,203.32**
	Geography wise Borrowings		
(i)	Borrowings in India	95,683.59	95,980.01
(ii)	Borrowings outside India	60,937.22	56,223.31
	Total Geography wise Borrowings	**1,56,620.81**	**1,52,203.32**

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.

Notes to the Standalone Financial Statements

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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
		31.03.2026	31.03.2025		
1	Punjab National Bank	-	56.25	15.04.2025	Repaid in FY 2025-26
2	Union Bank of India	-	450.00	15.04.2025	
3	State Bank of India	-	710.00	10.07.2025	
	Total Secured Rupee Term Loans	**-**	**1,216.25**		

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.

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
		31.03.2026	31.03.2025		
1	Yes Bank	-	495.00	02.04.2025	Repaid in FY 2025-26
2	Indian Bank	-	563.68	02.04.2025	
3	United Bank of India	-	1,995.00	02.04.2025	
4	Bank of India	-	1,596.59	02.04.2025	
5	Bandhan Bank	-	401.28	02.04.2025	
6	RBL Bank	-	450.00	02.04.2025	
7	Jammu and Kashmir Bank	**456.65**	421.80	04.04.2026	₹ 421.80 crore repaid on 02.04.2025
8	State Bank of India	**30.22**	-	02.04.2026	Repaid on 02.04.2026
9	Punjab National Bank	**362.25**	-	04.04.2026	Repaid on 04.04.2026
	Total Loan against Term Deposits	**849.12**	**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
		31.03.2026	31.03.2025		
1	11 FCNR USD 175M 120924	-	1,497.67	12.09.2025	Repaid in FY 2025-26
2	SLN 30	-	855.81	13.10.2025	
3	SLN 30	-	2,567.44	05.11.2025	
4	12 STFCTL USD 150M 291124	-	1,283.72	29.11.2025	
5	13 FCNR USD 110M 271224	-	941.40	27.12.2025	
6	14 FCNR USD 250M 280325	-	2,139.54	28.03.2026	
7	31 A FCTL USD 525M 301121	**4,969.35**	4,493.02	30.11.2026	Bullet Repayment at the end of the tenor
8	31 B FCTL USD 100M 301121	**946.54**	855.81	30.11.2026	
9	32 A FCTL JPY 89208M 281222	**5,285.57**	5,062.55	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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2026	Principal Amount (₹ in crore) outstanding as at 31.03.2025	Date of Redemption	Redemption details
10	33 A FCTL USD 500M 250923	**4,732.72**	4,279.07	25.09.2028	Redeemable in 2 instalments: 50% loan amount on 25.09.2028 & balance outstanding on 27.09.2028.
11	33 B FCTL USD 600M 191223	**5,679.26**	5,134.88	19.12.2028	Bullet Repayment at the end of the tenor
12	34 A FCTL USD 250M 220324	**2,366.36**	2,139.54	22.03.2029	
13	34 B FCTL JPY 7577M 220324	**448.92**	429.98	22.06.2029	
14	35 A FCTL JPY 52419M 260924	**3,105.85**	2,974.81	26.09.2029	
15	35 B FCTL EUR 450M 260924	**4,912.41**	4,160.64	26.09.2029	Redeemable in 2 instalments: 50% loan amount on 26.09.2029 & balance outstanding on 24.12.2029.
16	35 C FCTL USD 400M 211124	**3,786.17**	3,423.26	21.11.2029	Bullet Repayment at the end of the tenor
17	32 B FCTL JPY 26762M 050123	**1,585.65**	1,518.74	05.01.2030	
18	36 FCTL USD 100M 060225	**946.54**	855.81	06.02.2030	
19	37 FCTL JPY 22341M 210325	**1,323.70**	1,267.85	21.03.2030	
20	38A FCTL USD 75M 250325	**709.91**	641.86	25.03.2030	
21	38B FCTL GBP 135M 250325	**1,692.41**	1,491.75	25.03.2030	
22	40 FCTL JPY 37405M 270325	**2,216.25**	2,122.73	27.03.2030	
23	39 FCTL USD 100M 280325	**946.54**	855.81	28.03.2030	
24	41 FCTL EUR 427M 231225	**4,186.83**	-	23.12.2030	
25	34 C FCTL JPY 22730M 220324	**1,346.77**	1,289.94	22.03.2031	
	Total Foreign Currency Loans	**51,187.75**	**52,283.65**		

18.7 Details of Unsecured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2026	Principal Amount (₹ in crore) outstanding as at 31.03.2025	Date of Redemption	Redemption details
1	Punjab & Sind Bank	-	500.00	15.04.2025	Repaid in FY 2025-26
2	KEB Hana Bank	-	50.00	15.04.2025	
3	Bank of Baroda	-	21.88	15.04.2025	
4	Bank of Baroda	-	35.88	15.04.2025	
5	Bank of Baroda	-	455.76	15.04.2025	
6	Bank of Baroda	-	102.78	15.04.2025	
7	Bank of Baroda	-	1,883.70	15.04.2025	
8	Canara Bank	-	100.00	22.07.2025	
9	Indusind Bank Ltd.	-	53.50	22.07.2025	
10	Central Bank	-	500.00	22.07.2025	
11	Central Bank	-	1,122.25	22.07.2025	
12	Central Bank	-	45.40	22.07.2025	
13	National Bank for Financing Infrastructure and Development	-	1,000.00	02.09.2025	
14	HDFC Bank Ltd.	-	3,000.00	30.09.2025	
15	National Bank for Financing Infrastructure and Development	-	3,500.00	10.10.2025	
16	Karnataka Bank	-	125.00	07.02.2026	
17	Indusind Bank Ltd.	-	446.50	23.02.2026	
18	ICICI Bank Ltd.	-	2,000.00	30.03.2026	
19	South Indian Bank	-	200.00	30.03.2026	

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
20	Bank of Baroda	**5,000.00**	5,000.00	17.05.2026	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
21	Canara Bank	**200.00**	600.00	22.06.2026	The loan balance is to be repaid in 2 quarterly instalments of ₹100 crore each starting from 22-Jun-2026 and ending on 22-Sep-2026
22	Karnataka Bank	**250.00**	250.00	29.06.2026	Bullet Repayment at the end of the tenor
23	HDFC Bank Ltd.	**2,550.00**	3,000.00	30.06.2026	staggered repayment of loan starting from 30-Jun-2026 and ending on 05-Sep-2030
24	Indian Bank Ltd.	**2,000.00**	2,000.00	30.06.2026	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
25	Bank of India	**250.00**	500.00	11.09.2026	The loan balance is to be repaid in 1 instalment of ₹250 crore on 11-Sep-2026
26	Bank of India	**300.00**	400.00	18.09.2026	The loan balance is to be repaid in 3 annual instalments of ₹100 crore each starting from 18-Sep-2026 and ending on 18-Sep-2028
27	UCO Bank	**1,000.00**	1,000.00	24.09.2026	Bullet Repayment at the end of the tenor
28	Punjab National Bank	**500.00**	500.00	27.09.2026	Bullet Repayment at the end of the tenor
29	Punjab National Bank	**5.00**	5.00	29.09.2026	Bullet Repayment at the end of the tenor
30	Punjab National Bank	**3,000.00**	3,000.00	29.09.2026	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
31	India Infrastructure Finance Company Limited	**1,000.00**	1,000.00	30.09.2026	Bullet Repayment at the end of the tenor
32	ICICI Bank Ltd.	**2,000.00**	-	30.09.2026	Bullet Repayment at the end of the tenor
33	Bank of Baroda	**1,470.30**	-	23.10.2026	Bullet Repayment at the end of the tenor
34	Bank of Baroda	**2,429.70**	-	30.10.2026	Bullet Repayment at the end of the tenor
35	Punjab & Sind Bank	**500.00**	-	31.10.2026	The loan is to be repaid in 2 half yearly instalments starting from 31-Oct-2026 and ending on 30-Apr-2027.
36	Central Bank	**1,500.00**	-	30.11.2026	Bullet Repayment at the end of the tenor
37	HDFC Bank Ltd.	**4,000.00**	4,000.00	31.12.2026	The loan is to be repaid in quarterly instalments starting from 31-Dec-2026 and ending on 25-Sep-2030.
38	Central Bank	**1,000.00**	-	31.12.2026	Bullet Repayment at the end of the tenor
39	Union Bank of India	**3,288.27**	-	31.01.2027	Bullet Repayment at the end of the tenor
40	Central Bank	**500.00**	-	31.01.2027	Bullet Repayment at the end of the tenor
41	Bank of India	**2,000.00**	2,000.00	02.03.2027	Bullet Repayment at the end of the tenor
42	South Indian Bank	**200.00**	200.00	29.03.2027	Bullet Repayment at the end of the tenor
43	Central Bank	**1,000.00**	1,000.00	31.03.2027	Bullet Repayment at the end of the tenor
44	Union Bank of India	**3,000.00**	3,000.00	31.03.2027	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
45	India Infrastructure Finance Company Limited	**3,000.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
46	Canara Bank	**1,500.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
47	Punjab National Bank	**1,500.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
48	Union Bank of India	**461.73**	-	30.04.2027	Bullet Repayment at the end of the tenor
49	South Indian Bank	**200.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
50	Canara Bank	**2,250.00**	2,250.00	28.06.2027	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

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
51	Canara Bank	**1,508.55**	1,508.55	29.06.2027	Bullet Repayment at the end of the tenor
52	Canara Bank	**250.00**	250.00	30.06.2027	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
53	Karnataka Bank	**300.00**	300.00	30.08.2027	Bullet Repayment at the end of the tenor
54	Canara Bank	**2,306.20**	2,306.20	30.09.2027	Bullet Repayment at the end of the tenor
55	Bank of India	**1,500.00**	1,500.00	25.02.2028	Bullet Repayment at the end of the tenor
56	UCO Bank	**1,000.00**	1,000.00	30.03.2028	Bullet Repayment at the end of the tenor
57	Punjab & Sind Bank	**1,000.00**	1,000.00	30.03.2028	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
58	South Indian Bank	**199.96**	199.96	31.05.2028	Bullet Repayment at the end of the tenor
59	HDFC Bank Ltd.	**4,000.00**	4,000.00	05.07.2028	Bullet Repayment at the end of the tenor
60	South Indian Bank	**199.96**	199.96	19.09.2028	Bullet Repayment at the end of the tenor
61	Union Bank of India	**837.19**	837.19	27.09.2028	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
62	Bank of India	**2,000.00**	-	30.09.2028	Bullet Repayment at the end of the tenor
63	State Bank of India	**9,000.00**	9,000.00	31.12.2028	The loan is to be repaid in quarterly instalments starting from 31-Dec-2028 and ending on 30-Sep-2033.
64	India Infrastructure Finance Company Limited	**2,000.00**	2,000.00	28.02.2029	Bullet Repayment at the end of the tenor
65	Punjab National Bank	**1,000.00**	1,000.00	06.12.2029	Bullet Repayment at the end of the tenor
66	India Infrastructure Finance Company Limited	**343.10**	343.10	09.12.2029	Bullet Repayment at the end of the tenor
67	India Infrastructure Finance Company Limited	**573.30**	573.30	07.01.2030	Bullet Repayment at the end of the tenor
68	India Infrastructure Finance Company Limited	**115.00**	115.00	08.01.2030	Bullet Repayment at the end of the tenor
69	India Infrastructure Finance Company Limited	**1,179.80**	1,179.80	09.01.2030	Bullet Repayment at the end of the tenor
70	India Infrastructure Finance Company Limited	**3,000.00**	3,000.00	29.03.2030	Bullet Repayment at the end of the tenor
71	Punjab National Bank	**1,000.00**	-	07.05.2030	Bullet Repayment at the end of the tenor
72	India Infrastructure Finance Company Limited	**1,000.00**	-	09.05.2030	Bullet Repayment at the end of the tenor
73	State Bank of India	**5,000.00**	5,000.00	19.12.2034	Bullet Repayment at the end of the tenor
	Total Unsecured Rupee Term Loans	**87,168.06**	**80,160.71**		

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for the year ended March 31, 2026

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
		31.03.2026	31.03.2025		
1	ADB (Guaranteed by Government of India)	**19.88**	29.37	15.04.2026	Semi Annual Instalments till 15.10.2028
2	JBIC PLA 1	**96.54**	113.19	20.04.2026	Semi Annual Instalments till 20.10.2034
3	KfW EUR 200M 030123	**895.72**	625.20	15.05.2026	Semi Annual Instalments till 15.11.2031
4	Credit National (Guaranteed by Government of India)	**1.29**	2.87	30.06.2026	Semi Annual Instalments till 30.06.2028
5	KFW I (Guaranteed by Government of India)	**38.72**	36.27	30.06.2026	Semi Annual Instalments till 30.06.2035
6	JBIC PLA 2	**79.81**	64.63	20.07.2026	Semi Annual Instalments till 20.07.2036
7	FCTL VIII JPY 25500M 260924	**1,355.01**	1,406.93	20.07.2026	Semi Annual Instalments till 18.07.2042
8	FCTL SACE EUR 200M	**2,180.13**	1,846.49	18.12.2026	Semi Annual Instalments till 18.06.2036
9	JBIC GA2 PLA1	**3,555.00**	-	15.01.2027	Semi Annual Instalments till 15.01.2037
10	FCTL IX USD 180M 301025	**1,703.78**	-	30.10.2029	Semi Annual Instalments till 30.10.2035
	Total Foreign Currency Loans	**9,925.87**	**4,124.95**		

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 140 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 31.03.2026 in Note above were raised at respective bank's Benchmark rate plus spread ranging upto 185 bps.

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
		31.03.2026	31.03.2025		
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
		31.03.2026	31.03.2025		
1	Indian Bank	**-**	982.00	27.06.2025	Repaid in FY 2025-26
	Total WCDL/OD/CC/Line of Credit	**-**	**982.00**		

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 utilized for the stated objects in the offer document/Information memorandum/facility agreement.

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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 31.03.2026	As at 31.03.2025
(A)	**Subordinated Liabilities (Unsecured)**		
(i)	Perpetual Debt Instruments (Refer note 19.1)	**575.00**	100.00
(ii)	Subordinated Bonds (Refer note 19.2)	**3,411.50**	3,411.50
(B)	Total Principal Outstanding of Subordinated Liabilities	**3,986.50**	**3,511.50**
(C)	Interest accrued but not due on (B) above	**30.68**	6.12
(D)	Unamortised Transaction Cost on (B) above	**(1.07)**	(1.02)
(E)	Hedging Adjustments - Loan Liability - FV Hedge on (B) above	**(21.66)**	47.75
	Total Subordinated Liabilities (B to E)	**3,994.45**	**3,564.35**
	Geography wise Subordinated Liabilities		
(i)	Subordinated Liabilities in India	**3,994.45**	3,564.35
(ii)	Subordinated Liabilities outside India	**-**	-
	Total Geography wise Subordinated Liabilities	**3,994.45**	**3,564.35**

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
			31.03.2026	31.03.2025		
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.
2	7.43 PERPETUAL TX UNS BND SRS 252	7.43%	**475.00**	-	NA	Perpetual, unless the Call Option is exercised on the Call Option Date (31st July, 2035 or any annually from this date after) subject to receipt of the prior approval of the RBI.
Total Perpetual Debt			**575.00**	**100.00**		

The Company has issued Perpetual Debt Instruments (PDI) of ₹ 475 crore during the year 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,

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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
			31.03.2026	31.03.2025		
1	Bond Series 184 B	9.10%	**2,411.50**	2,411.50	25.03.2029	Redeemable at par on maturity
2	Bond Series 185	8.98%	**1,000.00**	1,000.00	28.03.2029	
Total Subordinated Debt			**3,411.50**	**3,411.50**		

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 31.03.2026	As at 31.03.2025
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 20.1)	**5,038.21**	5,038.21
(ii)	Advance received from Subsidiaries and Associates	**116.93**	101.91
(iii)	Unclaimed Dividends (Refer note 20.2)	**7.48**	6.14
(iv)	Unclaimed - Bonds and Interest Accrued thereon (Refer note 20.2)		
	- Unclaimed Bonds	**0.65**	0.65
	- Unclaimed Interest on Bonds	**84.31**	78.74
(v)	Others		
	- Interest on application money and interest accrued thereon	**0.75**	0.51
	- Lease Liability (Refer note 45.1)	**8.81**	8.81
	- Derivative Liability -Variation Margin	**5,616.01**	3,182.50
	- Excess amounts received for Loan Assets	**3,527.55**	1,024.68
	- Other liabilities	**251.07**	240.13
	Total Other Financial Liabilities	**14,651.77**	**9,682.28**

20.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds):

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2026	As at 31.03.2025
(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
	Sub-Total	**5,000.00**	**5,000.00**
(v)	Interest accrued but not due on above	**38.21**	38.21
	Total GoI Serviced Bonds	**5,038.21**	**5,038.21**

20.2 Unclaimed dividends, unclaimed bonds and interest accrued 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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21. PROVISIONS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	For Employee Benefits (Refer Note 44):		
	- Gratuity	5.04	2.75
	- Leave Encashment	56.77	58.67
	- Economic Rehabilitation of Employees	7.45	7.71
	- Provision for Bonus/Incentive	51.17	48.95
	- Provision for Staff Welfare Expenses	50.43	40.53
(ii)	Impairment Loss Allowance - Letter of Comfort & Letter of Undertaking (Refer note 21.1)	21.40	50.71
(iii)	Impairment Loss Allowance - Undrawn Loan Commitment (Refer note 21.1)	134.52	-
(iv)	Provision for Unspent CSR Expense (Refer note 35)	449.40	267.06
	Total Provisions	**776.18**	**476.38**

21.1 Movement of Impairment loss allowance on Letter of Comfort & Letter of Undertaking and Undrawn Loan Commitment

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(i)	Opening balance	50.71	48.63
(ii)	Creation during the year	152.37	6.88
(iii)	Reversal during the year	(47.16)	(4.80)
	Closing balance	**155.92**	**50.71**

22 OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Unamortised Fee - Undisbursed Loan Assets	631.49	597.39
(ii)	Statutory dues payable	70.04	52.27
(iii)	Sundry Liabilities Account (Interest Capitalisation)	51.62	52.70
(iv)	Others	35.37	30.35
	Total Other Non-Financial Liabilities	**788.52**	**732.71**

23. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2026		As at 31.03.2025	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	**Authorised Capital**				
	Equity Share Capital (Par Value per share ₹10)	11,00,00,00,000	11,000.00	11,00,00,00,000	11,000.00
	Preference Share Capital (Par Value per share ₹10)	20,00,00,000	200.00	20,00,00,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**				
	Equity Share Capital (Par Value per share ₹10)	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
(C)	**Reconciliation of Equity Share Capital**				
	Opening Equity Share Capital	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
	Changes during the year	-	-	-	-
	Closing Equity Share Capital	**3,30,01,01,760**	**3,300.10**	**3,30,01,01,760**	**3,300.10**

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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 31.03.2026		As at 31.03.2025	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India (Promoters)	**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 31.03.2026			As at 31.03.2025		
		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.

24. OTHER EQUITY

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
(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)	**(457.41)**	(358.15)
(iii)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	24.1 (iii)	**18,913.35**	14,903.08
(iv)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	24.1 (iv)	**967.76**	915.33
(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)	**36,070.91**	32,611.74
(vii)	Interest Differential Reserve - KFW Loan	24.1 (vi)	**68.77**	68.90
(viii)	General Reserve	24.1 (vii)	**16,848.39**	15,933.06
(ix)	Impairment Reserve	24.1 (viii)	**89.18**	89.18
(B)	**Retained Earnings**	24.1 (ix)	**26,415.10**	**20,292.33**
(C)	**Other Comprehensive Income (OCI) Reserves**			
(i)	Equity Instruments through Other Comprehensive Income	24.1 (x)	**880.25**	1,108.99
(ii)	Effective portion of Cash Flow Hedges	24.1 (xi)	**124.75**	188.50
(iii)	Cost of Hedging Reserve	24.1 (xii)	**(3,404.80)**	(831.78)
	Total Other Equity		**99,231.84**	**87,636.77**

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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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**2,115.74**	2,115.74
Add: Transferred from Retained Earnings	**-**	-
Less: Utilised for issue of Bonus Equity Shares (including expense thereof)	**-**	-
Balance as at the end of the year	**2,115.74**	**2,115.74**

(ii) Foreign Currency Monetary Item Translation Difference Account:

It represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortized over the tenure of the respective borrowings.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**(358.15)**	(402.85)
Add: Foreign Currency Translation Gain/Loss (-) on long term monetary items during the year	**(370.62)**	(89.42)
Less: Amortisation during the year	**271.36**	134.11
Balance as at the end of the year	**(457.41)**	**(358.15)**

(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.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**14,903.08**	11,432.63
Add: Transferred from Retained Earnings	**4,010.27**	3,470.45
Less: Transferred to General Reserve	**-**	-
Balance as at the end of the year	**18,913.35**	**14,903.08**

(iv) Reserve for Bad & doubtful debts u/s 36(1)(viia)(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)(viia)(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.

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Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**915.33**	1,212.26
Add: Transferred from Retained Earnings	**971.47**	919.16
Less: Transferred to General Reserve	**(915.33)**	(1,212.26)
Less: Adjustments during the year	**(3.71)**	(3.83)
Balance as at the end of the year	**967.76**	**915.33**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**32,611.74**	29,316.21
Add: Transferred from Retained Earnings	**3,379.72**	3,245.45
Less: Transferred to General Reserve	**-**	-
Add: Adjustments during the year	**79.45**	50.08
Balance as at the end of the year	**36,070.91**	**32,611.74**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**68.90**	67.15
Add: Addition during the year	**1.59**	2.72
Less: Deletion during the year	**(1.72)**	(0.97)
Balance as at the end of the year	**68.77**	**68.90**

(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.

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Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**15,933.06**	14,720.80
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	**915.33**	1,212.26
Balance as at the end of the year	**16,848.39**	**15,933.06**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**89.18**	89.18
Add: Transferred from Retained Earnings	**-**	-
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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**20,292.33**	15,876.21
Add: Profit for the year	**20,051.34**	17,352.19
Add: Remeasurement of Defined Benefit Plans (net of taxes)	**3.17**	(4.72)
Add: Reclassification of gain/(loss) on sale/extinguishment of FVOCI equity instrument	**-**	114.38
Add: Transferred from Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	**3.71**	3.83
Less: Transferred to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	**(79.45)**	(50.08)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	**(3,379.72)**	(3,245.45)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	**(971.47)**	(919.16)
Less: Transferred to Impairment Reserve	**-**	-
Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	**(4,010.27)**	(3,470.45)
Less: Transferred to Interest Differential Reserve - KFW Loan	**0.13**	(1.75)
Less: Dividend paid during the year	**(5,494.67)**	(5,362.67)
Balance as at the end of the year	**26,415.10**	**20,292.33**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognized 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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	1,108.99	1,278.50
Add: Recognition through Other Comprehensive Income/(Expense) (net of taxes)	(228.74)	(55.13)
Less: Reclassification of (gain)/loss on sale/extinguishment of FVOCI equity instrument (net of taxes)	-	(114.38)
Balance as at the end of the year	**880.25**	**1,108.99**

(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 recognized in this reserve. The amounts recognized 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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	188.50	336.11
Add: Recognition through Other Comprehensive Income/(Expense) (net of taxes)	(63.75)	(147.61)
Balance as at the end of the year	**124.75**	**188.50**

(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 recognized in this reserve. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	(831.78)	(738.40)
Add: Recognition through Other Comprehensive Income/(Expense) (net of taxes)	(2,573.02)	(93.38)
Balance as at the end of the year	**(3,404.80)**	**(831.78)**

24.2 Dividend declared/proposed by the Company for Equity Shares of ₹ 10/- each

(i)

Particulars	FY 2025-26			FY 2024-25		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	146.00%	14.60	4,818.15	137.50%	13.75	4,537.64
Final Dividend	39.50%	3.95	1,303.54	20.50%	2.05	676.52
Total Dividend	185.50%	18.55	6,121.69	158.00%	15.80	5,214.16
Total Dividend as % of profit for the year (Total Dividend/PAT)			**30.53%**			**30.05%**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

During the current year ended 31.03.2026, an amount of ₹ 3,076.69 crores (Previous year ₹ 3,002.78 crore) has been paid to Government of India as dividend (being proportionate share in final dividend for the FY 24-25 and interim dividend for the FY 25-26).

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 13.05.2026 has proposed final dividend @ 39.50% on the paid up equity share capital i.e. ₹ 3.95/- per equity share of ₹ 10/- each for the FY 2025-26 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 31.03.2026	Year ended 31.03.2025
(A)	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	**54,353.28**	49,356.86
	Less: Rebate for Timely Payment to Borrowers	**(178.49)**	(254.36)
(ii)	Interest on Deposits with Banks	**306.22**	268.89
(iii)	Interest on Investment	**217.99**	201.90
(iv)	Other Interest Income	**325.41**	254.31
	Sub-Total (A)	**55,024.41**	**49,827.60**
(B)	**On Financial Assets Classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	**0.79**	38.44
(ii)	Other Income	**47.60**	8.66
	Sub-Total (B)	**48.39**	**47.10**
	Total Interest Income ((A)+(B))	**55,072.80**	**49,874.70**

26. DIVIDEND INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Dividend on equity investments designated at FVTOCI		
	- Investments held at the end of the year	**89.54**	82.08
	- Investments derecognized during the year	**-**	-
	Sub-Total (i)	**89.54**	**82.08**
(ii)	Dividend on equity investments at cost(Subsidiaries)	**2,862.92**	2,910.21
(iii)	Dividend on preference shares	**-**	0.01
	Total Dividend Income (i+ii+iii)	**2,952.46**	**2,992.30**

27. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Prepayment Premium on Loans	**403.96**	149.72
(ii)	Fee based Income on Loans	**34.18**	31.31
(iii)	Fee for implementation of GoI Schemes (Refer note 51)	**40.33**	51.19
	Total Fees and Commission Income	**478.47**	**232.22**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

28. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Miscellaneous Income	**37.86**	28.54
	Total Other Income	**37.86**	**28.54**

29. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings (other than Debt Securities)**		
	- Term Loans and Others	**8,589.86**	7,734.30
(ii)	**Interest on Debt Securities**		
	- Bonds/Debentures	**22,020.10**	20,991.83
	- Commercial Papers	**261.10**	8.97
(iii)	**Interest on Subordinated Liabilities**	**341.98**	407.60
(iv)	**Other Interest Expense**		
	- Interest under Income Tax Act, 1961	**-**	3.66
	- Interest expense on variation margin	**242.26**	101.19
	- Interest on liability towards employee benefits	**7.33**	6.00
	- Other interest expense*	**0.78**	0.79
(v)	**Swap Premium (Net)**	**1,713.51**	1,257.60
	Total Finance Costs	**33,176.92**	**30,511.94**

* includes interest on lease liability. (Refer Note 45.1)

30. NET TRANSLATION/TRANSACTION EXCHANGE LOSS/(GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
	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	**1,694.67**	413.64
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	**(106.36)**	53.12
	Total Net Translation/Transaction Exchange Loss/(Gain)	**1,588.31**	**466.76**

30.1 The company's foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2026	As at 31.03.2025
USD/INR	**94.6543**	85.5814
EURO/INR	**109.0064**	92.3246
JPY/INR	**0.5925**	0.5675
GBP/INR	**125.6347**	110.7389

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

31. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Agency Fees	**3.15**	2.65
(ii)	Guarantee, Listing and Trusteeship fees	**16.33**	8.73
(iii)	Other Finance Charges	**0.74**	17.28
	Total Fees and Commission Expense	**20.22**	**28.66**

32. NET LOSS/(GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
	On financial instruments at Fair value through Profit or Loss:		
(i)	On trading Portfolio	**-**	-
(ii)	Others		
	- Change in Fair Value of Derivatives	**7.23**	23.76
	- Change in Fair Value of Investments	**12.20**	(254.21)
	Sub-Total (ii)	**19.43**	**(230.45)**
	Total Net Loss/(Gain) on Fair Value changes (i+ii)	**19.43**	**(230.45)**
	Fair value changes:		
(i)	- Realised	**(40.23)**	(218.00)
(ii)	- Unrealised	**59.66**	(12.45)
	Total Net Loss/(Gain) on Fair Value changes	**19.43**	**(230.45)**

32.1 Fair value changes in this table are other than those arising on account of accrued interest income/expense.

33. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans*	**(1,914.68)**	447.40
(ii)	Other Financial Assets	**(7.33)**	7.63
(iii)	Letter of Comfort & Letter of Undertaking	**(29.31)**	2.08
(iv)	Undrawn Loan Commitment	**134.52**	-
(v)	Investment	**0.44**	-
	Total Impairment on Financial Instruments	**(1,816.36)**	**457.11**

* including write off of loans of ₹ 2,051.74 crore (previous year ₹ 1,597.26 crore) and corresponding reversal of impairment loss allowance of ₹ 2,967.84 crore (previous year ₹ 3,621.16 crore).

33.1 Refer Note 40.1 for details of impairment on financial assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

34. EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Salaries and Wages	**170.90**	167.87
(ii)	Contribution to Provident and other Funds/Schemes	**28.68**	20.49
(iii)	Staff Welfare Expenses	**62.98**	62.48
(iv)	Rent for Residential Accommodation of Employees	**17.86**	15.34
	Total Employee Benefit Expenses	**280.42**	**266.18**

34.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 44.

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 upto 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 2025-26			FY 2024-25		
		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	**81.92**	**37.74**	**119.66**	116.02	50.32**	166.34
(ii)	Amount transferred to unspent CSR bank account out of opening unspent amount	**81.92**	**-**	**81.92**	116.02	-	116.02
(iii)	Balance Opening unspent/(Excess) amount (i-ii)	**-**	**37.74**	**37.74**	-	50.32	50.32
(iv)	Amount required to be spent as per Section 135 (5) of Companies Act, 2013	**306.37**	**-**	**306.37**	257.70	-	257.70
(v)	Amount approved by the Board out of (iv) above to be spent during the year	**306.37**	**-**	**306.37**	257.70	-	257.70
(vi)	Surplus arising out of the CSR projects	**-**	**-**	**-**	-	-	-
(vii)	**Sub-Total (v + vi)**	**306.37**	**-**	**306.37**	**257.70**	**-**	**257.70**
(viii)	Amount required to be spent after set off excess spent of earlier years (iii+vii)	**306.37**	**37.74**	**344.11**	257.70	50.32	308.02
(ix)	Amount spent during the year	**52.86$**	**4.69#**	**57.55**	175.78$	12.58#	188.36
(x)	**Closing Unspent/(Excess) amount (viii - ix) @**	**253.51@**	**33.05**	**286.56**	**81.92@**	**37.74**	**119.67**

An amount of ₹ 0.47 crore spent in excess of approved CSR Budget during the year (Approved Budget ₹ 306.37 crore minus Spent during year ₹ 306.84 crore) and the same is to be set-off against the CSR budget in three succeeding financial years (Previous Year ₹ Nil).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

**Sanctioned to various projects where disbursement is being made as per agreed terms.

$ includes ₹ 11.92 crore (Previous year ₹ 2.44 crore) disbursed where utilisation is pending. Further, it excludes amount of ₹ 0.47 cr (Previous Year ₹ nil) being excess CSR spend to be carried forward due to booking of overheads after transfer to unspent CSR Account.

Includes a contribution of ₹0.71 crore (Previous year ₹1.90 crore) 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 09.04.2026 (previous year on 30.04.2025).

35.2 Unspent CSR amount of ₹ 253.51 crore (Previous year ₹ 81.92 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 31.03.2026 is ₹ 449.59 crore (previous year ₹ 267.06 crore).

35.3 Activity wise detail of amount spent during the year on CSR Activities

(₹ in crore)

Sr. No.	Particulars	FY 2025-26			FY 2024-25		
		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$	42.01	-	42.01	170.58	-	170.58
(iib)	Education/Vocational Skill development	4.47	-	4.47	0.29	-	0.29
(iic)	Environmental Sustainability (Solar Applications/Afforestation/Energy efficient LED lighting)	4.57	-	4.57	0.40	-	0.40
(iid)	Sports	-	-	-	-	-	-
(iie)	Others	-	-	-	10.24	-	10.24
(iif)	Eligible Administrative overheads including training, impact assessment etc. required to be spent on CSR	6.97	-	6.97	6.85	-	6.85
(iii)	**Total Amount Spent during FY (i +ii)***	**58.02**	**-**	**58.02**	**188.36**	**-**	**188.36**
(iv)	Add: To be transferred to Unspent CSR Account			253.51			81.92
(v)	Less: Excess CSR Spend carried forward			(0.47)			-
(vi)	**CSR Expenses charged to Standalone Statement of Profit and Loss (iii + iv + v)**			**311.06**			**270.28**

$includes a contribution of ₹24.77 crore to Swachh Bharat Kosh (previous year ₹ 168.39 crore).

*includes ₹4.69 crore (Previous year ₹12.58 crore) for the period up to 31.03.2020.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

35.4 Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:-

For FY 2025-26

(₹ 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		
-	-	306.37	NA	52.86$	NA	253.51*		FY2025-26	Various projects to support research, training, solar power, sanitation, skill development, Health care etc.
-	81.92	81.92	4.98	175.78	9.68	-	77.22	FY2024-25	
-	84.00	84.00	4.93	-	25.37	-	63.56	FY2023-24	
-	75.50	75.50	3.65**	-	23.85	-	55.3***	FY2022-23	
Cumulative amount of unspent CSR expense						**394.29**			

* Transferred on 09.04.2026 to unspent CSR Account with scheduled bank.

Includes amount transferred to Unspent CSR Bank A/c within stipulated timelines.

** Including interest of ₹ 0.23 crore earned during April'2026.

***The unutilised amount of ₹51.12 crore [₹55.30 crore (including interest earned in April 2026) minus ₹4.19 crore (paid to agencies for completed work up to 31.03.2026)] has been transferred to the 'Swachh Bharat Kosh' on 29.04.2026.

$excludes amount of ₹ 0.47 crore (Previous Year ₹ nil) being excess CSR spend to be carried forward due to booking of overheads after transfer to unspent CSR Account.

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	
Cumulative amount of unspent CSR expense						**241.42**			

* Transferred on 30.04.2025 to unspent CSR Account with scheduled bank.

** Including interest of ₹ 0.17 crore earned during April'2025.

***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.

Includes amount transfrred to Unspent CSR Bank A/c within stipulated timelines.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

36. OTHER EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Rent, Taxes and Energy Cost	8.52	9.02
(ii)	Repairs and Maintenance	11.23	9.52
(iii)	Communication Costs	2.68	2.66
(iv)	Printing and Stationery	1.62	1.65
(v)	Advertisement and Publicity	13.08	13.87
(vi)	Directors Fees, Allowance and Expenses	0.81	0.35
(vii)	Auditor's fees and expenses (Refer Note 36.1)	1.83	1.58
(viii)	Legal & Professional charges	6.69	20.49
(ix)	Insurance	0.33	0.66
(x)	Travelling and Conveyance	25.58	24.83
(xi)	Net Loss/(Gain) on sale/derecognition of PPE	5.27	4.62
(xii)	Govt. scheme monitoring expense	8.03	13.21
(xiii)	Conference and Meeting Expenses	18.32	11.23
(xiv)	Security Expenses	4.37	3.92
(xv)	Other Expenditure	54.62	47.47
	Total Other Expenses	**162.98**	**165.08**

36.1 Auditor's fees and expenses are as under:

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	As Auditor	0.72	0.65
(ii)	for Taxation matters	0.15	0.15
(iii)	for Company Law Matters (includes Limited Review Fees)	0.42	0.39
(iv)	for Other services	0.39	0.26
	Sub-total	**1.68**	**1.45**
(v)	Non-recoverable GST credit in respect of fees paid to auditors	0.15	0.13
	Total Auditor's fees and expenses	**1.83**	**1.58**

37. DISCLOSURES RELATED TO 'INCOME TAXES':

37.1 Income tax expense recognised in Standalone Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Current Tax Expense/(Income)		
Current Year	3,776.44	3,585.36
Earlier Years	4.29	(15.31)
(A) Total Current Tax Expense	**3,780.73**	**3,570.05**
Deferred Tax Expense/(Income)		
Origination and reversal of temporary differences	942.36	250.13
(B) Total Deferred Tax Expense/(Income)	**942.36**	**250.13**
Total Income Tax Expense (A+B)	**4,723.09**	**3,820.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37.2 Income tax expense recognised in Other Comprehensive Income:

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Current Tax Expense/(Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	**0.43**	(0.21)
Net gain/(loss) on fair value of equity instruments	**-**	13.96
(A) Total Current Tax Expense/(Income)	**0.43**	**13.75**
Deferred Tax Expense/(Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	**0.26**	(1.24)
Net Gain/(Loss) on Fair Value of Equity Instruments	**(63.24)**	38.27
(ii) Items that will be reclassified to Profit and Loss		
Effective portion of Gain and (Loss) on Hedging Instruments in Cash flow Hedge	**(21.44)**	(49.65)
Cost of hedging reserve	**(865.37)**	(31.41)
(B) Total Deferred Tax Expense/(Income) (i+ii)	**(949.79)**	**(44.03)**
Total Tax Expense/(Income) recognised in OCI (A+B)	**(949.36)**	**(30.28)**

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 2025-26	FY 2024-25
Profit before Tax	**24,774.43**	21,172.36
Corporate Tax Rate	**25.168%**	25.168%
Tax expense using the Corporate tax rate	**6,235.23**	**5,328.66**
Increase/(Decrease) on account of:		
Deduction u/s 80M of Income Tax Act 1961	**(743.08)**	(753.10)
Deduction under 36(1)(viii) of Income Tax Act 1961	**(850.61)**	(816.81)
Others	**77.26**	76.74
Tax expense pertaining to earlier years	**4.29**	(15.31)
Total tax expense in the Standalone Statement of Profit and Loss	**4,723.09**	**3,820.18**
Actual effective income tax rate on Book income (%)	**19.06%**	**18.04%**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37.4 Movement in Deferred Tax balances:

FY 2025-26

(₹ in crore)

Description		Opening balance as at 01.04.2025	Recognised in Profit and Loss	Recognised in OCI	Closing balance as at 31.03.2026
(A)	**Deferred Tax Asset**				
(i)	Provision for expenses deductible on payment basis under Income Tax Act	38.09	1.96	(0.26)	**39.79**
(ii)	Unamortised transaction Cost - Loan Assets	217.10	22.16	-	**239.26**
(iii)	Impairment loss allowance on Financial instruments in excess of RBDD	3,405.56	(986.94)	-	**2,418.62**
(iv)	Property, Plant and Equipment	8.90	3.17	-	**12.07**
(v)	Derivative Financial Instruments	187.68	24.58	886.81	**1,099.07**
(vi)	Others	-	-	-	**-**
Total (A)		**3,857.33**	**(935.07)**	**886.55**	3,808.81
(B)	**(Deferred Tax Liabilities)**				
(i)	Foreign Currency Monetary Item Translation Difference Account	(90.37)	(24.94)	-	**(115.31)**
(ii)	Unamortised Transaction Cost - Loan Liabilities	(185.78)	5.09	-	**(180.69)**
(iii)	Others	(230.14)	12.56	63.24	**(154.34)**
Total (B)		**(506.29)**	**(7.29)**	**63.24**	**(450.34)**
Net Deferred Tax Assets/(Liabilities)		**3,351.04**	**(942.36)**	**949.79**	**3,358.47**

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 transaction Cost - Loan Assets	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)	Property, Plant and Equipment	6.91	1.99	-	8.90
(v)	Derivative Financial Instruments	96.19	10.44	81.05	187.68
(vi)	Others	-	-	-	-
Total (A)		**3,965.37**	**(190.33)**	**82.29**	**3,857.33**
(B)	**(Deferred Tax Liabilities)**				
(i)	Foreign Currency Monetary Item Translation Difference Account	(101.76)	11.39	-	(90.37)
(ii)	Unamortised Transaction Cost - Loan Liabilities	(134.86)	(50.92)	-	(185.78)
(iii)	Others	(171.59)	(20.28)	(38.27)	(230.14)
Total (B)		**(408.21)**	**(59.81)**	**(38.27)**	**(506.29)**
Net Deferred Tax Assets/(Liabilities) (A+B)		**3,557.16**	**(250.14)**	**44.02**	**3,351.04**

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38. DISCLOSURE AS PER IND AS 33 "EARNINGS PER SHARE"

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(A)	**Profit for the period used as numerator (basic & diluted) (₹ in crore):**		
(i)	from continuing operations	**20,051.34**	17,352.19
(ii)	from discontinued operations	**-**	-
(iii)	from continuing and discontinued operations	**20,051.34**	17,352.19
(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	**60.76**	52.58
(ii)	for discontinued operations	**-**	-
(iii)	for continuing and discontinued operations	**60.76**	52.58

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 Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, as amended from time to time, 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 31.03.2026	As at 31.03.2025
(i)*	Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	**23.44%**	22.08%
	CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	**21.93%**	20.29%
	CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	**1.51%**	1.79%
(ii)*	Liquidity Coverage Ratio(LCR) (refer Note 53.24)	Total High Quality Liquid Assets	Total Net Cash Outflows	**148.60%**	100.00%
(iii)	Debt- Equity Ratio (times)	Total Debt (principal outstanding)	Net Worth	**4.75**	5.12

* Computed as per applicable RBI guidelines.

**The percentage of amount of perpetual debt instruments of the Tier-I Capital is 0.60% (previous year 0.13%).

39.2 Details of Subordinated and Perpetual Debt Instruments raised during the year are as under:

(₹ in crore)

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Amount of Subordinated Debt raised as Tier-II capital	**-**	-
Amount raised by issue of Perpetual Debt Instruments	**475.00**	-

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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 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 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.

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,Trade Receivables 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 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 management of risks in 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.

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for the year ended March 31, 2026

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:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Low Credit Risk		
Cash and cash equivalents[a]	**1,078.31**	22.03
Bank balances other than included in cash and cash equivalents[a]	**1,183.03**	6,820.63
Loans (Principal Outstanding)[c]	**5,46,333.87**	5,01,495.96
Investments (Excluding equity investments)[a]	**2,942.64**	2,999.19
Other financial assets[b]	**5,433.72**	5,951.72
Trade receivables[b]	**-**	-
Moderate Credit Risk		
Loans (Principal Outstanding)[c]	**27,458.86**	31,107.60
High Credit Risk		
Loans (Principal Outstanding)[c]	**6,322.58**	10,516.85
Investments (Excluding equity investments)[a]	**72.95**	72.95
Other financial assets[b]	**21.76**	29.09
Trade receivables[b]	**0.81**	0.81

[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 ₹ 73.39 crore on its investments as at 31.03.2026 (as at 31.03.2025 ₹ 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 ₹ 22.57 crore on its other financial assets and trade receivables as at 31.03.2026 (as at 31.03.2025 ₹ 29.90 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.

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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 categorization of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out 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.

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 minimize 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.

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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 utilization 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., regularization 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.

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 (DPD) as a parameter for determining significant increase in credit risk. Also, in case of state sector borrowers, deterioration in the internal rating family of the borrower by 2 or more notches is considered to determine significant increase in credit risk. In case of private sector borrowers, other factors like downgradation in external credit rating to 'C-', restructuring resulting in asset downgradation as per IRACP norms, delay in commissioning of project for more than 4 years are also considered. In case of inventment, apart from DPD, if the rating of the instrument falls below the lowest investment grade (i.e., BBB-), it is considered to have experienced a significant increase in credit risk.

- 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, the financial asset is upgraded and classified as Stage 2 for four quarters from the date of implementation of resolution plan.

In case of Stage-3 assets, where there is change in ownership either through NCLT or otherwise, such asset shall be upgraded to Stage-1 immediately after implementation of the 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. Investment(s) is considered to be credit impaired when apart from DPD, the rating of the issuer company is downgraded to junk status/ default, or when the company files for bankruptcy.

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(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, ICRA Analytics , 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 are 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 Credit Rating Agencies (CRAs) are 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 ratio (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 is used to compute Lifetime PDs of the rating grade.

In case of Investments, the external rating of the instrument as published by various credit rating agencies is referred to arrive at PD. In case of non-availability of external rating, the rating to be used for assigning PD is restricted to (BBB-) i.e. lowest investment 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 is 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. Moreover, for non-guaranteed portfolio of State Sector borrowers, additional stress factors are 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 realizable 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 is 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 is also applied as a haircut to arrive at the realisable value.

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For investments, LGD is assessed based on the type and characteristics of the underlying security.

(c) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal (including Credit Conversation Factor (CCF) applied undrawn commitment thereof) 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. Also, undrawn commitment is not considered for stage 3 accounts.

(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.

(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, possibility of stressed and favourable economic conditions etc. Further, the independent agency also considers additional macroeconomic parameters like Installed Generating Capacity Utilities YoY Change, Index of Industrial Production (IIP) Capital Goods Growth Rate, Index of Industrial Production (IIP) electricity Year on Year (YoY) growth rate, Money supply YoY growth rate, Gross Domestic Products (GDP) growth rate, Coal Based Thermal Electricity Gross Generation YoY Growth rate among others etc. 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.

40.1.3 Credit risk analysis for Lending Operations

(i) Exposure to credit risk

For loans recognized 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:

(₹ in crore)

Days past Due (DPD)	As at 31.03.2026				As at 31.03.2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	5,31,142.21	1,216.63	-	5,32,358.84	5,01,495.96	-	307.07	5,01,803.03
1-30 days	15,191.66	-	-	15,191.66	-	-	-	-
31-60 days	-	26,242.22	-	26,242.22	-	29,650.31	-	29,650.31
61-90 days	-	-	-	-	-	1,457.29	-	1,457.29
More than 90 days	-	-	6,322.58	6,322.58	-	-	10,209.78	10,209.78
Total	**5,46,333.87**	**27,458.85**	**6,322.58**	**5,80,115.30**	**5,01,495.96**	**31,107.60**	**10,516.85**	**5,43,120.41**
Impairment loss allowance*	**4,192.56**	**757.88**	**5,448.32**	**10,398.76**	**5,381.04**	**560.76**	**8,424.25**	**14,366.05**

*excludes impairment loss allowance of ₹ 21.40 crore (₹ 50.71 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 134.52 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

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(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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	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)	**4,42,693.66**	**3,876.02**	4,20,549.01	4,974.60
Loans to private sector	**1,37,421.64**	**6,522.74**	1,22,571.40	9,391.45
Total	**5,80,115.30**	**10,398.76**	**5,43,120.41**	**14,366.05**

*excludes impairment loss allowance of ₹ 21.40 crore (₹ 50.71 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 134.52 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

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.

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.

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes				
Generation	**1,87,661.23**	**4,405.97**	1,48,584.41	7,265.28
Renewable	**90,135.46**	**2,694.02**	82,231.24	2,664.72
Transmission	**42,028.83**	**314.88**	37,782.48	289.01
Distribution	**1,93,629.53**	**1,728.88**	1,93,778.62	3,037.87
Others	**66,660.25**	**1,255.01**	80,743.66	1,109.16
Total	**5,80,115.30**	**10,398.76**	**5,43,120.41**	**14,366.05**

*excludes impairment loss allowance of ₹ 21.40 crore (₹ 50.71 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 134.52 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(iii) Details regarding Concentration of Loans

(a) Concentration of Loans:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Total Loans (Principal Outstanding) to twenty largest borrowers (₹ in crore)	**3,05,347.81**	2,91,384.87
Percentage of Loans to twenty largest borrowers to Total Loans of the Company	**52.64%**	53.65%

(b) Concentration of Credit impaired accounts (Stage 3 accounts):

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Principal outstanding of top four Stage 3 accounts	**4,215.92**	6,876.49

(iv) Details of Stage wise Principal outstanding and Impairment loss Allowance:

(₹ in crore)

Particulars	As at 31.03.2026			As at 31.03.2025		
	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage(%)	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage(%)
Stage 1	**5,46,333.86**	**4,192.56**	**0.77**	5,01,495.96	5,381.04	1.07
Stage 2	**27,458.86**	**757.88**	**2.76**	31,107.60	560.76	1.80
Stage 3**	**6,322.58**	**5,448.32**	**86.17**	10,516.85	8,424.25	80.10
Total	**5,80,115.30**	**10,398.76**	**1.79**	**5,43,120.41**	**14,366.05**	**2.65**

*excludes impairment loss allowance of ₹ 21.40 crore (₹ 50.71 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 134.52 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

**includes loan outstanding of ₹ 262.90 crore (Previous year 307.07 crore) of one of the borrower which has committed fraud on the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 Undrawn Commitment) between the beginning and the end of the reporting period:

(₹ in crore)

FY 2025-26	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	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
Transfer to Stage 1	2,468.00	122.19	(2,468.00)	(122.19)	-	-	-	-
Transfer to Stage 2	(469.68)	(1.90)	1,608.38	571.25	(1,138.70)	(569.35)	-	-
Transfer to Stage 3	-	-	(14.48)	(0.35)	14.48	0.35	-	-
Net change in Principal/ ECL during the year within the same stage	14,869.97	(1,810.60)	(2,317.33)	104.24	(46.56)	2.16	12,506.08	(1,704.20)
New financial assets originated	78,692.30	1,247.85	-	-	-	-	78,692.31	1,247.85
Financial assets derecognised (includes loans repaid/ pre- payment with stage movement)	(50,722.69)	(640.82)	(156.62)	(55.13)	(1,272.45)	(658.05)	(52,151.76)	(1,354.00)
Financial Assets derecognised (Write Off)	-	-	(300.70)	(300.70)	(1,751.04)	(1,751.04)	(2,051.74)	(2,051.74)
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-
Closing Balance	**5,46,333.87**	**4,348.48**	**27,458.85**	**757.88**	**6,322.58**	**5,448.32**	**5,80,115.30**	**10,554.67**

(₹ 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**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(vi) Movement of Credit Impaired Accounts (Stage 3 accounts):

(₹ in crore)

Sr. No.	Description	As at 31.03.2026	As at 31.03.2025
(i)	Net Credit Impaired accounts to Gross Loans (%)	**0.15**	0.39
(ii)	Net Credit Impaired accounts to Net Loans (%)	**0.15**	0.40
		FY 2025-26	**FY 2024-25**
(iii)	Movement of Gross Credit Impaired accounts		
	(a) Opening balance	**10,516.85**	16,073.22
	(b) Additions during the year	**14.48**	437.74
	(c) Reductions during the year	**(4,208.75)**	(5,994.11)
	(d) **Closing balance**	**6,322.58**	**10,516.85**
(iv)	Movement of Net Credit Impaired accounts		
	(a) Opening balance	**2,092.60**	4,110.69
	(b) Additions during the year	**-**	44.44
	(c) Reductions during the year	**(1,218.34)**	(2,062.53)
	(d) **Closing balance**	**874.26**	**2,092.60**
(v)	Movement of impairment loss allowance on Credit Impaired accounts		
	(a) Opening balance	**8,424.25**	11,962.53
	(b) Additions during the year	**18.88**	393.30
	(c) Reductions during the year	**(2,994.81)**	(3,931.58)
	(d) **Closing balance**	**5,448.32**	**8,424.25**

(vii) Percentage of Gross Credit Impaired Assets (Stage 3) to Gross Loans – sector wise

Sectors	Current Year			Previous Year		
	Total Exposure (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (₹ crore)	Gross NPAs (₹crore)	Percentage of Gross NPAs to total exposure in that sector
Financing to power, logistics and infrastructure sector	**5,80,115.30**	**6322.58**	**1.09%**	5,43,120.42	10,516.85	1.94%

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).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026

(₹ 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	5,46,887.87	4,204.44	5,42,683.43	2,902.92	1,301.52
	Stage 2	27,012.16	540.24	26,471.92	452.26	87.98
	Stage 3			-		-
Sub-Total		**5,73,900.03**	**4,744.68**	**5,69,155.35**	**3,355.18**	**1,389.50**
Non-Performing Assets (NPA)						
Substandard	Stage 1	2,282.06	96.59	2,185.47	224.33	(127.74)
	Stage 2	473.95	142.26	331.69	46.97	95.29
	Stage 3	14.48	14.48	-	1.45	13.03
Sub-Total for Substandard		**2,770.49**	**253.33**	**2,517.16**	**272.75**	**(19.42)**
Doubtful - up to 1 year	Stage 1	259.80	9.47	250.33	50.94	(41.47)
1 to 3 years	Stage 1			-		-
More than 3 years	Stage 1	424.67	16.58	408.09	212.27	(195.69)
Doubtful - up to 1 year	Stage 2			-		-
1 to 3 years	Stage 2	753.77	75.38	678.39	224.09	(148.71)
More than 3 years	Stage 2	-	-	-		-
Doubtful - up to 1 year	Stage 3	130.13	130.13	-	26.03	104.10
1 to 3 years	Stage 3	37.37	37.37	-	22.56	14.81
More than 3 years	Stage 3	2,026.16	1,151.90	874.26	1,236.11	(84.21)
Sub-total for Doubtful		**3,631.90**	**1,420.83**	**2,211.07**	**1,772.00**	**(351.17)**
Loss	Stage 3	4,114.44	4,114.44	-	4,114.44	-
Sub-total for NPA		**10,516.83**	**5,788.60**	**4,728.23**	**6,159.19**	**(370.59)**
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	-	21.40	(21.40)	-	21.40
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		**-**	**21.40**	**(21.40)**	**-**	**21.40**
Total	**Stage 1**	**5,49,854.40**	**4,348.47**	**5,45,505.92**	**3,390.46**	**958.01**
	Stage 2	**28,239.88**	**757.88**	**27,482.00**	**723.32**	**34.56**
	Stage 3	**6,322.58**	**5,448.32**	**874.26**	**5,400.59**	**47.73**
	Total	**5,84,416.86**	**10,554.67**	**5,73,862.18**	**9,514.37**	**1,040.30**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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	1,390.99	140.29	(51.51)
	Stage 3	130.13	130.13	-	13.01	117.11
Sub-Total for Substandard		**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**	**8,424.26**	**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**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

40.1.8 In accordance with Disclosures as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 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 31.03.2026	As at 31.03.2025
Gross NPA to Gross Loans	**1.80%**	2.46%
Net NPA to Net Loans	**0.75%**	0.89%

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.

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 31.03.2026				
Domestic borrowings				
Principal	77,034.57	1,81,574.72	1,32,932.49	3,91,541.78
Interest	26,941.40	69,937.16	47,734.23	1,44,612.79
Foreign Currency borrowings				
Principal	8,245.07	78,745.93	10,521.82	97,512.82
Interest	3,474.31	8,446.22	501.45	12,421.98
Total	**1,15,695.35**	**3,38,704.03**	**1,91,689.99**	**6,46,089.37**
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**

* 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 31.03.2026				
Forward	-	-	-	-
Option/Swaps	622.44	1,318.10	-	1,940.54
Total	**622.44**	**1,318.10**	**-**	**1,940.54**
As at 31.03.2025				
Forward	-	-	-	-
Option/Swaps	66.37	706.80	-	773.17
Total	**66.37**	**706.80**	**-**	**773.17**

* 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 31.03.2026				
Loan Assets				
Principal	61,409.99	2,11,891.10	3,01,365.89	5,74,666.98
Interest	50,604.72	1,51,122.45	1,46,809.86	3,48,537.03
Total	**1,12,014.71**	**3,63,013.55**	**4,48,175.75**	**9,23,204.01**
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**

The principal cashflows net of impairment loss allowance relating to Stage 3 assets have been cosnidered 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 mobilize 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 31.03.2026	As at 31.03.2025
Cash credit/Overdraft/Line of Credits/Working Capital Demand Loans	**7,190.00**	14,768.00

(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 53.24 for disclosure in this regard.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026		As at 31.03.2025	
	Crore in respective currency	₹ in crore	Crore in respective currency	₹ in crore
USD Loans	**633.21**	**59,936.05**	**723.84**	**61,947.52**
- Hedged	633.00	59,916.17	723.50	61,918.14
- Unhedged	0.21	19.88	0.34	29.37
Euro Loans	**142.05**	**15,485.29**	**102.26**	**9,441.22**
- Hedged	133.47	14,549.56	72.53	6,696.55
- Unhedged	8.58	935.73	29.73	2,744.67
JPY Loans	**34,428.80**	**20,399.07**	**28,636.74**	**16,251.35**
- Hedged	31,654.48	18,755.28	25,844.25	14,666.61
- Unhedged	2,774.32	1,643.79	2,792.49	1,584.74
GBP Loans	**13.47**	**1,692.41**	**13.47**	**1,491.75**
- Hedged	13.47	1,692.41	13.47	1,491.75
- Unhedged	-	-	-	-
Total		**97,512.82**		**89,131.83**
- Hedged		**94,913.42**		**84,773.05**
- Unhedged		**2,599.40**		**4,358.78**

(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 organization for management of associated risks.

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:

(₹ in crore)

Foreign Currency Liabilities	As at 31.03.2026		As at 31.03.2025	
	Decrease	Increase	Decrease	Increase
	On account of change in foreign exchange rate			
USD	0.99	(0.99)	1.47	(1.47)
EURO	46.79	(46.79)	137.23	(137.23)
JPY	82.19	(82.19)	79.24	(79.24)
GBP	-	-	-	-
Total	**129.97**	**(129.97)**	**217.94**	**(217.94)**

(iv) Refer Note 41 for disclosures related to hedge accounting.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 optimizing 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:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Fixed Rate Borrowings	**3,15,891.76**	3,02,058.41
Floating Rate Borrowings	**1,72,624.26**	1,63,704.67
Total Borrowings	**4,88,516.02**	**4,65,763.08**

(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 (+/-) ₹ 230.36 crore. (As at 31.03.2025 (+/-) ₹ 213.56 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.

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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	**8.89**	**(8.89)**	11.51	(11.51)
Impact on OCI	**105.08**	**(105.08)**	117.53	(117.53)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis.

(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:

a) 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).

b) For option structures, the Company analyses the relationship of changes in value of the hedging instrument and hedged item using regression analysis.

(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 31.03.2026							
1.	Currency Derivatives	Forwards	-	-	-		
		Currency Swaps	1,692.41	147.64		Mar-30	GBP/JPY 193.60
		Principal Only Swaps	6,111.39	709.29		Dec-27	USD/INR 83.11
		Call Spread Option	-	-	-		
		Seagull Option	1,25,743.89	9,482.63	1,593.80	May 2026 - Dec 2030	EUR/USD - 1.13 USD/JPY - 143.01 USD/INR - 83.57
	Sub-Total		**1,33,547.69**	**10,339.56**	**1,593.80**		
2.	Interest rate Derivatives	Interest Rate Swap	**43,619.95**	**287.61**	**116.74**	Jun 2026 - Dec 2030	USD SOFR - 3.70% 6M Euribor - 3.22% JPY TONA - 0.97% 3M T-bill minus spread
	Sub-Total		**43,619.95**	**287.61**	**116.74**		
	Total (1+2)		**1,77,167.64**	**10,627.17**	**1,710.54**		
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**	**773.17**		

[1] Forms part of the line item 'Derivative Financial Instruments' in the Standalone Balance Sheet.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge*

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Currency derivatives		
Upto 1 year	**37,335.81**	36,377.80
1 – 5 years	**96,211.88**	85,770.70
More than 5 years	**-**	-
Sub Total (A)	**1,33,547.69**	**1,22,148.50**
Interest rate derivatives		
Upto 1 year	**4,636.33**	5,134.88
1 – 5 years	**38,983.62**	29,460.10
More than 5 years	**-**	-
Sub Total (B)	**43,619.95**	**34,594.99**
Total (A+B)	**1,77,167.64**	**1,56,743.49**

*Maturity buckets in the above table are as per the remaining tenor of the respective derivative instrument.

(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 31.03.2026					
1.	Currency Derivatives	**1,683.46**	**-**	**1,824.55**	Finance Costs
				(7,296.35)	Net Translation/Transaction Exchange Loss/ (Gain)
2.	Interest Rate Derivatives	**233.23**	**-**	**33.78**	Finance Costs
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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(v) Reconciliation of Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
	Effective Portion of Cash flow Hedges		
(a)	**Opening balance of Reserves (net of tax)**	**188.50**	**336.11**
(b)	Changes in intrinsic value of options contracts	6,694.30	1,057.29
(c)	Changes in intrinsic value of PoS/IRS/Cross currency contracts	646.06	273.80
(d)	Amount reclassified from OCI to P&L	(7,425.55)	(1,528.35)
(e)	**Net amount recognised in OCI during the year (b + c + d)**	**(85.19)**	**(197.26)**
(f)	Deferred Tax on (e) above	21.44	49.65
(g)	**Net amount recognised in OCI during the year (Net of Tax) (e + f)**	**(63.75)**	**(147.61)**
(h)	**Closing balance of Reserves (net of Tax) (a + g)**	**124.75**	**188.50**
	Cost of Hedging Reserve		
(a)	**Opening balance of Reserves (net of tax)**	**(831.78)**	**(738.40)**
(b)	Changes in deferred time value of options/PoS/Forward contracts	(5,423.67)	(1,597.54)
(c)	Amortisation of time value	1,985.28	1,472.75
(d)	**Net amount recognised in OCI during the year (b + c)**	**(3,438.39)**	**(124.79)**
(e)	Deferred Tax on (d) above	865.37	31.41
(f)	**Net amount recognised in OCI during the year (Net of Tax) (d + e)**	**(2,573.02)**	**(93.38)**
(g)	**Closing balance of Reserves (net of Tax) (a + f)**	**(3,404.80)**	**(831.78)**

(vi) Fair Value Hedge

At March 31, 2026, Company has outstanding interest rate swap agreements of ₹ 30,037.40 crores (Previous year - ₹ 30,036.90 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 31-03-2026	- Interest rate swap	30,037.40	(230.00)	Derivative financial instruments	665.57
As at 31-03-2025	- Interest rate swap	30,036.90	435.57	Derivative financial instruments	435.57

*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, 2026

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 31-03-2026	- Subordinated Liabilities	3,411.50	(21.66)	Subordinated Liabilities	69.41
	- Debt Securities-Bonds	26,625.90	(208.34)	Debt Securities-Bonds	596.16
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

The decrease in fair value of the interest rate swap of ₹ 665.57 crores (Previous year- ₹ 435.57 crores) has been offset with a similar gain 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 31.03.2026	Fair Value as at 31.03.2025	Fair value hierarchy (Refer Note 5.1)	Valuation technique(s) & Key input(s)
1)	**Quoted Equity investments***				
	- PTC India Limited	**189.06**	196.33	Level 1	Quoted market price
	- Coal India Limited	**629.03**	556.07		
	- NHPC Limited	**756.95**	844.03		
	- Suzlon Energy Limited	**526.56**	754.17		
	- RattanIndia Power Limited	**177.76**	230.19		
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**	0.00		
	- Power Exchange India Limited	**6.48**	5.06		Fair value has been determined using the Ind AS financial statements of the investee companies.
	- Energy Efficiency Services Ltd (EESL)	**40.27**	101.18		
	-Jhabua Power Limited	**424.62**	418.61		
	-Ind Barath Energy Utkal Limited	**24.40**	13.91		
	- TRN Energy Private Limited	**0.00**	-		
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 realized from these investments is remote.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Financial asset/Financial Liability - Recurring fair value	Fair Value as at 31.03.2026	Fair Value as at 31.03.2025	Fair value hierarchy (Refer Note 5.1)	Valuation technique(s) & Key input(s)
4)	**Investment in debentures**				
	- TRN Energy Private Limited -OCD - Series A	**0.00**	-	Level 3	Fair valued using discounted future cash flow as per terms of agreement.
	- TRN Energy Private Limited -OCD - Series B	**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		
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	**0.00**	0.00		
	- Dans Energy Private Limited-OCD	**0.00**	0.00		
	- Dans Energy Private Limited - OCD	**0.00**	0.00		
5)	**Derivative Financial Instruments**				
	– Assets	**10,627.18**	6,647.30	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	**1,940.54**	773.17		

* 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 2025-26		FY 2024-25	
	FVTOCI	FVTPL	FVTOCI	FVTPL
	Investment in Unquoted Equity Shares	Investment in Debentures	Investment in Unquoted Equity Shares	Investment in Debentures
Opening Balance	**538.76**	**-**	630.61	46.77
Investment made during the year	**-**	**-**	-	-
Settlement	**-**	**(41.01)**	-	(310.10)
Transfer in Level 3	**-**	**-**	-	-
Transfer from Level 3	**-**	**-**	-	-
Interest income[1]	**-**	**0.78**	-	1.01
Fair Value gain/(loss)[2]	**(42.99)**	**40.23**	(91.85)	262.32
Closing Balance	**495.77**	**-**	**538.76**	**-**
Unrealized gains/(loss) on assets held at the end of the year	**(42.99)**	**-**	(91.85)	-

[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

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(iv) Fair Value of financial assets/liabilities measured at amortized 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 31.03.2026		As at 31.03.2025	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	Level 3	**5,84,416.86**	**5,78,945.81**	5,32,818.27	5,42,797.89
Investments[a]	Level 1/3	**2,942.64**	**2,862.15**	2,999.19	3,075.43
Other Financial Assets	Level 2	**5,433.72**	**5,951.72**	5,951.72	5,949.16
Debt Securities[a]	Level 1/2	**3,37,163.01**	**3,25,317.72**	3,19,747.77	3,10,982.92
Borrowings other than debt securities[b]	Level 2	**1,56,620.81**	**1,58,809.76**	1,52,203.32	1,50,940.52
Subordinated Liabilities	Level 2	**3,994.45**	**4,138.16**	3,564.35	3,618.19

[a] Includes listed instruments with Level 1 fair value hierarchy

Investment in G-Sec being fair valued using market price as at reporting date.

G-Sec amounting to ₹112.94 crores held as collateral with CCIL for Initial Margin as on 31.03.2026.

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, 2026 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 (filed for Struck off)
5	PFC Infra Finance IFSC Limited (PIFIL)		
Associates:			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited (Striked off on 09.03.2026)
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited (Striked off on16.03.2026)"
5	Jharkhand Infrapower Limited (filed for Struck off)	6	Odisha Infrapower Limited (Striked off on 23.03.2026)
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited (filed for Struck off)
9	Bihar Infrapower Limited (filed for Struck off)	10	Cheyyur Infra Limited (filed for Struck off)
11	Deoghar Infra Limited (filed for Struck off)		
	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 (incorporated on 01.03.2024 and transferred on 28.07.2025)
7	Bhuj II Transmission Limited	8	KPS III HVDC Transmission Limited (incorporated on 18.01.2024 and transferred on 12.12.2025)
9	Bhuj ICT Transmission Limited (incorporated on 19.11.2024)	10	Bhadla and Bikaner Complex Transmisssion Limited (incorporated on 14.10.2024)
11	Kandla GHA Transmission Limited (incorporated on 27.11.2024)	12	Wahipora and Sallar Transmission Limited (incorporated on 11.11.2024)

Notes to the Standalone Financial Statements

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13	Raghanesda RE Transmission Limited (incorporated on 03.12.2024 and transferred on 23.07.2025)	14	MEL Power Transmission Limited (incorporated on 19.11.2024 and transferred on 04.06.2025)
15	NES Dharashiv Transmission Limited (incorporated on 20.03.2025 and transferred on 12.03.2026)	16	NER Expansion Transmission Limited (incorporated on 06.12.2024 and transferred on 23.07.2025)
17	NES Pune East New Transmission Limited (incorporated on 29.03.2025 and transferred on 12.03.2026)	18	Kakinada I Transmission Limited (incorporated on 20.02.2025)
19	Kurnool IV REZ Power Transmission Limited (incorporated on 13.06.2025)	20	NES Navi Mumbai Transmission Limited (incorporated on 20.03.2025)
21	Alibag Power Transmission Limited (incorporated on 08.11.2025)	22	Raigad Power Transmission Limited (incorporated on 17.11.2025)
23	Tumkur II RE Transmission Limited (incorporated on 24.09.2025)	24	Nergs III Siang Basin Transmission Limited (incorporated on 21.11.2025)
25	Mandsaur I RE Transmission Limited (incorporated on 16.04.2025 and transferred on 08.10.2025)	26	Latur REZ Transmission Limited (incorporated on 10.12.2025)
27	Vindhyachal Varanasi Transmission Limited (incorporated on 16.04.2025 and transferred on 16.10.2025)	28	Wagdari Transmission Limited (incorporated on 13.06.2025 and transferred on 27.03.2026)
29	Morena I SEZ Transmission Limited (incorporated on 16.04.2025 and transferred on 03.02.2026)	30	SR AND ER POWER TRANSMISSION (incorporated on 22.08.2025 and transferred on 03.02.2026)
31	Saswad Transmission Limited (incorporated on 16.06.2025 and transferred on 26.02.2026)	32	SOUTH KALAMB POWER TRANSMISSION LIMITED (incorporated on 30.09.2025 and transferred on 30.03.2026)
	Through RECL		
33	Chandil Transmission Limited	34	Dumka Transmission Limited
35	Mandar Transmission Limited	36	Koderma Transmission Limited
37	Luhri Power Transmission Limited	38	Shongtong Power Transmission Limited
39	Kankani Power Transmission Limited	40	Tuticorin Power Transmission Limited (Incorporated on 05.11.2024)
41	WRNES Talegaon Power Transmission Limited (Incorporated on 16.11.2024 and transferred on 30.05.2025)	42	Rajgarh III Power Transmission Limited (Striked off on 20.01.2026)
43	Jejuri Hinjewadi Power Transmission Limited (Incorporated on 28.03.2025 and transferred on 09.01.2026)	44	Velgaon Power Transmission Limited (Incorporated on 29.03.2025 and transferred on 09.01.2026)
45	Mekhali Power Transmission Limited (Incorporated on 20.05.2025)	46	Sharavathi Power Transmission Limited (Incorporated on 20.05.2025)
47	Hampapura Power Transmission Limited (incorporated on 20.05.2025)	48	Ryapte Power Transmission Limited (incorporated on 21.05.2025)
49	Robertsganj Power Transmission Limited (Incorporated on 28.05.2025)	50	Ananthapuram II Power Transmission Limited (Incorporated on 26.06.2025 and transferred on 17.10.2025)
51	Jalna Power Transmission Limited (Incorporated on 29.06.2025)	52	SR WR Power Transmission Limited (Incorporated on 10.07.2025 Transferred on 17.10.2025)
53	Sakoli Power Transmission Limited (Incorporated on 07.07.2025	54	Umred Power Transmission Limited (Incorporated on 07.07.2025 and transferred on 26.02.2026)
55	Bellary Davanagere Power Transmission Limited (Incorporated on 25.09.2025 and transferred on 12.02.2026)	56	Kempegowda Power Transmission Limited (Incorporated on 30.09.2025)
57	Barmer HVDC Power Transmission Limited (Incorporated on 30.09.2025)	58	WR ER Part A Power Transmission Limited (Incorporated on 06.11.2025)
59	WR ER Part C Power Transmission Limited (Incorporated on 06.11.2025)	60	Balsane Power Transmission Limited(Incorporated on 18.12.2025)
61	Ambernath Power Transmission Limited (Incorporated on 19.12.2025)	62	Musalgaon Power Transmission Limited (Incorporated on 20.12.2025)
63	Dholpur Power Transmission Limited (Incorporated on 23.12.2025)	64	Jaisalmer Power Transmission Limited (Incorporated on 23.12.2025)
65	Apta Power Transmission Limited (Incorporated on 24.12.2025)	66	Ranipur Chunar Power Transmission Limited Incorporated on 26.12.2025)
67	Rajgarh Neemuch Power Transmission Limited (Incorporated on 17.06.2025 and Transferred on 29.09.2025)	68	Davanagere Power Transmission Limited (Incorporated on 26.06.2025 and Transferred on 24.09.2025)
69	Munak Power Transmission Limited (Incorporated on 05.01.2026)	70	Vizag Power Transmission Limited (Incorporated on 16.02.2026)

Notes to the Standalone Financial Statements

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Key Managerial Personnel (KMP) of the Company & their relatives:		Designation
1	Smt Parminder Chopra	Chairman and Managing Director
2	Shri Shashank Misra	Government Nominee Director (w.e.f 25.06.2024)
3	Shri Rajiv Ranjan Jha	Director (Projects)
4	Shri Manoj Sharma	Director (Commercial) (up to 31.03.2026))
5	Shri Sandeep Kumar	Director (Finance) (up to 31.03.2026)
6	Shri Bhaskar Bhattacharya	Part Time Non-Official Independent Director (w.e.f. 13.05.2025 upto 01.04.2026)
7	Shri Prasanna Tantri	Part Time Non-Official Independent Director (w.e.f 17.04.2025 upto 17.04.2026)
8	Smt Usha Sanjeev Nair	Part Time Non-Official Independent Director (w.e.f 17.04.2025 upto 17.04.2026)
9	Shri Naresh Dhanrajbhai Kella	Part Time Non-Official Independent Director (w.e.f 17.04.2025 upto 17.04.2026)
10	Shri Sudhir Mehta	Part Time Non-Official Independent Director (w.e.f 14.05.2025)
11	Shri Manish Kumar Agarwal	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 2025-26	During FY 2024-25
SUBSIDIARIES:		
REC Ltd		
Dividend Income	**2,716.55**	2,827.43
Dividend recoverable on Equity Investments: Received	**498.96**	623.70
Directors' sitting fee received	**0.07**	0.11
Sharing of Expense	**3.40**	4.05
PFC Consulting Ltd		
Interest income on Loan	**0.71**	0.84
Repayment of Loan	**1.36**	1.36
Associates related expenditure	**-**	5.58
Repayment of Advances to subsidiary (including interest)	**0.03**	-
Repayment of Advances by subsidiary	**0.12**	-
Advance given	**-**	0.12
Purchase of PPE	**0.16**	0.16
Sale of PPE	**-**	0.07
Dividend Income	**146.37**	82.78
Allocation of employee benefits	**18.34**	16.46
Professional charges paid	**8.84**	7.99
PFC Projects Ltd		
Amount Recoverable from subsidiary	**-**	0.01
PFC Infra Finance IFSC Ltd		
Payments made on behalf of subsidiary (net)	**0.37**	4.78
Subscription of equity shares of subsidiary	**400.00**	-

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for the year ended March 31, 2026

(₹ in crore)

Particulars	During FY 2025-26	During FY 2024-25
ASSOCIATES:		
Repayment of advance taken from Associate	**15.05**	49.20
Repayment of advance by Associate	**24.72**	0.12
Repayment of Loan by Associate	**83.82**	-
Interest income on advances to associates	**-**	-
Interest expenses on advances from associates	**-**	-
FUNDS UNDER CONTROL OF THE COMPANY		
Contributions made during the year	**25.32**	16.95
Finance cost on bonds paid	**0.19**	0.10
Redemption of bonds	**-**	0.03
TRUSTS/FUNDS UNDER CONTROL OF THE REC		
Finance cost on bonds paid	**1.78**	1.90
KEY MANAGERIAL PERSONNEL		
(i) Short term employee benefits	**4.50**	3.57
(ii) Post-employment benefits*	**0.67**	0.57
(iii) Other long-term benefits	**1.17**	0.05
Sub Total (i+ii+iii)	**6.34**	**4.19**
Repayment/Recovery of loans and advances	**0.20**	0.64
Redemption of bonds	**0.01**	-
Directors' Sitting Fee paid		
Executive Directors	**-**	-
Non-Executive Directors	**0.79**	0.35
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 31.03.2026	As at 31.03.2025
Subsidiaries		
REC Ltd.		
Dividend recoverable on Equity Investments	**-**	498.96
Equity investment	**14,500.50**	14,500.50
Other amount payable	**0.35**	2.52
Other Amount recoverable	**0.85**	-
PFC Consulting Ltd.		
Loan(including interest accrued)	**6.60**	7.98
Amount recoverable w.r.t allocation of employee benefits	**1.22**	1.33
Professional Charges payable	**1.50**	1.69
Equity investment	**0.15**	0.15
Associates related expenditure payable	**5.55**	5.57
Other recoverable	**-**	0.12
PFC Projects Ltd.		
Equity investment	**-**	0.05
Other amount recoverable	**-**	0.03

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(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
PFC Infra Finance IFSC Ltd.		
Equity investment	**500.00**	100.00
Other amount recoverable	**5.15**	4.78
Amount payable w.r.t Equity investment	**-**	-
Associates		
Equity Investments	**0.15**	0.55
Advance recoverable including interest accrued	**127.33**	211.18
Advance payable including interest accrued	**111.39**	96.33
Key managerial personnel		
Advance recoverable including interest accrued	**0.98**	1.17
Debt securities of the Company held	**0.14**	-
Funds under control of the Company		
Debt securities of the Company held	**2.30**	0.80
Provisions made	**9.24**	12.24
Trusts/Funds under control of the REC		
Debt securities of the Company held	**19.90**	21.40

43.4 Maximum amount of loans/investments outstanding are as follows:

(₹ in crore)

Particulars	Loans		Investments	
	During FY 2025-26	During FY 2024-25	During FY 2025-26	During FY 2024-25
REC	**-**	-	**14,500.50**	14,500.50
PFCCL	**7.98**	9.18	**0.15**	0.15
PFC Projects Limited	**-**	-	**0.05**	0.05
PFC Infra Finance IFSC Limited	**-**	-	**500.00**	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:

Bhartiya Rail Bijlee Company Limited	Tehri Hydro Development Corporation
Mumbai Metro Rail Corporation Limited	Raichur Power Corporation Limited
Damodar Valley Corporation	National High Power Test Laboratory Private Limited
Satluj Jal Vidyut Nigam Thermal Private Limited	Sardar Sarovar Narmada Nigam Limited
Neyveli Lignite Corporation Limited	SJVN Limited
NLC Tamilnadu Power Limited	PTC India Limited
Neyveli Uttar Pradesh Power Limited	Power Foundation of India
Meja Urja Nigam Private Limited	Coal India Limited
Bihar Grid Company Limited	NHPC Limited

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Significant transactions with entities under the control of same government:

(₹ in crore)

Nature of Transaction	During FY 2025-26	During FY 2024-25
Dividend Income	**74.12**	65.67
Disbursement of loans	**15,865.20**	8,955.08
Interest Income received	**3,851.61**	3,151.77
Repayment of principal received	**3,006.99**	4,778.70
Membership Fee	**10.00**	5.00

Refer Note 13, 18.8,18.11, 20.1, 24.2 and 51 in respect of material transactions with the Central Government.

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

(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 is in line with the HR policies of the Company.

(iii) Advances given to Directors/KMPs have specified terms/period of repayment and are in line with the HR Policies of the Company.

(iv) 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.

(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 except loan given to PFCCL amounting to ₹6.60 crore.

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 ₹ 8.18 crore (previous year ₹6.92 crore) for the year is recognized as expense in the Standalone Statement of Profit and Loss on account of the Company's contribution to the defined contribution plans.

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for the year ended March 31, 2026

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, the Company treats 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.

(₹ in crore)

Particulars		As at 31.03.2026	As at 31.03.2025
(a)	Present value of Defined benefit obligation	**447.59**	422.32
(b)	Fair Value of Plan Assets	**448.45**	422.77
(c)	Net Defined Benefit (Asset)/Liability (a-b)	**(0.86)**	(0.45)

(₹ 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	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
I.	**Opening Balance**	**422.32**	406.92	**422.77**	407.17	**(0.45)**	(0.25)
	Included in profit and loss						
	Current service Cost	**12.77**	11.85	**-**	-	**12.77**	11.85
	Past service cost		-	**-**	-	**-**	-
	Interest cost/(income)	**34.27**	32.82	**33.65**	32.66		0.16
II.	**Total amount recognised in profit and loss**	**47.04**	**44.67**	**33.65**	**32.66**	**12.77**	**12.01**
	Included in OCI						
	Re-measurement loss/(gain)						
	Actuarial loss/(gain) arising from changes in financial assumptions	**(0.11)**	(4.67)	**0.92**	(4.31)	**(1.03)**	(0.36)
	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**	**(0.11)**	**(4.67)**	**0.92**	**(4.31)**	**(1.03)**	**(0.36)**
IV.	Contribution by participants	**21.27**	21.29	**21.27**	21.29	**-**	-
V.	Contribution by employer	**-**	-	**12.77**	11.85	**(12.77)**	(11.85)
VI.	Benefits paid	**(42.94)**	(45.89)	**(42.94)**	(45.89)	**-**	-
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**447.58**	**422.32**	**448.44**	**422.77**	**(1.48)**	**(0.45)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(b) Gratuity

(1) 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 ₹ 0.25 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 31.03.2026	As at 31.03.2025
(a)	Present value of Defined benefit obligation	**37.11**	33.19
(b)	Fair Value of Plan Assets	**32.42**	30.44
(c)	Net Defined Benefit (Asset)/Liability (a-b)	**4.69**	2.75

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	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
I.	**Opening Balance**	**33.19**	31.18	**30.44**	29.96	**2.75**	1.22
	Included in profit and loss						
	Current service Cost	**1.56**	1.45	**-**	-	**1.56**	1.45
	Past service cost	**5.82**	-	**-**	-	**5.82**	-
	Interest cost/(income)	**2.20**	2.17	**2.06**	2.12	**0.14**	0.05
II.	**Total amount recognised in profit and loss**	**9.58**	**3.62**	**2.06**	**2.12**	**7.52**	**1.50**
	Included in OCI						
	Re-measurement loss/(gain)						
	Actuarial loss/(gain) arising from changes in financial assumptions	**(2.16)**	0.89	**-**	-	**(2.16)**	0.89
	Actuarial loss/(gain) arising from experience adjustment	**(0.32)**	0.55	**-**	-	**(0.32)**	0.55
	Actuarial loss/(gain) arising from changes in demographic assumptions	**-**	-	**-**	-	**-**	-
	Return on plan assets excluding interest income	**-**	-	**0.35**	0.17	**(0.35)**	(0.17)
III.	**Total amount recognised in OCI**	**(2.48)**	**1.44**	**0.35**	**0.17**	**(2.83)**	**1.27**
IV.	Contribution by participants	**-**	-	**-**	-	**-**	-
V.	Contribution by employer	**-**	-	**2.75**	1.24	**(2.75)**	(1.24)
VI.	Benefits paid	**(3.18)**	(3.05)	**(3.18)**	(3.05)	**-**	-
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**37.11**	**33.19**	**32.42**	**30.44**	**4.69**	**2.75**

(2) In accordance with the new Labour Law Codes, the company has accounted an incremental impact of ₹ 0.35 crores on the basis of actuarial valuation in employee benefit expenses during the year ended March 31, 2026.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 acturial 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 31.03.2026	As at 31.03.2025
(a)	Present value of Defined benefit obligation	92.09	85.25
(b)	Fair Value of Plan Assets	88.65	77.08
(c)	Net Defined Benefit (Asset)/Liability (a-b)	3.44	8.17

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	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
I.	**Opening Balance**	85.25	74.45	77.08	66.58	8.17	7.87
	Included in profit and loss						
	Current service Cost	4.30	3.66	-	-	4.30	3.66
	Past service cost		-	-	-	-	-
	Interest cost/(income)	5.83	5.32	5.23	4.73	0.60	0.59
II.	**Total amount recognised in profit and loss**	**10.13**	**8.98**	**5.23**	**4.73**	**4.90**	**4.25**
	Included in OCI						
	Re-measurement loss/(gain)						
	Actuarial loss/(gain) arising from changes in financial assumptions	(12.75)	4.44	-	-	(12.75)	4.44
	Actuarial loss/(gain) arising from experience adjustment	13.86	1.92	-	-	13.86	1.92
	Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	-	-	-	-
	Return on plan assets excluding interest income	-	-	1.46	1.14	(1.46)	(1.14)
III.	**Total amount recognised in OCI**	**1.11**	**6.36**	**1.46**	**1.14**	**(0.35)**	**5.22**
IV.	Contribution by participants	0.05	0.08	0.05	0.08	-	-
V.	Contribution by employer	-	-	9.48	9.39	(9.48)	(9.39)
VI.	Benefits paid	(4.45)	(4.62)	(4.65)	(4.84)	0.20	0.22
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**92.09**	**85.25**	**88.65**	**77.08**	**3.44**	**8.17**

Notes to the Standalone Financial Statements

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(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 31.03.2026	As at 31.03.2025
(a) Present value of Defined benefit obligation	**7.45**	7.71

Movement in defined benefit obligation

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2026	31.03.2025
I. Opening Balance	**7.71**	7.86
Included in profit and loss		
Current service Cost	**0.62**	0.52
Past service cost	**-**	-
Interest cost/income	**0.51**	0.54
II. Total amount recognised in profit and loss	**1.13**	**1.06**
Included in OCI		
Actuarial loss/(gain) arising from changes in financial assumptions	**(0.51)**	0.25
Actuarial loss/(gain) arising from experience adjustment	**(0.17)**	(0.57)
Actuarial loss/(gain) arising from changes in demographic assumptions	**-**	-
Return on plan assets excluding interest income	**-**	-
III. Total amount recognised in OCI	**(0.68)**	**(0.32)**
IV. Contribution by participants	**-**	-
V. Contribution by employer	**-**	-
VI. Benefits paid	**(0.71)**	(0.89)
VII. Closing Balance (I+II+III+IV+V+VI)	**7.45**	**7.71**

(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.

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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:

(₹ in crore)

Particulars	As at 31.03.2026			As at 31.03.2025		
	Provident Fund	Gratuity	PRMS	Provident Fund	Gratuity	PRMS
Cash & Cash Equivalents	**0.54**	**0.89**	**0.82**	1.47	0.08	0.17
State/Central Government Debt Securities	**264.40**	**17.29**	**54.30**	239.14	16.96	46.22
Corporate Bonds/Debentures	**154.75**	**12.23**	**29.99**	161.50	12.20	29.51
Others	**28.77**	**2.01**	**3.55**	20.66	1.19	1.18
Total	**448.46**	**32.42**	**88.66**	**422.77**	**30.44**	**77.08**

As at 31.03.2026 ₹ 0.80 crore (as at 31.03.2025 ₹ 0.80 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 ₹ 41.83 crore (previous year ₹ 39.78 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 31.03.2026 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 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Discount Rate & expected return on plan assets, if funded	**7.54%**	6.78%	**7.54%**	6.78%	**7.54%**	6.78%	**7.54.%**	6.78%
Salary Escalation Rate/ Medical inflation rate	**NA**	NA	**5.00%**	5.00%	**6.00%**	6.00%	**5.00%**	5.00%
Mortality Rate	**NA**	NA	**Pre Retirement- As per IALM (2012-14) Post Retirement (2012-15) Annutants 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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	**(1.49)**	**1.6**	(1.41)	1.52
- PRMS	**(7.15)**	**8.11**	(7.00)	7.97
- ERS	**(0.31)**	**0.33**	(0.36)	0.39
Salary Escalation/Medical inflation Rate (0.50% movement)				
- Gratuity	**0.24**	**(0.25)**	0.18	(0.17)
- PRMS	**8.19**	**(7.28)**	7.14	(6.22)
- ERS	**0.18**	**(0.17)**	0.28	(0.26)
Medical Cost (10% movement)				
- PRMS	**9.21**	**(9.11)**	8.51	(8.38)

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

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Up to 1 year	**3.88**	3.15	**3.43**	2.79	**1.02**	1.12
1 to 5 years	**13.48**	12.65	**24.58**	20.23	**3.17**	3.25
Over 5 years	**66.11**	56.39	**136.58**	114.70	**8.86**	8.90
Total	**83.47**	**72.19**	**164.59**	**137.72**	**13.05**	**13.27**

The table above is drawn on the basis of expected cash flows.

(j) Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Provident Fund		Gratuity		PRMS	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Expected contribution	**-**	-	**6.38**	4.29	**8.50**	12.46

(K) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.81 years (as at 31.03.2025: 13.25 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 ₹ 5.70 crore (previous year ₹ 13.36 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 ₹ 17.68 crore for the year (previous year ₹ 17.66 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 31.03.2026	As at 31.03.2025
Opening balance	**8.81**	8.81
Additions during the year	**-**	-
Finance cost accrued during the year	**0.77**	0.77
Payment of lease liabilities during the year	**(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 31.03.2026	As at 31.03.2025
Up to 1 year	**0.77**	0.77
Over 1 year and upto 5 years	**3.09**	3.09
More than 5 years	**52.43**	53.20

45.3 During the year 2025-26, the expenses relating to short-term/low value leases amounting to ₹ 21.91crore (Previous year ₹ 19.56 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 ₹21.81 crore. (Previous year ₹ 19.51 crore)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

46. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)

Sr. No.	Description	As at 31.03.2026	As at 31.03.2025
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
(ii)	Excess interest demanded/Penalty not yet demanded by Service Tax Department.	-	0.19
(C)	**Bank Guarantee**	**1.19**	1.19
(D)	**Others**		
(i)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort & Letter of Undertaking against loans sanctioned*	**2,302.22**	1,600.87
(ii)	Penalty imposed by NSE & BSE	-	1.97
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
	(b) Towards Interior Development of Office Building	**325.50**	-
	(C) Towards Implementation of SAP	**6.91**	10.24
(ii)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	**33.05**	37.74
	Total	**2,668.87**	**2,004.48**

* Necessary impairment loss allowance has been made. Refer Note 21

47. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2026 (Nil as at 31.03.2025). 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 standalone material accounting policy information during the year except the following:

(a) Note 5.3.1 (iii): Undrawn commitments and Investments (other than equity) are also subjected to Impairment as per RBI directions and accordingly has been included in the policy.

(b) The following accounting estimates have been modified:

Note No. 5.5(v): Considering rapid technological obsolescence and based upon industry practice, the cell phones have been expensed off in the year of purchase as against existing useful life of two years.

Note No. 5.5(viii): Threshold for depreciating an asset fully in the year of purchase has been increased from ₹ 5000/- fixed long ago to ₹ 10,000/- considering inflation. Further to maintain parity, assets having WDV upto ₹ 10,000/- as at the begining of the year, have been fully depreciated.

Had the above modifications not carried out , the profit before tax for the year would have been higher by ₹ 139.97 crore.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026			As at 31.03.2025		
		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	1,078.31	-	1,078.31	22.03	-	22.03
(b)	Bank Balance other than included in Cash & Cash Equivalents	1,183.03	-	1,183.03	6,735.73	84.90	6,820.63
(c)	Derivative Financial Instruments	3,402.03	7,225.15	10,627.18	768.94	5,878.36	6,647.30
(d)	Trade receivables	-	-	-	-	-	-
(e)	Loans	71,526.68	5,02,491.42	5,74,018.10	1,05,594.79	4,27,223.48	5,32,818.27
(f)	Investments	4,277.19	16,440.94	20,718.13	2,619.55	18,100.44	20,719.99
(g)	Other Financial Assets	307.96	5,125.76	5,433.72	816.98	5,134.74	5,951.72
	Total Financial Assets (1)	**81,775.20**	**5,31,283.27**	**6,13,058.47**	**1,16,558.02**	**4,56,421.92**	**5,72,979.94**
2	**Non-Financial Assets**						
(a)	Current Tax Assets (Net)	-	178.11	178.11	-	228.24	228.24
(b)	Deferred Tax Assets (Net)	-	3,358.47	3,358.47	-	3,351.04	3,351.04
(c)	Property, Plant and Equipment	-	62.13	62.13	-	46.68	46.68
(d)	Intangible assets under development	3.87	11.98	15.85	-	11.98	11.98
(e)	Intangible Assets	-	4.15	4.15	-	5.23	5.23
(f)	Right of use asset	-	33.05	33.05	-	33.50	33.50
(g)	Other Non-Financial Assets	164.48	1,639.97	1,804.45	93.35	1,427.37	1,520.72
	Total Non-Financial Assets (2)	**168.35**	**5,287.86**	**5,456.21**	**93.35**	**5,104.04**	**5,197.39**
	Total Assets (1+2)	**81,943.55**	**5,36,571.13**	**6,18,514.68**	**1,16,651.37**	**4,61,525.96**	**5,78,177.33**
	LIABILITIES						
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	622.44	1,318.10	1,940.54	66.38	706.79	773.17
(b)	Trade Payables						
(i)	Total outstanding dues of Micro,Small and Medium Enterprises	2.30	-	2.30	0.10	-	0.10
(ii)	Total outstanding dues of creditors other than Micro,Small and Medium Enterprises	22.86	0.26	23.12	8.10	1.36	9.46
(c)	Debt Securities	53,497.10	2,83,665.91	3,37,163.01	34,827.35	2,84,920.42	3,19,747.77
(d)	Borrowings(other than debt securities)	30,194.06	1,26,426.75	1,56,620.81	24,035.11	1,28,168.21	1,52,203.32
(e)	Subordinated Liabilities	-	3,994.45	3,994.45	-	3,564.35	3,564.35
(f)	Other Financial Liabilities	9,643.74	5,008.04	14,651.78	4,674.26	5,008.02	9,682.28
	Total financial liabilities (1)	**93,982.50**	**4,20,413.50**	**5,14,396.00**	**63,611.30**	**4,22,369.15**	**4,85,980.45**
2	**Non-Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	22.04	-	22.04	-	50.92	50.92
(b)	Provisions	620.26	155.92	776.18	425.67	50.71	476.38
(c)	Other Non-Financial Liabilities	738.05	50.47	788.52	680.05	52.66	732.71
	Total non-financial liabilities (2)	**1,380.35**	**206.39**	**1,586.74**	**1,105.72**	**154.29**	**1,260.01**
	Total liabilities (1+2)	**95,362.85**	**4,20,619.89**	**5,15,982.74**	**64,717.02**	**4,22,523.44**	**4,87,240.46**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

51. GOVERNMENT OF INDIA(GOI) SCHEMES BEING IMPLEMENTED BY THE COMPANY

Revamped Distribution Sector Scheme (RDSS)

The Company is a designated Nodal Agency for operationalization 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 operationalization of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). In order to ensure achievement of Scheme objectives and to facilitate the completion of remaining Scheme components, MoP vide OM dated 16.07.2025 has extended the Sunset date of RDSS Scheme by 02 years upto 31.03.2028.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 2025-26 is ₹6,805.55 crore (previous year ₹ 4,897.09 crore) and the cumulative grant administered (net of funds lapsed/surrendered by power utilities) till 31.03.2026 is ₹ 15,010.87 crore (till 31.03.2025 is ₹ 8,205.32 crore).

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 2025-26 stands at ₹ 40.33 crore. (Previous year ₹ 51.19 crore)

Further, no amount of GoI grant remained undisbursed in the TSA A/c of PFC as on 31.03.2026 and 31.03.2025.

52. (a) Status of documentation subsequent to reorganization 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 reorganization of the State of Andhra Pradesh

Subsequent to the reorganization 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, 2026

53. DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, AND RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – ASSET LIABILITY MANAGEMENT) DIRECTIONS, 2025, AS AMENDED FROM TIME TO TIME.

Being a Government owned NBFC the Company is subject to guidelines as prescribed under RBI (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended and 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 31.03.2026	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	-	1,006.96	263.04	-	-
8 to 14 days	-	3,375.87	-	-	-
15 days to 30/31 Days	1,959.07	3,800.22	5,608.78	-	11.72
Over 1 Month upto 2 Months	2,279.37	4,542.11	4,681.60	-	74.64
Over 2 Months upto 3 Months	2.66	5,056.37	5,569.66	-	2.61
Over 3 Months & upto 6 Months	12.04	16,678.87	36,624.70	-	45.77
Over 6 Months & upto 1 Year	24.06	26,949.61	24,286.80	-	8,110.33
Over 1 Year & upto 3 Years	96.24	1,06,381.56	1,04,581.08	-	32,524.05
Over 3 Years & upto 5 Years	96.24	1,05,509.54	76,993.63	-	46,221.88
Over 5 Years	18,207.97	3,01,365.89	1,32,932.49	-	10,521.82
Total	**22,677.65**	**5,74,667.00**	**3,91,541.78**	**-**	**97,512.82**

(₹ 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 upto 2 Months	2,580.79	6,164.76	6,893.14	-	81.18
Over 2 Months upto 3 Months	2.66	6,432.49	6,137.59	-	2.96
Over 3 Months & upto 6 Months	12.04	27,880.35	27,219.85	-	1,542.07
Over 6 Months & upto 1 Year	24.06	38,594.03	22,645.38	-	7,926.67
Over 1 Year & upto 3 Years	96.24	90,430.61	90,274.66	-	12,969.98
Over 3 Years & upto 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**	**3,76,631.23**	**-**	**89,131.84**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026	Amount as at 31.03.2025
(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);	**17,775.93**	17,720.80
Total Exposure to Capital Market		**17,775.93**	**17,720.80**

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 2025-26 and FY 2024-25, the Company has not exceeded applicable prudential exposure limits against single/group borrower.

53.3 Concentration of Exposures:

Particulars	As at 31.03.2026	As at 31.03.2025
Total Exposure at Default (EAD)* to twenty largest borrowers/customers (₹ in crore)	**3,08,170.31**	2,93,929.31
Percentage of Exposures at Default to twenty largest borrowers/customers to Total Exposure at Default of the Company on borrowers/customers	**52.70%**	53.69%

* Exposure at Default 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 31.03.2026					
Power	**5,29,077.80**	**3,771.46**	**5,32,849.26**	**6,059.68**	**1.14%**
Non-Power Infrastructure and Logistics	**53,339.72**	**849.22**	**54,188.94**	**262.90**	**0.49%**
Total	**5,82,417.52**	**4,620.68**	**5,87,038.20**	**6,322.58**	**1.08%**
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%**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.5 Intra-group exposures

Particulars*	As at 31.03.2026	As at 31.03.2025
Total amount of intra-group Exposures at Default (EAD) (₹ in crore)	**6.60**	7.98
Total amount of top 20 intra-group Exposures at Default (EAD) (₹ in crore)	**6.60**	7.98
Percentage of intra-group EAD to Total EAD of the Company on borrowers/customers	**0.00%**	0.00%

*Exposure at Default 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 Credit Ratings

53.7.1 Ratings assigned by domestic credit rating agencies as at 31.03.2026:

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+

53.7.2 Long term foreign currency issuer rating assigned by international credit rating agencies as at 31.03.2026:

Sr. No.	Rating Agency	Long Term Rating
1.	Fitch Ratings	BBB-
2.	Moody's	Baa3

53.7.3 In respect of the above, there has been no migration of ratings during the FY 2025-26.

53.8 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
1	Impairment loss allowance towards loans, investments acquired under loan settlement , letter of comfort & letter of undertakings *	**(1,809.47)**	449.48
2	Impairment loss allowance on other financial assets	**(7.33)**	7.63
3	Impairment loss allowance on investment	**0.44**	-
4	Provision for unspent CSR on ongoing Projects	**253.51**	81.92
5	Provision for employee benefits	**170.86**	158.61
6	Provision made towards Income tax	**3,780.71**	3,570.05

*including write off of loans and investment acquired under loan settlement of ₹ 2,051.74 crore (previous year ₹ 1,597.26 crore) and corresponding reversal of impairment loss allowance of ₹ 2,967.84 crore (previous year ₹ 3,621.16 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.9 Draw Down from reserves

Refer to Note 24.

53.10 Overseas assets:

The Company has following Overseas Assets:

(₹ in crore)

Name of the subsidiary	Country	Total Assets as on 31.03.2026	Total Assets as on 31.03.2025
PFC Infra Finance IFSC Limited (PIFIL)	GIFT City, Gandhi Nagar, Gujarat, India	549.15	108.98

53.11 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.

53.12 Customer Complaints for FY 2025-26

Sr. No	Particulars	Grounds of complaints	Current Year	Previous Year
	Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	-	-	
2	Number of complaints received during the year	Others	1	
3	Number of complaints disposed during the year	-	-	Nil
	3.1 Of which, number of complaints rejected by the NBFC	-	-	
4	Number of complaints pending at the end of the year	-	1	
	Maintainable complaints received from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC	-	-	-
	5.1 Of 5, number of complaints resolved in favour of the NBFC	-	-	-
	5.2 Of 5, number of complaints resolved through conciliation/ mediation/advisories	-	-	-
	5.3 Of 5, number of complaints resolved after passing of Awards against the NBFC	-	-	-
6	Number of Awards unimplemented within the stipulated time	-	-	-

53.13 During FY 2025-26, there has been no instances of breach of covenants of loan availed or debt securities issued (Previous year-Nil).

53.14 No fraud by the Company or any fraud on the Company has been noticed or reported during the year except, one of the borrower suspected to have committed fraud on the company during the FY 2024-25 has been reported as committed fraud during the FY 2025-26. The Company has downgraded the borrower loan account to Stage-III as per Ind AS and provided adequately against the outstanding loan amount (Previous year-Nil).

53.15 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, 2025, there is no divergence from board approved ECL policy with respect to asset classification and provisioning in the reported numbers.

53.16 Disclosure related to project finance *

In view of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November, 2025 and also as per Reserve Bank of India (Non-Banking Financial Companies-Resolution of Stressed Assets) Direction, 2025 dated 28th November, 2025, quarter-wise movement of projects under implementation is as follows:

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Sr. No.	Item Description	Q3 FY26		Q4 FY26	
		Number of Accounts	Total Outstanding (in ₹ crore)	Number of Accounts	Total Outstanding (in ₹ crore)
1	Projects under implementation accounts at the beginning of the quarter.	-	-	10	1252.23
2	Projects under implementation accounts sanctioned during the quarter. **	10	1252.23	16	3576.97
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-	-	-
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	10	1252.23	26	4829.20
5	Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked.	1	38.11	10	2828.97
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	-	-	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	1	38.11	10	2828.97
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	-	-	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked due to change in scope and size of the project.	-	-	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original/ extended DCCO, as the case may be, was funded	-	-	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be has been invoked.	-	-	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-	-	-

*As per RBI Directions, above disclosure is made for projects where financial closure has been achieved on or after 01.10.2025.

** No. of loan accounts and outstanding amount includes loans where resolution of a fresh credit event occurs on or after 01.10.2025. No. of loan accounts includes loans sanctioned and executed during the quarter even with nil outstandings. Outstanding amount includes net disbursements in respect of project under implementation accounts at beginning of quarter.

53.17 There are no reportable cases of loans transferred/acquired during the FY 2025-26 (previous year Nil) under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 , as amended from time to time.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.18 Information / Particulars as set out in Annexure- I of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28.11.2025 as updated from time to time, in so far as they are applicable to the Company :

(₹ in crore)

Particulars	Amount as on 31.03.2026		Amount as on 31.03.2025	
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	**26,011.47**	**-**	25,569.60	-
: Unsecured	**3,09,132.31**	**-**	2,91,520.91	-
(b) Deferred Credits		**-**		-
(c) Term Loans		**-**		-
(i) Rupee Term Loans	**94,834.47**	**-**	89,074.45	-
(ii) Foreign Currency Loans	**61,489.71**	**-**	56,805.62	-
(d) Inter-corporate loans & borrowings	**-**	**-**	-	-
(e) Commercial Paper	**6,505.37**	**-**	5,996.24	-
(f) Public Deposits	**-**	**-**	-	-
(g) Others				
(i) Other Loans from Banks	**849.12**	**-**	6,905.57	-

Assets Side	Amount as on 31.03.2026	Amount as on 31.03.2025
(2) Break-up of Loans and Advances including bills receivables (Net of Provisions):		
(a) Secured	**2,04,857.93**	2,10,742.10
(b) Unsecured	**3,75,257.37**	3,32,378.31
(c) Less: Impairment loss allowance	**(10,398.76)**	(14,366.05)
Loans and advances (net of provision)	**5,69,716.54**	5,28,754.36
(3) Break-up of Investments (Net of Provisions)		
Investments carried at Cost/Amortised Cost		
1. Quoted		
(i) Shares		
(a) Equity	**14,500.50**	14,500.50
(ii) Government securities	**2,627.29**	2,635.70
(iii) Debentures and Bonds	**225.06**	262.58
2. Unquoted		
(i) Shares		
(a) Equity	**500.30**	100.75
(b) Preference	**72.95**	72.95
(c) Less: Impairment Loss allowance	**(72.95)**	(72.95)
Unquoted Shares (net of Provision)	**500.30**	**100.75**
(ii) Debentures and Bonds	**90.29**	100.91
(c) Less: Impairment Loss allowance	**(0.44)**	-
Unquoted Debentures and Bonds (net of Provision)	**89.85**	**100.91**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Assets Side			Amount as on 31.03.2026	Amount as on 31.03.2025
Investments carried at Fair Value				
1.	**Quoted**			
	(i)	Shares		
		(a) Equity	**2,279.36**	2,580.79
2.	**Unquoted**			
	(i)	Shares		
		(a) Equity	**495.77**	538.76
		(b) Preference	**-**	-
	(ii)	Debentures and Bonds	**-**	-

(4) Borrower group-wise classification of assets financed as in (2) above:

Category		Amount Net of Provisions (as on 31.03.2026)			Amount Net of Provisions (as on 31.03.2025)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties						
	(a) Subsidiaries	**6.60**	**-**	**6.60**	7.98	-	7.98
	(b) Companies in the same group	**-**	**-**	**-**	-	-	-
2.	Other than related parties	**2,04,851.34**	**3,75,257.37**	**5,80,108.71**	2,10,734.12	3,32,378.31	5,43,112.43
	Loans and advances (Gross)	**2,04,857.93**	**3,75,257.37**	**5,80,115.30**	2,10,742.10	3,32,378.31	5,43,120.41
	Less: Impairment loss allowance			**(10,398.76)**			(14,366.05)
	Loans and advances (net of provision)			**5,69,716.54**			**5,28,754.36**

(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 31.03.2026		As on 31.03.2025	
		Break up value[$]	Book Value (Net of Provisions)	Break up value[$]	Book Value (Net of Provisions)
1.	Related Parties				
	(a) Subsidiaries	**45,330.01**	**15,000.65**	41,402.50	14,600.70
	(b) Companies in the same group	**0.06**	**0.15**	0.08	0.55
2.	Other than related parties	**5,717.33**	**5,717.33**	6,118.74	6,118.74
Total		**51,047.40**	**20,718.13**	**47,521.32**	**20,719.99**

(6) Other Information

Particulars			Amount (as on 31.03.2026)	Amount (as on 31.03.2025)
(i)	Gross Stage III Assets			
	(a)	Other than related parties	**6,322.58**	10,516.85
(ii)	Net Stage III Assets			
	(a)	Other than related parties	**874.26**	2,092.60
(iii)	Assets acquired in satisfaction of debt		**1,243.19**	1,517.79

[$] In case of negative break-up value, Nil value has been considered.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.19 Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
As at 31.03.2026	9	1,22,853.94	23.81%
As at 31.03.2025	9	1,09,825.36	22.54%

* 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.

53.20 Top 10 borrowings (amount in ₹ crore & % of total borrowings)

Sr. No.	Particulars*	As at 31.03.2026	
		Amount (₹ crore)	% of Total Borrowings
1	RTL FROM STATE BANK OF INDIA	14,000.00	2.87%
2	RTL FROM IIFCL	12,211.20	2.50%
3	SYNDICATED USD, JPY & EURO FOREIGN CURRENCY TERM LOAN 35	11,804.44	2.42%
4	RTL FROM HDFC BANK	10,550.00	2.16%
5	SYNDICATED USD FOREIGN CURRENCY TERM LOAN 33	10,411.97	2.13%
6	RTL FROM BANK OF BARODA	8,900.00	1.82%
7	RTL FROM CANARA BANK	8,014.75	1.64%
8	RTL FROM UNION BANK OF INDIA	7,587.19	1.55%
9	RTL FROM NATIONAL SMALL SAVINGS SCHEME (NSSF)	7,500.00	1.54%
10	3 95 USD BONDS 2030	7,099.07	1.45%

*Based on size of bond issuance/term loans from banks

Sr. No.	Particulars*	As at 31.03.2025	
		Amount (₹ crore)	% of Total Borrowings
1	RTL FROM HDFC BANK	14,710.00	3.16%
2	RTL FROM STATE BANK OF INDIA	14,000.00	3.01%
3	SYNDICATED USD FOREIGN CURRENCY TERM LOAN 33	10,558.70	2.27%
4	RTL FROM NATIONAL SMALL SAVINGS SCHEME (NSSF)	9,413.95	2.02%
5	RTL FROM BANK of BARODA	8,211.20	1.76%
6	SYNDICATED JPY FOREIGN CURRENCY TERM LOAN 32	7,500.00	1.61%
7	3.95 USD BONDS 2030	7,500.00	1.61%
8	RTL FROM UNION BANK OF INDIA	7,014.75	1.51%
9	RTL FROM CANARA BANK	6,581.30	1.41%
10	SYNDICATED USD FOREIGN CURRENCY TERM LOAN 31	6,418.61	1.38%

*Based on size of bond issuance/term loans from banks

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.21 Funding Concentration based on significant instrument/product

Sr. No.	Significant instrument/product	As at 31.03.2026		As at 31.03.2025	
		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	**7,031.13**	**1.36%**	7,485.57	1.54%
	- 54EC Capital Gain Tax Exemption Bonds	**10,258.01**	**1.99%**	9,943.09	2.04%
	- Taxable Bonds	**2,67,666.51**	**51.88%**	2,53,874.03	52.10%
	- Foreign Currency Notes	**36,399.20**	**7.05%**	32,723.23	6.72%
	- Commercial Paper	**6,505.37**	**1.26%**	5,996.24	1.23%
	Sub-Total (i)	**3,27,898.73**	**63.55%**	**3,10,060.67**	**63.64%**
2	**Borrowings (other than Debt Securities)**				
	- Foreign Currency Loans	**9,925.87**	**1.92%**	4,124.95	0.85%
	- Syndicated Foreign Currency Loans	**51,187.75**	**9.92%**	52,283.65	10.73%
	- Rupee Term Loan	**87,168.06**	**16.89%**	81,376.96	16.70%
	- Rupee Term Loan - GoI	**7,500.00**	**1.45%**	7,500.00	1.54%
	- Loan against Term Deposits	**849.12**	**0.16%**	5,923.35	1.22%
	- Working Capital Demand Loan/Overdraft/Cash Credit/Line of Credit	**-**	**0.00%**	982.00	0.20%
	Sub-Total (ii)	**1,56,630.80**	**30.34%**	**1,52,190.91**	**31.24%**
3	**Subordinated Liabilities**	**3,986.50**	**0.77%**	3,511.50	0.72%
	Sub-Total (iii)	**3,986.50**	**0.77%**	**3,511.50**	**0.72%**
	Total (i+ii+iii)	**4,88,516.03**	**94.67%**	**4,65,763.08**	**95.59%**

53.22 Stock Ratios

Sr. No.	Particulars	% to total public funds	% to total liabilities	% to total assets
As at 31.03.2026				
1	Non-convertible debentures (original maturity less than 1 year)			
2	Commercial papers	**1.33%**	**1.26%**	**1.05%**
3	Other short-term liabilities	**0.79%**	**0.75%**	**0.62%**
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%

53.23 Refer Note 40.2 for Institutional set up for management of liquidity risk in the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.24 Liquidity Coverage Ratio

(₹ in crore)

Particulars		Quarter ended 31.03.2026		Quarter ended 31.12.2025		Quarter ended 30.09.2025	
		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)	**3,687.14**	**3,349.05**	3,557.42	3,251.72	3,698.12	3,428.92
Cash Outflows							
2	Outflows related to derivative exposures and other collateral requirements	**141.21**	**162.40**	102.74	118.15	91.05	104.71
3	Other contractual funding obligations	**5,966.73**	**6,861.74**	6,073.23	6,984.21	7,395.30	8,504.59
4	Other contingent funding obligations	**1,731.29**	**1,990.98**	1,420.03	1,633.04	971.26	1,116.95
5	**TOTAL CASH OUTFLOWS**	**7,839.23**	**9,015.12**	**7,596.00**	**8,735.40**	**8,457.61**	**9,726.25**
Cash Inflows							
6	Lines of credit – Credit or liquidity facilities or other contingent funding facilities	**13,081.33**	**9,811.00**	8,618.09	6,463.57	15,201.71	11,401.28
7	Inflows from fully performing exposures	**12,675.25**	**9,506.43**	13,554.00	10,165.50	13,555.78	10,166.84
8	Other cash inflows	**8,909.62**	**6,682.21**	4,583.39	3,437.55	6,479.45	4,859.58
9	**TOTAL CASH INFLOWS**	**34,666.20**	**25,999.64**	**26,755.48**	**20,066.62**	**35,236.94**	**26,427.70**
10	**TOTAL HQLA**		**3,349.05**		**3,251.72**		**3,428.92**
11	**TOTAL NET CASH OUTFLOWS [(Total Weighted Cash Outflows)- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]**		2,253.78		2,183.85		2,431.56
12	**LIQUIDITY COVERAGE RATIO (%)**		**148.60**		**148.90**		**141.02**

(₹ in crore)

Particulars		Quarter ended 30.06.2025		Quarter ended 31.03.2025	
		Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets		2,650.64	2,650.64	2,667.45	2,667.45
1	Total High Quality Liquid Assets (HQLA)				
Cash Outflows					
2	Outflows related to derivative exposures and other collateral requirements	75.85	87.22	152.91	175.84
3	Other contractual funding obligations	8,174.66	9,400.86	8,029.91	9,234.39
4	Other contingent funding obligations	969.12	1,114.49	1,095.28	1,259.57
5	**TOTAL CASH OUTFLOWS**	**9,219.63**	**10,602.57**	**9,278.10**	**10,669.80**
Cash Inflows					
6	Lines of credit –Credit or liquidity facilities or other contingent funding facilities	8,505.51	6,379.13	14,112.31	10,584.23
7	Inflows from fully performing exposures	14,691.12	11,018.34	11,829.01	8,871.76
8	Other cash inflows	1,937.84	1,453.38	3,839.63	2,879.72
9	**TOTAL CASH INFLOWS**	**25,134.47**	**18,850.85**	**29,780.95**	**22,335.71**
10	**TOTAL HQLA**		**2,650.64**		**2,667.45**
11	**TOTAL NET CASH OUTFLOWS** [(Total Weighted Cash Outflows)- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]		2,650.64		2,667.45
12	**LIQUIDITY COVERAGE RATIO (%)**		**100.00**		**100.00**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

53.24.1 Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio by non-deposit taking NBFCs with asset size of more than ₹ 5,000 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 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.

53.24.2 The position of HQLA holding is as follows

Particulars	% of Overall HQLA	
	As at 31.03.2026	As at 31.03.2025
Assets without Haircut		
Cash and Cash Equivalents	**1.72%**	-
Term/Demand Deposits	**-**	-
G-Sec	**81.99%**	100%
Assets with 15% Haircut	**-**	-
UPPCL Bond	**6.21%**	
Assets with 50% Haircut	**-**	-
Coal India Ltd. shares	**10.08%**	-
Total	**100%**	**100%**

54 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 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.Presently no penalty is outstanding as on 31.03.2026.

55 During the year, the company does not have any transactions with the struck off companies except for equity shares held by eleven companies as on 31.03.2026, which are individually not material and thus have not been reported.

56 A proposal to restructure Power Finance Corporation Limited (PFC) and REC Limited (REC) was announced in the Union Budget on 1st February 2026 with the objective of achieving scale and efficiency among Public Sector NBFCs. Pursuant to the above announcement, the Boards of PFC and REC, at their respective meetings held on 6th February 2026, accorded in-principle approval for restructuring in the form of a merger of PFC and REC, while ensuring that the merged entity continues to remain as a "Government Company" under the Companies Act, 2013 and other applicable laws.

57 The disclosures as required under Master Direction-Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025,as amended from time to time have been made in Note 1,2,5,6.1, 9.1 to 9.4, 11.3,12.2,13.1, 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, 40.3, 40.4, 43,46, 49, and 53.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 31.03.2026	As at/ Year ended 31.03.2025
(i)	Debt to Equity Ratio	**4.75**	5.12
(ii)	Outstanding Redeemable Preference Shares	**-**	-
(iii)	Capital redemption reserve/debenture redemption reserve	**-**	-
(iv)	Net Worth (₹ in crore)	**1,02,531.94**	90,936.86
(v)	Net profit after tax (₹ in crore)	**20,051.34**	17,352.18
(vi)	Earnings per share (in ₹)		
	Basic	**60.76**	52.58
	Diluted	**60.76**	52.58
(vii)	Total Debt to Total Assets (times)	**0.79**	0.81
(viii)	Operating Margin (%)	**42.28**	39.82
(ix)	Net Profit Margin (%)	**34.25**	32.66
(x)	Other Sector Specific Ratios (%)		
	Gross Credit Impaired Ratio	**1.09**	1.88
	Net Credit Impaired Ratio	**0.15**	0.33
	CRAR	**23.44**	22.08

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 Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms, on Capital Adequacy) Directions, 2025, as amended.

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No. 515700

Place: Mumbai
Date: 13.05.2026

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 three subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its three associates, which comprise the Consolidated Balance Sheet as at 31st March, 2026, 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, 2026, of consolidated profit (including other comprehensive income), consolidated changes in equity and 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** 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.	**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
	The most significant areas where we identified greater levels of management Judgments are: 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 recognized and the related disclosures to be acceptable and 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 categorized at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorized at FVTPL is recognized in Statement of Profit and Loss and that of Hedge Accounting is recognized 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 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, 2026 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** a) 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. b) 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. c) 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. d) 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. e) Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. f) 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 categorized at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorized at FVTPL is recognized in Statement of Profit and Loss and that of cash flow hedge is recognized 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, 2026, 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:	
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, 2026 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. 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 31st March, 2026 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 judgments 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 recognized 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.

Sr. No.	Key Audit Matter	Auditors' Response
		• 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. • 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 becomes 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 conclude 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 judgments

and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are 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 judgment 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'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 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

a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 6,40,539.82 crore as at 31st March, 2026, total revenue ₹ 59,778.31 crore, total net profit after tax of ₹ 16,430.95 crore, total comprehensive income of ₹ 12,264.60 crore for the year ended on that date and net cash inflow of ₹ 260.32 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.

b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 549.16 crore as at 31st March, 2026, total revenue of ₹ 8.06 crore, total net profit after tax of ₹ 5.97 crore, total comprehensive income of ₹ 35.99 crore and net cash inflow of ₹ (27.28) crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) after tax of Nil crore and total comprehensive income of Nil crore for the year ended on that date, as considered in the Consolidated Financial Statements, in respect of three associates, whose financial statements remains unaudited. These unaudited Financial Statements are 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.

c) 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.Our opinion is not modified in respect of above matter as per (c).

8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. 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:

(a) 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 of 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, 2026 which have a feature of recording audit trail (edit log) facility and based on our examination 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 two subsidiaries, 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 one subsidiary, whose financial statements are unaudited and certified by the management, we are unable to comment on the applicability/compliance of audit trail requirements since the underlying

accounting data and software records, including audit trail details, were not made available to us.

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 reported by the respective auditors.

In case of Holding Company (PFC Ltd – CIN L65910DL1986GOI024862), 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 except, one of the borrower suspected to have committed fraud on the company during the FY 2024-25 has been reported as committed fraud during the FY 2025-26. 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/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN no. 26096584FJTJPR5034

Date: 13.05.2026
Place: Mumbai

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

Sd/-
(Vaibhav Jain)
Partner
Membership No.515700
UDIN no. 26515700SURLBL4538

Annexure - A

to the Independent Auditors' Report on the Audit of the Consolidated Financial Statements

(Referred to in Para 8 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, 2026)

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, 2026, 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 judgment, 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 authorization of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No. 096584
UDIN no. 26096584FJTJPR5034

Date: 13.05.2026
Place: Mumbai

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, 2026, 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 two subsidiaries is based on the corresponding report of the joint statutory auditors of such Company and in respect of one subsidiary and three 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 **Mehra Goel &Co.**
Chartered Accountants
Firm's Registration No.: 000517N

Sd/-
(Vaibhav Jain)
Partner
Membership No.515700
UDIN no. 26515700SURLBL4538

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 2026

The preparation of consolidated financial statements of Power Finance Corporation Limited for the year ended 31 March 2026 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 read with section 129(4) 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 13 May 2026.

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 2026 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of companies mentioned in Annexure A but did not conduct supplementary audit of the financial statements of the 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/-
(Ashutosh Joshi)
Director General of Audit (Power)

Place: New Delhi
Date: 31.07.2026

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
3	PFC Infra Finance IFSC Limited (PIFIL)	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	Orissa Integrated Power Limited	Associate
4	Coastal Tamil Nadu Power Limited	Associate
5	Sakhigopal Integrated Power Company Limited	Associate
6	Ghogarpalli Integrated Power Company Limited	Associate
7	Deoghar Mega Power Limited	Associate
8	Cheyyur Infra Limited	Associate
9	Odisha Infrapower Limited	Associate
10	Deoghar Infra Limited	Associate
11	Bihar Infrapower Limited	Associate
12	Bihar Mega Power Limited	Associate
13	Jharkhand Infrapower Limited	Associate

Consolidated Balance Sheet

as at March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2026 (Audited)	As at 31.03.2025 (Audited)
ASSETS				
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	8	**1,409.45**	319.22
(b)	Bank Balance other than Cash and Cash Equivalents	9	**3,263.23**	9,265.73
(c)	Derivative Financial Instruments	10	**30,588.12**	24,079.48
(d)	Receivables	11		
	- Trade Receivables		**326.57**	274.06
	- Other Receivables		**3.87**	1.99
(e)	Loans	12	**11,53,254.58**	10,91,898.40
(f)	Investments (Other than accounted for using equity method)	13A	**15,548.78**	12,792.38
(g)	Other Financial Assets	14	**29,992.19**	30,064.25
	Total Financial Assets (1)		**12,34,386.79**	**11,68,695.51**
2	**Non- Financial Assets**			
(a)	Current Tax Assets (Net)	15	**472.97**	642.38
(b)	Deferred Tax Assets (Net)	16	**6,895.55**	6,217.46
(c)	Investment Property	17	**0.98**	1.01
(d)	Property, Plant and Equipment	18	**709.68**	715.46
(e)	Capital Work-in-Progress	18	**128.34**	76.21
(f)	Intangible Assets under development	18	**15.90**	11.98
(g)	Intangible Assets	18	**6.18**	7.07
(h)	Right of Use Assets	18	**38.00**	37.17
(i)	Other Non-Financial Assets	19	**1,888.82**	1,663.72
(j)	Investments accounted for using equity method	13B	**0.08**	0.10
	Total Non- Financial Assets (2)		**10,156.50**	**9,372.56**
3	Assets Classified as held for sale	20	**35.26**	18.43
	Total Assets (1+2+3)		**12,44,578.55**	**11,78,086.50**
LIABILITIES AND EQUITY				
	Liabilities			
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	10	**3,889.69**	2,443.23
(b)	Payables	21		
	Trade Payables			
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		**2.35**	0.80
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		**208.22**	151.35
	Other Payables			
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		**2.07**	6.52
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		**14.21**	17.28
(c)	Debt Securities	22	**6,47,145.84**	6,12,176.04
(d)	Borrowings (other than Debt Securities)	23	**3,51,936.42**	3,46,503.48
(e)	Subordinated Liabilities	24	**13,421.20**	13,078.51
(f)	Other Financial Liabilities	25	**51,975.90**	46,869.09
	Total Financial Liabilities (1)		**10,68,595.90**	**10,21,246.30**

Consolidated Balance Sheet

as at March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2026 (Audited)	As at 31.03.2025 (Audited)
2	**Non- Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	15	**22.27**	51.17
(b)	Provisions	26	**1,376.06**	613.90
(c)	Other Non-Financial Liabilities	27	**1,143.30**	1,019.90
	Total Non- Financial Liabilities (2)		**2,541.63**	**1,684.97**
3	**Liabilities directly associated with assets classified as held for sale**	20	**-**	-
	Total Liabilities (1+2+3)		**10,71,137.53**	**10,22,931.27**
4	**Equity**			
(a)	Equity Share Capital	28	**3,300.10**	3,300.10
(b)	Other Equity	29	**1,29,560.84**	1,14,438.25
	Equity attributable to owners of the Company (a+b)		**1,32,860.94**	**1,17,738.35**
(c)	Non-Controlling Interest	30	**40,580.08**	37,416.88
	Total Equity (4)		**1,73,441.02**	**1,55,155.23**
	Total Liabilities and Equity (1+2+3+4)		**12,44,578.55**	**11,78,086.50**

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No.: 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No.: 515700

Place: Mumbai
Date: 13.05.2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
REVENUE FROM OPERATIONS				
(i)	Interest Income	31	**1,12,961.44**	1,05,001.01
(ii)	Dividend Income	32	**99.71**	90.51
(iii)	Fees and Commission Income	33	**1,743.41**	625.96
(iv)	Other Operating Income	34A	**639.05**	784.14
I.	**Total Revenue from Operations**		**1,15,443.61**	**1,06,501.62**
II.	Other Income	35	**83.31**	97.08
III.	**Total Income (I+II)**		**1,15,526.92**	**1,06,598.70**
EXPENSES				
(i)	Finance Costs	36	**69,415.32**	64,643.88
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	37	**1,860.95**	674.83
(iii)	Fees and Commission Expense	38	**32.17**	34.33
(iv)	Net Loss / (Gain) on Fair Value changes	39	**981.89**	(578.68)
(v)	Impairment on Financial Instruments	40	**(1,584.93)**	1,478.70
(vi)	Cost of Services Rendered	34B	**308.51**	170.84
(vii)	Employee Benefit Expenses	41	**570.27**	550.77
(viii)	Depreciation, Amortisation and Impairment	17/18	**62.96**	55.68
(ix)	Corporate Social Responsibility Expenses		**657.72**	564.18
(x)	Other Expenses	42	**354.08**	371.76
IV.	**Total Expenses**		**72,658.94**	**67,966.29**
V.	Share of Profit / (Loss) in Joint Venture and Associates		**(0.02)**	(0.25)
VI.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)**		**42,867.96**	**38,632.16**
VII.	Exceptional Items		**18.28**	-
VIII.	**Profit/(Loss) Before Tax (VI-VII)**		**42,849.68**	**38,632.16**
	Tax Expense:	43		
	(i) Current Tax			
	- Current Year		**7,571.99**	7,748.48
	- Earlier Years		**4.62**	(15.56)
	(ii) Deferred Tax Expense / (Income)		**1,647.73**	384.84
IX.	**Total Tax Expense**		**9,224.34**	**8,117.76**
X.	**Profit/(Loss) for the year from Continuing Operations (VIII-IX)**		**33,625.34**	**30,514.40**
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		**-**	-
XII.	**Profit/(Loss) for the year (from continuing and discontinued operations) (X+XI)**		**33,625.34**	**30,514.40**
XIII.	**OTHER COMPREHENSIVE INCOME**			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		**4.96**	(5.41)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		**(367.75)**	(26.76)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		**(0.96)**	1.26
	- Net Gain / (Loss) on Fair Value of Equity Instruments		**63.24**	(52.23)
	Sub-Total (A)		**(300.51)**	**(83.14)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		**(6,509.59)**	1,026.25
	- Cost of Hedging Reserve		**(2,481.44)**	(3,344.14)
	- Exchange Gains / (Loss) in translating the financials of foreign operations		**30.02**	2.77
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		**1,638.33**	(258.28)
	- Cost of Hedging Reserve		**624.52**	841.66
	- Exchange Gains / (Loss) in translating the financials of foreign operations		**-**	(0.70)
	Sub-Total (B)		**(6,698.16)**	**(1,732.44)**
	Other Comprehensive Income (A+B)		**(6,998.67)**	**(1,815.58)**
XIV.	**Total Comprehensive Income for the year (XII+XIII)**		**26,626.67**	**28,698.82**
	Profit for the year attributable to:			
	- Owners of the Company		**25,900.95**	22,990.81
	- Non-Controlling Interest		**7,724.39**	7,523.59
			33,625.34	**30,514.40**
	Other Comprehensive Income for the year			
	- Owners of the Company		**(5,025.27)**	(1,097.15)
	- Non-Controlling Interest		**(1,973.40)**	(718.43)
			(6,998.67)	**(1,815.58)**
	Total Comprehensive Income for the year			
	- Owners of the Company		**20,875.68**	21,893.66
	- Non-Controlling Interest		**5,750.99**	6,805.16
			26,626.67	**28,698.82**
XV.	**BASIC AND DILUTED EARNINGS PER EQUITY SHARE (FACE VALUE ₹ 10/- EACH):**	44		
	(1) For continuing operations (in ₹)		**78.49**	69.67
	(2) For discontinued operations (in ₹)		**-**	-
	(3) For continuing and discontinued operations (in ₹)		**78.49**	69.67

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No.: 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No.: 515700

Place: Mumbai
Date: 13.05.2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the year	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31,2025	**3,300.10**	**-**	**3,300.10**	**-**	**3,300.10**
Year ended March 31,2026	**3,300.10**	**-**	**3,300.10**	**-**	**3,300.10**

Refer Note 28 for detail

B. OTHER EQUITY

(₹ in crore)

Particulars	Other Reserves											Other Comprehensive Income					Non-Controlling Interest		
	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)(viia)(c) of Income-Tax Act,1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto 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	Retained Earnings	Equity Instruments through Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Costs of Hedging Reserve	Exchange differences in translating the financials of foreign operations	Attributable to owners of the parent	towards Equity Share Holders	towards Instruments Entirely Equity in Nature	Total
FY 2025-26																			
Balance as at 31.03.2025	(13,114.50)	22,257.03	1,358.41	599.85	49,241.93	89.18	2,946.07	(680.08)	68.90	23,025.12	29,090.03	1,065.90	(301.72)	(1,209.95)	2.07	1,14,438.25	36,858.48	558.40	1,51,855.12
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	25,900.95	-	-	-	-	25,900.95	7,724.39	-	33,625.34
Re-measurement of Defined Benefit Plans net of taxes	-	-	-	-	-	-	-	-	-	-	3.61	-	-	-	-	3.61	0.39	-	4.00
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	(268.63)	(2,594.17)	(2,196.10)	30.02	(5,028.88)	(1,973.79)	-	(7,002.67)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	25,904.56	(268.63)	(2,594.17)	(2,196.10)	30.02	20,875.68	5,750.99	-	26,626.67
Dividends	-	-	-	-	-	-	-	-	-	-	(5,494.67)	-	-	-	-	(5,494.67)	(2,444.57)	-	(7,939.24)
Transfer to / from Retained Earnings	-	5,724.29	1,381.29	-	5,160.37	-	-	-	-	1,094.81	(13,360.76)	-	-	-	-	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	(1,358.41)	-	-	-	-	-	-	1,358.41	-	-	-	-	-	-	-	-	-
Additions / Deletion during the year (net)	-	-	(3.71)	-	79.45	-	-	(240.87)	(0.13)	-	(75.61)	-	-	-	-	(240.87)	(127.44)	-	(368.31)
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	(17.53)	-	-	-	-	(17.53)	(15.77)	-	(33.30)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	(0.03)	-	-	-	0.01	(0.02)	-	-	(0.02)
Balance as at 31.03.2026	(13,114.50)	27,981.32	1,377.58	599.85	54,481.75	89.18	2,946.07	(920.95)	68.77	25,478.34	36,045.99	797.27	(2,895.89)	(3,406.05)	32.10	1,29,560.84	40,021.69	558.40	1,70,140.92

(₹ in crore)

Particulars	Other Reserves										Retained Earnings	Other Comprehensive Income				Attributable to owners of the parent	Non-Controlling Interest		Total
	Capital Reserve - Common Control	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto 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 Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Costs of Hedging Reserve	Exchange differences in translating the financials of foreign operations		towards Equity Share Holders	towards Instruments Entirely Equity in Nature	
FY 2024-25																			
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 year (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)	-	-	-	-	-	-	-
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**

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

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/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN - 08530587

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No.: 096584

Sd/-
(Vaibhav Jain)
Partner
Membership No.: 515700

Place: Mumbai
Date: 13.05.2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026 (Audited)		Year ended 31.03.2025 (Audited)	
I.	**Cash Flow from Operating Activities :**				
	Profit before Tax	**42,849.68**		**38,632.16**	
	Adjustments for:				
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	16.07		12.48	
	Loss/ (Gain) on derecognition of Assets held for sale (net)	-		(6.03)	
	Loss/ (Gain) on Fair value changes (Net)	(221.94)		(602.85)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	6,996.83		(416.96)	
	Depreciation and Amortisation	62.99		55.69	
	Impairment on Financial Instruments	(1,584.98)		1,478.69	
	Impairment Allowance on Assets Classified as Held for Sale	-		-	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	474.86		102.75	
	Interest expense on Zero Coupon Bonds and Commercial Papers	151.62		130.44	
	Other interest expense	(101.83)		4.06	
	Other interest income	(91.86)		(116.16)	
	Provision for unspent CSR created	417.22		81.92	
	Provision (others) created	66.56		86.09	
	Excess Liabilities written back	(0.22)		-	
	Share of Profit/Loss of Joint Venture accounted for using equity method	0.02		0.25	
	Operating profit before Working Capital Changes:	**49,035.02**		**39,442.53**	
	Increase / Decrease :				
	Loans (Net)	(59,910.97)		(1,23,406.34)	
	Other Financial and Non-Financial Assets	7,213.67		(7,269.26)	
	Derivative	3.62		(1,006.07)	
	Other Financial & Non-Financial Liabilities, Trade Payables and Provisions	6,614.32		7,802.66	
	Cash used before Exceptional Items	**2,955.66**		**(84,436.48)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**2,955.66**		**(84,436.48)**	
	Income Tax paid	(7,493.95)		(7,871.15)	
	Income Tax Refund	33.79		37.61	
	Net Cash Inflow/(Outflow) from Operating Activities		**(4,504.50)**		**(92,270.02)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.54		(3.40)	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(337.12)		(837.07)	
	Finance Cost Capitalised	(6.39)		(3.02)	
	Sale / (Purchase) of Other Investments	(3,098.08)		(1,374.61)	
	Sale of Assets held for Sale	-		6.07	
	Net Cash Inflow/(Outflow) from Investing Activities		**(3,441.05)**		**(2,212.03)**
III.	**Cash Flow From Financing Activities :**				
	Raising of Bonds (including premium) (Net of Redemptions)	24,833.26		54,381.39	
	Raising of Long Term Loans/WCDL/OD/CC/ Line of credit (Net of Repayments)	23,189.10		(9,141.37)	
	Raising of Foreign Currency Loans (Net of Repayments)	(33,386.23)		51,127.28	
	Raising of Subordinated Liabilities (Net of Redemptions)	475.00		(4.99)	
	Raising of Commercial paper (Net of Repayments)	3,087.57		5,987.27	
	Coupon Expenses on Perpetual Debt Instruments entirely equity in nature	(44.50)		(44.50)	
	Payment of Lease Liability	(3.50)		(3.14)	
	Issue Expenses on Bonus Issue of Equity Shares	-		-	
	Payment of Dividend	(8,885.86)		(8,143.35)	
	Net Cash Inflow/(Outflow) from Financing Activities		**9,264.84**		**94,158.59**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
	Net Increase / (Decrease) in Cash and Cash Equivalents	**1,319.29**	**(323.46)**
	Add : Cash and Cash Equivalents at beginning of the financial year	(251.55)	71.90
	Cash and Cash Equivalents at the end of the year	**1,067.74**	**(251.56)**
	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	245.23	73.62
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	1,164.19	245.58
	- Cheques, Drafts on hand including postage and Imprest	0.03	0.02
	- Bank overdraft	(341.71)	(570.78)
	Total Cash and Cash Equivalents at the end of the year	**1,067.74**	**(251.56)**

During the year, the Group has spent an amount of ₹ 231.77 crores (previous year ₹ 482.45 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'.

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

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 Debts	Total
	Opening Balance as at 01.04.2024	**4,73,214.18**	**1,61,170.58**	**1,98,144.52**	**-**	**12,752.20**	**8,45,281.48**
	Cash Flow During the Year	54,381.39	(9,141.37)	51,127.28	5,987.27	(5.00)	1,02,349.57
	Non-Cash Changes due to:						
	Adjustments	133.36	303.35	38.34	8.97	0.00	484.02
	Variation in Exchange Rates			5,861.09			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**	**9,53,976.16**
	Cash Flow During the Year	**24,833.26**	**23,189.10**	**(33,386.23)**	**3,087.57**	**475.00**	**18,198.70**
	Non-Cash Changes due to:						
	Adjustments	**(235.90)**	**(229.07)**	**106.51**	**421.55**	**-**	**63.09**
	Variation in Exchange Rates			**22,010.04**			**22,010.04**
	Closing Balance as at 31.03.2026	**5,52,326.29**	**1,75,292.59**	**2,43,901.55**	**9,505.36**	**13,222.20**	**9,94,247.99**

*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 Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No.: 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No.: 515700

Place: Mumbai
Date: 13.05.2026

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

1. GROUP INFORMATION

Power Finance Corporation Limited ("PFC" or "the Company") [CIN: L65910DL1986GOI024862] 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 Reserve Bank of India (RBI) (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 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 13.05.2026.

4. STANDARDS/ AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) has made amendments to various Indian Accounting Standards during the year some of which are applicable w.e.f. 01.04.2026. The Company has evaluated the said amendments and there will be no impact of the same on the Financial Statements as and when these are made applicable. Further, MCA has not issued any new Ind-AS applicable to the company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 31.03.2026
			31.03.2026	31.03.2025	
SUBSIDIARIES:			**52.63%**	52.63%	**Audited**
1	REC Limited (RECL)*	India	**100%**	100%	**Audited**
2	PFC Consulting Ltd. (PFCCL)*	India	-	100%	
3	PFC Projects Limited	India	**100%**	100%	**Unaudited**
4	PFC Infra Finance IFSC Limited (PIFIL)	IFSC GIFT City, Gujarat, India			
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%	
4	Ghogarpalli Integrated Power Company Limited	India	-	100%	
5	Deoghar Mega Power Limited	India	-	100%	
6	Cheyyur Infra Limited	India	-	100%	
7	Odisha Infrapower Limited	India	-	100%	
8	Deoghar Infra Limited	India	-	100%	
9	Bihar Infrapower Limited	India	-	100%	
10	Bihar Mega Power Limited	India	**100%**	100%	**Unaudited**
11	Jharkhand Infrapower Limited	India	-	100%	

*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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

(ii) Joint Venture and Associates:

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

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

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

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

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 realize the contractual

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

cash flows over the tenure of the loan. Further, other financial assets may also be held by the Group to collect the contractual cash flows.

(ii) Classification, Measurement and Derecognition of Equity Instruments

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

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

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

(iii) Impairment of Financial Assets

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

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

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

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

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

(b) Impairment of other financial assets:

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

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

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

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

(iv) De-recognition of Financial Assets

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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:

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

(iv) Cash flow hedge

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

(v) Fair Value hedge

A. In respect of PFC

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

B. In respect of RECL

In line with the recognition of change in the fair value of the hedging instruments in the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

6.6 Property, Plant and Equipment (PPE) and Depreciation

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

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

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

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

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

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

Nature of PPE	Life of PPE
Cell phones	Expensed off in the year of purchase (in case of PFC), 2 years (in case of PFCCL)
Lease hold improvement(1)	Lease period or their useful lives whichever is shorter (in case of PFCCL)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

#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.

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

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

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

(x) Items of PPE costing up to ₹ 10,000/- each (₹ 5,000/- each in case of RECL and PFCCL) and those whose WDV as at the beginning of the year is up to ₹ 10,000/, are fully depreciated in PFCL.

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

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 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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

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

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

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

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

(ii) The Group as a lessor

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

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

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

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for the year ended March 31, 2026

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

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

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

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

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

a. Identify the contract(s) with customer;

b. Identify separate performance obligations in the contract;

c. Determine the transaction price;

d. Allocate the transaction price to the performance obligations; and

e. Recognise revenue when a performance obligation is satisfied.

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

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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 recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

In respect of group

(iii) Other long term employee benefits

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

(iv) Short term employee benefits

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

(v) Loan to employees at concessional rate

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

In respect of RECL

(i) Defined Contribution Plan

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

(ii) Defined benefit plan

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

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

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

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

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.

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

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 recognize new assets or liabilities. Adjustments are made only to harmonize material accounting policies.
- The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the Consolidated Financial Statements of the transferor is aggregated with the corresponding

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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 judgments, 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 recognized 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 judgments, 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 realization 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, 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 PFCCL'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

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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, investments (other than equity), 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 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

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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 31.03.2026	As at 31.03.2025
Balances with Banks (of the nature of cash and cash equivalents)			
(i)	- In Current Accounts	**245.23**	73.62
(ii)	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	**1,164.19**	245.58
(iii)	- Cheques, Drafts on hand including Postage & Imprest	**0.03**	0.02
	Total Cash and Cash Equivalents	**1,409.45**	**319.22**

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	**Earmarked Balances and Term Deposits with Banks for:**		
	- Bank Deposit (Callable) /Demand Deposits- On Lien*	**894.71**	6,521.64
	- Unclaimed Dividend	**99.10**	1,085.21
	- Unclaimed Bonds / Interest on Bonds etc.	**84.95**	79.39
	- Amount received under GoI scheme	**49.17**	60.13
	- Govt. funds for further Disbursement	**100.00**	-
	- Deposits in compliance of Court	**0.77**	0.72
	- Current Accounts with Banks - Unspent CSR Purposes	**359.60**	185.14
	- Bank deposits- Security for FCNR(B) loans	**-**	28.32
(ii)	Balance with Bank not available for use pending allotment of securities	**525.42**	595.88
(iii)	Bank Deposit (Callable) /Demand Deposits- More than 3 months	**1,149.51**	709.30
	Total Bank Balance other than Cash and Cash Equivalents	**3,263.23**	**9,265.73**

* 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 31.03.2026			As at 31.03.2025		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional Amounts	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives:**						
	- Currency Swaps	**37,011.58**	**1,690.23**	**700.58**	19,512.22	271.48	25.75
	- Options	**3,30,172.90**	**27,316.84**	**2,076.23**	2,68,053.05	22,277.09	2,027.02
	Total Currency Derivatives (i)	**3,67,184.48**	**29,007.07**	**2,776.81**	**2,87,565.27**	**22,548.57**	**2,052.77**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	**1,83,501.24**	**1,581.05**	**1,112.88**	1,73,087.47	1,530.91	390.46
	Total Interest Rate Derivatives (ii)	**1,83,501.24**	**1,581.05**	**1,112.88**	**1,73,087.47**	**1,530.91**	**390.46**
	Total Derivative Financial Instruments [(i) + (ii)]	**5,50,685.72**	**30,588.12**	**3,889.69**	**4,60,652.74**	**24,079.48**	**2,443.23**

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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 31.03.2026			As at 31.03.2025		
		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	42,033.10	18.86	366.06	44,032.60	458.49	76.48
	Total Fair Value Hedging (Designated) (i)	**42,033.10**	**18.86**	**366.06**	**44,032.60**	**458.49**	**76.48**
(ii)	**Cash Flow Hedging:**						
	- Currency Derivatives	3,67,184.48	29,007.07	2,776.81	2,87,565.27	22,548.56	2,052.77
	- Interest Rate Derivatives	1,36,468.14	1,354.08	718.43	1,21,404.87	678.01	313.98
	Total Cash Flow Hedging (ii)	**5,03,652.62**	**30,361.15**	**3,495.24**	**4,08,970.14**	**23,226.57**	**2,366.75**
(iii)	**Undesignated Derivatives**	5,000.00	208.11	28.39	7,650.00	394.42	-
	Total Undesignated Derivatives (iii)	**5,000.00**	**208.11**	**28.39**	**7,650.00**	**394.42**	**-**
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	**5,50,685.72**	**30,588.12**	**3,889.69**	**4,60,652.74**	**24,079.48**	**2,443.23**

10.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Notional principal of swap agreements	**1,83,501.24**	1,73,087.47
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**1,581.05**	1,530.91
(iii)	Collateral required upon entering into swaps	Refer note (a) below	
(iv)	Concentration of credit risk arising from swaps	Refer note (b) below	
(v)	Fair value of swap book (obtained from counterparty banks)	**468.17**	1,140.45

(a) Company is covered under RBI Master Directions (Margining for Non- Centrally Cleared OTC Derivatives), 2024 and places the required collateral in accordance with the provisions of the said Directions.

(b) The Group has entered into swap agreements with Category-I Authorized 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 31.03.2026 (as at 31.03.2025 Nil).

10.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026		As at 31.03.2025	
		Currency Derivatives	Interest Rate Derivatives*	Currency Derivatives	Interest Rate Derivatives*
(i)	Derivatives (Notional Principal Amount)				
	For hedging	**3,67,184.47**	**1,83,501.24**	2,87,565.27	1,73,087.47
(ii)	Marked to Market Positions (MTM)				
	(a) Asset (+MTM)	**29,007.07**	**1,581.05**	22,548.57	1,530.91
	(b) Liability (-MTM)	**2,776.81**	**1,112.88**	2052.77	390.46
(iii)	Credit Exposure	**40,376.43**	**2,054.90**	28,004.46	2,664.81
(iv)	Unhedged Foreign Currency Exposures	**4,664.89**	**11,390.58**	4,981.41	10,551.58

* 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.

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11. RECEIVABLES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(A)	**Trade Receivables**		
(i)	- considered good - Secured (Gross)	-	-
(ii)	- considered good - Unsecured (Gross)	255.57	216.13
(iii)	less: Impairment loss allowance	(22.19)	(1.89)
(iv)	- which have Significant Increase in Credit Risk (Gross)	106.44	70.07
(v)	less: Impairment loss allowance	(23.62)	(20.65)
(vi)	- credit Impaired (Gross)	95.04	89.10
(vii)	less: Impairment loss allowance on Credit Impaired	(84.67)	(78.70)
	Sub Total (A)	**326.57**	**274.06**
(B)	**Other receivables**		
(i)	- considered good - Unsecured (Gross)	4.06	2.26
(ii)	less: Impairment loss allowance	(0.19)	(0.27)
	Sub Total (B)	**3.87**	**1.99**
	Total Receivables (A+B)	**330.44**	**276.05**

11.1 For details of impairment loss allowance on Trade Receivables Refer Note 46.1.13

11.2 Movement of Impairment on Trade and Other Receivables

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(i)	Opening Balance	101.51	101.23
(ii)	Add: Creation during the year	31.11	2.12
(iii)	Less: Reversal during the year	(1.95)	(1.84)
	Closing Balance	**130.67**	**101.51**

11.3 Trade Receivables ageing schedule

(₹ in crore)

Sr. No.	Particulars	As at 31st March 2026						
		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	134.71	42.64	94.85	0.00	0.00	3.75	275.95
	- which have significant increase in credit risk	-	-	-	48.09	13.16	0.00	61.25
	- credit impaired	-	-	-	1.61	1.62	116.62	119.85
	Sub- total (i)	**134.71**	**42.64**	**94.85**	**49.70**	**14.78**	**120.37**	**457.05**
(ii)	**- Disputed Trade receivables**							
	- considered good	-	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-	-
	Sub- total (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (i+ii)	**134.71**	**42.64**	**94.85**	**49.70**	**14.78**	**120.37**	**457.05**

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for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	As at 31st March 2026						
		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
	- which have significant increase in credit risk	-	-	-	27.52	42.55	-	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	-	-	-	-	-	-	-
	- which have 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**

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	As at 31.03.2026	As at 31.03.2025
(A)	**Loans to Borrowers***		
(i)	Term Loans	**11,07,882.91**	10,02,363.11
(ii)	Buyer's Line of Credit	**1,546.30**	1,719.69
(iii)	Working Capital Loans	**53,802.37**	1,05,376.47
(iv)	Others- Deferred Payment Guarantee	**536.62**	536.62
(v)	**Principal Outstanding (i to iv)**	**11,63,768.20**	**11,09,995.89**
(vi)	Interest accrued but not due on Loans on (v) above	**6,790.16**	6,283.60
(vii)	Interest accrued & due on Loans on (v) above	**870.33**	1,589.17
(viii)	Unamortised Fee on Loans on (v) above	**(881.90)**	(808.48)
	Gross Carrying Amount (v to viii)	**11,70,546.79**	**11,17,060.18**
	Less: Impairment loss allowance	**(17,292.21)**	(25,161.78)
	Net Carrying Amount	**11,53,254.58**	**10,91,898.40**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	**5,04,786.91**	4,84,475.46
(ii)	Secured by Intangible Assets	**-**	-
(iii)	Covered by Bank/Government Guarantees	**4,34,596.98**	4,47,070.59
(iv)	Unsecured	**2,31,162.90**	1,85,514.13
	Gross Security-wise classification	**11,70,546.79**	**11,17,060.18**
	Less: Impairment loss allowance	**(17,292.21)**	(25,161.78)
	Net Security-wise classification	**11,53,254.58**	**10,91,898.40**
(C) I	**Loans in India**		
(i)	Public Sector	**9,43,555.94**	9,21,829.59
(ii)	Private Sector	**2,26,990.85**	1,95,230.58
	Gross Carrying Amount of Loans in India	**11,70,546.79**	**11,17,060.18**
	Less: Impairment loss allowance	**(17,292.21)**	(25,161.78)
	Net Carrying Amount of Loans in India	**11,53,254.58**	**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	**11,53,254.58**	**10,91,898.40**

*For details of Loans pledged as security refer Note 22.11 to 22.18 and 23.12.

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12A Movement of Impairment loss allowance on Loans

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(i)	Opening balance	**25,161.78**	28,203.15
(ii)	Creation during the year	**987.61**	3,527.81
(iii)	Reversal during the year	**(8,857.18)**	(6,569.18)
	Closing balance	**17,292.21**	**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 31.03.2026 except where loans have been recalled or pending before court/NCLT. Confirmation for 99.94% of the said balances have been received.Out of the remaining loans amounting ₹ 336 crore for which balance confirmation have not been received, 100% loans are secured by way Charge on assets.

In respect of RECL, loan balance confirmations for 99.54% of total loan assets as at 31.03.2026 have been received from the borrowers. Out of the remaining 0.46% loan assets amounting to ₹ 2,673.11 crore for which balance confirmations have not been received, 52.26% loans are secured by way of hypothecation of assets, 47.53% by way of Government Guarantee/ Loans to Government and 0.21% are unsecured loans.

12.2 (i) 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 2025-26						
1	TRN Energy Pvt Ltd	Restructuring with existing promoter outside NCLT	2,642.77	1,208.62	692.70	Sustainable debt of ₹ 838 crore was created upon resolution against which loan amounting to ₹ 746.95 crore (after repayment) is continuing in the books of the Company as at 31.03.2026. Further, Optionally Convertible Debentures (OCDs) & Equity share of the borrower company were received which are valued at fair value of ₹ 1.
2	Sinnar Thermal Power Limited	Resolution with change in ownership through NCLT	5,332.67	4,266.13	3,023.96	Loan stands settled as at 31.03.2026.
3	Octant Industries Limited (OIL)	Resolution under SARFAESI & DRT Acts	22.15	22.15	22.15	Based on Board approval principal outstanding of ₹ 22.15 crore has been written off. Loan stands settled as at 31.03.2026.
4	Bhadreshwar Vidyut Private Limited	Resolution Plan approved under IBC	992.96	769.32	709.78	Loan stands settled as at 31.03.2026.
5	Bhavnagar Biomass Power Projects Private Limited	One Time Settlement Under RBI	13.77	2.75	-	Loan stands settled as at 31.03.2026.
Total			**9,004.32**	**6,268.97**	**4,448.59**	

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(₹ in crore)

12.2 (ii)

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 Renergies 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**	

In accordance with one of the subsidiary Company RECL's policy on technical write off, five loan assets with total amount of ₹1397.58 crore in respect of Ind-Barath Power (Madras) Limited, Jas Infrastructure Capital Private Limited, Konaseema Gas Power Limited, Lanco Vidarbah Thermal Power Limited and Shree Maheshwar Hydel PCL have been technically written off in RECL.

*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.

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13A. INVESTMENTS (OTHER THAN ACCOUNTED FOR USING EQUITY METHOD)

(₹ in Crore)

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

(₹ 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)	Total (1)+(4)+(5)
(i)	Government Securities	4,257.56	-	-	-	-	4,257.56
(ii)	Debt securities	3,972.93	-	968.18	968.18	-	4,941.11
(iii)	Equity Instruments	-	3,276.16	320.81	3,596.97	-	3,596.97
(iv)	Preference Shares	101.67	-	-	-	-	101.67
	Total Investments (Other than accounted for using equity method)	**8,332.16**	**3,276.16**	**1,288.99**	**4,565.15**	**-**	**12,897.31**
	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	8,332.16	3,276.16	1,288.99	4,565.15	-	12,897.31
	Gross Geography wise investment	**8,332.16**	**3,276.16**	**1,288.99**	**4,565.15**	**-**	**12,897.31**
	Less: Impairment loss allowance	(104.93)	-	-	-	-	(104.93)
	Net Geography wise investment	**8,227.23**	**3,276.16**	**1,288.99**	**4,565.15**	**-**	**12,792.38**

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 31.03.2026			As at 31.03.2025		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(i)	**Government Securities*** **	Amortised Cost	**59,50,65,300**	**100**	**6,144.15**	40,82,97,700	100	4,257.56
(ii)	**Debt securities**							
	- Bonds from State Corporation- Quoted	Amortised Cost	**2,30,353**	**1,00,000 & 10,00,000**	**2,955.67**	82,954	1,00,000 & 10,00,000	1,531.86
	Debentures							
	- 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

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(₹ in Crore)

Sr. No.	Particulars	Measured at	As at 31.03.2026			As at 31.03.2025		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
	- 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	-
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	FVTPL	1,75,26,000	100	0.00	1,86,24,000	100	-
	- DANS Energy Pvt. Ltd- OCD	FVTPL	4,51,17,000	100	0.00	4,51,17,000	100	-
	- 7.99% Perpetual bonds of Canara Bank- Quoted	FVTPL	200	1,00,00,000	207.80	200	1,00,00,000	207.78
	- 9.50% Perpetual Bonds of UCO Bank -Quoted	FVTPL	228	1,00,00,000	234.85	228	1,00,00,000	239.55
	- 8.55% Perpetual Bonds of PNB-Quoted	FVTPL	500	1,00,00,000	512.93	500	1,00,00,000	520.85
	- Jhabua Power Limited - NCD	Amortised Cost	1,29,41,110	100	126.76	1,43,81,293	100	141.67
	- TRN Energy Private Limited -OCD - Series A	FVTPL	6,92,70,000	100	0.00	-	-	-
	- TRN Energy Private Limited -OCD - Series B	FVTPL	6,51,32,000	100	0.00	-	-	-
	- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,00,76,285	100	159.92	2,50,95,356	100	189.65
	- 10% NCD - GMR Goa International Airport Ltd (GGIAL)- Quoted	Amortised Cost	49,488	1,00,000	493.96	49,488	1,00,000	493.56
	- 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	8.81
	- 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	6.22
	- 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	1.41
	- 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	102.97
	- 7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	10,00,000	88.00	850	10,00,000	88.04
	- 6.65% Bonds of Food Corporation of India	Amortised Cost	200	10,00,000	20.59	200	10,00,000	20.60
	- 7.19% Bonds of THDC India Limited	Amortised Cost	250	10,00,000	26.26	250	10,00,000	26.27

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(₹ in Crore)

Sr. No.	Particulars	Measured at	As at 31.03.2026			As at 31.03.2025		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
	- 8.69% Bonds of Damodar Valley Corporation	Amortised Cost	140	10,00,000	14.40	200	10,00,000	20.74
	- 7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	10,00,000	21.47	200	10,00,000	21.73
	- 5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	-	-	-	150	10,00,000	15.61
	- 6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	-	-	-	100	10,00,000	10.45
	- 7.30% Bonds of NMDC Steel Limited	Amortised Cost	-	-	-	200	10,00,000	20.90
	- 9.50% Delhi International Airport Limited (DIAL)	Amortised Cost	1,25,650	1,00,000	1,254.27	1,25,650	1,00,000	1,256.75
(iii)	**Equity Instruments**							
	- PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	189.06	1,20,00,000	10	196.33
	- Coal India Limited - Quoted	Designated - FVTOCI	1,39,64,530	10	629.03	1,39,64,530	10	556.07
	- NHPC Limited - Quoted	Designated - FVTOCI	11,31,49,030	10	834.13	11,31,49,030	10	930.09
	- Power Exchange India Limited - Unquoted *	Designated - FVTOCI	32,20,000	10	6.48	32,20,000	10	5.06
	- Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	526.56	13,31,04,997	2	754.17
	- Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	46,36,00,000	10	70.55	46,36,00,000	10	221.57
	- Jhabua Power Limited - Unquoted **	Designated - FVTOCI	9,69,30,666	10	605.24	9,69,30,666	10	590.12
	- Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	366	10	47.09	366	10	22.75
	- 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	4,952	10	-	2,665	10	-
	- RattanIndia Power Limited - Quoted	FVTPL	32,76,95,820	10	247.74	32,76,95,820	10	320.81
	- RKM PowerGen Pvt. Ltd - Unquoted	FVTPL	58,57,06,587	10	0.00	58,57,06,587	10	-
	- TRN Energy Private Limited	Designated - FVTOCI	17,54,55,706	10	0.00	-	-	-
	- Units of Raajmarg Infra Investment Trust-2026 Invit- Quoted	Designated - FVTOCI	2,58,783	100	2.85			
(iv)	**Preference Shares - Unquoted**							
	- 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				**15,656.52**			**12,897.31**
	Less: Impairment Loss Allowance				**(107.74)**			**(104.93)**
	Net Investments				**15,548.78**			**12,792.38**

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, - 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

*** 11,73,11,100 GoI Securities with a face value of ₹1,173.11 crore (previous years Nil) held as collateral with Clearing Corporation of India Limited for initial margin

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

13B. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	**Associates**		
	- Ultramega Power Projects / Independent Transmission Projects [5,90,000 equity shares of ₹10 each; previous year 5,50,000 equity shares of ₹10 each]	**0.08**	0.10
	Sub Total	**0.08**	**0.10**
	Less: Impairment loss allowance	-	-
	Total Investments accounted for using equity method	**0.08**	**0.10**

13.1 Movement of impairment loss allowance on investments

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Opening Balance	**104.93**	101.67
Add: Impairment loss allowance recognized during the year	**2.81**	3.26
Less: Reversal of excess impairment loss allowance during the year	-	-
Closing Balance	**107.74**	**104.93**

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.	Particulars	Proportion of ownership interest as at	
		31.03.2026	31.03.2025
(i)	Orissa Integrated Power Limited	-	-
(ii)	Coastal Tamil Nadu Power Limited	**0.06**	0.08
(iii)	Sakhigopal Integrated Power Company Limited	-	-
(iv)	Ghogarpalli Integrated Power Company Limited	-	-
(v)	Deoghar Mega Power Limited	-	-
(vi)	Cheyyur Infra Limited	-	-
(vii)	Odisha Infrapower Limited	-	-
(viii)	Deoghar Infra Limited	-	-
(ix)	Bihar Infrapower Limited	-	-
(x)	Bihar Mega Power Limited	-	-
(xi)	Jharkhand Infrapower Limited	-	-
(xii)	Chhatarpur Transmission Limited	**0.0025**	0.0054
(xiii)	Bhuj II Transmission Limited	**0.0025**	0.0054
(xiv)	Bhuj ICT Transmission Limited	**0.0025**	0.0054
(xv)	Bhadla and Bikaner Complex Transmisssion Limited	**0.0025**	0.0054
(xvi)	Joda Barbil Transmission Limited	**0.0052**	-
	Total Carrying Value	**0.08**	**0.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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)

Particulars	No. of shares/units derecognised	Fair Value as on date of de-recognition	Cumulative gain/ (loss) on de-recognition
FY 2025-26 [1]			
Bhadreshwar Vidyut Private Limited	66,11,47,610	6.61	-
Total			**-**
FY 2024-25 [1]			
NHPC Limited	1,49,99,717	161.01	114.38
Total			**114.38**

[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.

Dividend income earned on equity/Invit investments designated at FVOCI is ₹99.71 crore for current financial year (previous year ₹ 90.51 crore).

13.4 Refer Note 48 for details of fair valuation of investments.

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 31.03.2026	As at 31.03.2025
(i)	Recoverable on account of Government of India Serviced Bonds	**29,356.50**	29,356.50
(ii)	Security Deposits	**10.10**	9.05
(iii)	Advances to Associates	**127.33**	211.17
(iv)	Advances to Employees	**240.45**	218.56
(v)	Advance paid towards variation margin	**63.32**	0.63
(vi)	Others	**340.76**	447.14
	Less: Impairment loss allowance on Others	**(146.27)**	(178.80)
	Total Other Financial Assets	**29,992.19**	**30,064.25**

14.1 Detail of Advances to KMPs (Included in Note 14 above):

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Advances to KMPs (including interest accrued)	**1.61**	1.30
(ii)	Advances to KMPs (including interest accrued) as a % of Employee Advances	**0.67%**	0.59%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

14.2 Movement of Impairment on Other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(i)	Opening balance	178.80	61.39
(ii)	Add : Creation during the year	17.20	141.08
(iii)	Less : Reversal during year	(49.73)	(23.67)
	Closing balance	**146.27**	**178.80**

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	467.46	538.47
(ii)	Tax Deposited on income tax demands under contest	0.96	99.61
(iii)	Income tax refundable for previous year	4.55	4.30
	Total Current Tax Assets (Net)	**472.97**	**642.38**
(i)	Provision for income tax net of Advance Tax	22.04	50.92
(ii)	Provision for income tax for demand under contest	0.23	0.25
	Total Current Tax Liabilities (Net)	**22.27**	**51.17**

16. MOVEMENT IN DEFERRED TAX BALANCES:

FY 2025-26

(₹ in crore)

		Net balance as at 01.04.2025	Recognised in Profit and Loss	Recognised in OCI	Net balance as at 31.03.2026
(A)	**Deferred Tax Asset**				
(i)	Provision for expenses deductible on payment basis under Income Tax Act	55.21	2.80	(0.26)	57.75
(ii)	Unamortised income on loans to borrowers	153.07	22.16	-	175.23
(iii)	Impairment loss allowance on Financial instruments in excess of RBDD	5,983.24	(1,876.58)	-	4,106.66
(iv)	Depreciation and amortisation	(71.55)	3.03	-	(68.52)
(v)	Fair value of derivatives (Net)	886.97	218.24	2,262.85	3,368.06
(vi)	Others	(180.42)	7.90	-	(172.52)
(B)	**(Deferred Tax Liabilities)**				
(i)	Unamortised Exchange Loss (Net)	(270.10)	(91.44)	-	(361.54)
(ii)	Unamortised expenditure on loan liabilities	(365.10)	5.09	-	(360.01)
(iii)	Fair valuation of Debt securities	(2.21)	(30.97)	-	(33.18)
(iv)	Others	28.33	92.05	63.24	183.62
Net Deferred Tax Assets / (liabilities)		**6,217.44**	**(1,647.72)**	**2,325.83**	**6,895.55**

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for the year ended March 31, 2026

FY 2024-25

(₹ in crore)

		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**

17. INVESTMENT PROPERTY*

(₹ in crore)

Particulars	Opening balance	Additions / transfer during the year	Sales/ adjustment during the year	Closing balance
As at 31-03-2026				
Gross Carrying Value	**2.46**	**-**	**-**	**2.46**
Accumulated depreciation/ amortisation	**(1.45)**	**(0.03)**		**(1.48)**
Net Carrying Value	**1.01**	**(0.03)**	**-**	**0.98**
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**

*Pertains to PFC's subsidiary REC Ltd.

17.1 REC Ltd. investment properties consist of buildings situated in Delhi and Gurugram, India. During the year, there has been no reclassification from/to Investment Property (previous year Gross Carrying value of ₹ 2.46 crore reclassified from Property, Plant and Equipment (PPE) of the Company.

The rental income from these investment properties is ₹ 16.01 crores (previous year ₹ 14.97 crores) 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 31.03.2026	As at 31.03.2025
Carrying Value	**0.98**	1.01
Fair Value	**165.28**	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.

18. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP), INTANGIBLE ASSETS UNDER DEVELOPMENT AND OTHER INTANGIBLE ASSETS

FY 2025-26

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)									Capital Work-in-Progress	Intangible Assets under development	Other Intangible assets
	Freehold Land	Buildings	Plant & Equipment	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable property	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2025	**113.77**	**479.36**	**83.23**	**71.93**	**77.23**	**86.51**	**0.64**	**1.66**	**914.33**	**76.21**	**11.98**	**32.07**
Additions	-	1.36	-	40.39	27.50	8.25	0.25	-	77.75	47.39	3.92	0.83
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	6.39	-	-
Disposals / Adjustments	-	-	(0.08)	(13.70)	(36.52)	(11.58)	(0.17)	-	(62.05)	(1.65)	-	(0.13)
Gross Carrying Amount as on 31.03.2026 (A)	**113.77**	**480.72**	**83.15**	**98.62**	**68.21**	**83.18**	**0.72**	**1.66**	**930.03**	**128.34**	**15.90**	**32.77**
Accumulated Depreciation / Amortisation as on 01.04.2025	-	49.18	25.20	47.62	39.55	35.48	0.18	1.66	198.87	-	-	25.00
Charge for the year	-	7.66	8.92	17.87	14.95	8.54	0.07	-	58.01	-	-	1.73
Assets disposed /written off from books	-	-	(0.02)	(10.00)	(20.55)	(5.90)	(0.06)	-	(36.53)	-	-	(0.14)
Accumulated Depreciation / Amortisation as on 31.03.2026 (B)	-	56.84	34.10	55.49	33.95	38.12	0.19	1.66	220.35	-	-	26.59
Net Carrying Amount as on 31.03.2026 (A-B)	**113.77**	**423.88**	**49.05**	**43.13**	**34.26**	**45.06**	**0.53**	-	**709.68**	**128.34**	**15.90**	**6.18**

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for the year ended March 31, 2026

FY 2024-25

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)									Capital Work-in-Progress	Intangible Assets under development	Other Intangible assets
	Freehold Land	Buildings	Plant & Equipment	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable property	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2024	**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**

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for the year ended March 31, 2026

Right-of-use Assets

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Balance of Leasehold Land	**37.17**	40.10
Additions	**4.02**	-
Less: Disposal / Adjustment	**-**	-
Less: Depreciation*	**(3.19)**	(2.93)
Closing Balance of Leasehold Land	**38.00**	**37.17**

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

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) and 6.6 (x) as modified.

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. and REC Ltd., details of assets pledged as security are as under:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Gross Carrying Value	**7.60**	7.60
Net Carrying Value	**5.52**	5.59

For details of borrowings against which above assets are pledged as security refer note 22.11, 22.12,22.14,22.15 and 22.17

18.4 In case of PFC's Subsidiary REC Ltd., As on 31st March 2026, 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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Land	Building	Land	Building
Gross Carrying Value	**-**	**4.59**	-	4.59
Net Carrying Value	**-**	**1.76**	-	1.83

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 ₹ 6.39 crores (previous year ₹ 3.02 crores) borrowing costs on account of general borrowings at an average rate of borrowings of 7.11% (previous year 7.13%) 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.

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for the year ended March 31, 2026

18.7 Intangible assets under development ageing schedule of PFC Ltd. & PFC Consulting Ltd.:

(₹ in crore)

Intangible assets under development	Amount in intangible assets for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31.03.2026					
Projects in progress	3.92	0.78	-	11.20	15.90
Projects temporarily suspended	-	-	-	-	-
Total	**3.92**	**0.78**	**-**	**11.20**	**15.90**
As at 31.03.2025					
Projects in progress	0.78		11.20	-	11.98
Projects temporarily suspended	-	-	-	-	-
Total	**0.78**	**-**	**11.20**	**-**	**11.98**

18.8 Intangible assets under development completion schedule in respect of PFC Ltd:

(₹ in crore)

Intangible assets under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31.03.2026					
Project in progress	15.85	-	-	-	15.85
As at 31.03.2025					
Projects in progress	-	11.98	-	-	11.98

18.9 In respect of Company's subsidiary REC Ltd., PFCCL and PIFIL , CWIP ageing schedule

(₹ in crore)

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31.03.2026					
Projects in progress	52.13	52.45	20.94	2.82	128.34
Projects temporarily suspended					
As at 31.03.2025					
Projects in progress	52.45	20.94	1.34	1.48	76.21
Projects temporarily suspended					

18.10 In respect of Company's subsidiary REC Ltd., CWIP completion schedule

(₹ in crore)

Capital Work in Progress	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31.03.2026					
Projects in progress					
- REC Township at Gurugram	124.04	-	-	-	124.04
- Renovation Works at Office Building	3.67	-	-	-	3.67
As at 31.03.2025					
Projects in progress					
- REC Township at Gurugram	76.01	-	-	-	76.01

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for the year ended March 31, 2026

19. OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Prepaid Expenses	8.11	26.98
(ii)	Deferred Employee Costs	86.16	78.09
(iii)	Advance towards Capital assets	1,594.26	1,377.20
(iv)	Excess Spent - CSR Expenses	0.47	5.53
(v)	Amount Recoverable From Income Tax Deptt.	61.69	26.75
(vi)	Advance Towards Contractual Obligations - CSR	39.05	37.50
(vii)	Security Deposits - Non Refundable	18.40	-
(viii)	Other assets	80.68	111.67
	Total Other Non-Financial Assets	**1,888.82**	**1,663.72**

20. ASSETS CLASSIFIED AS HELD FOR SALE*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(A)	**Assets classified as held for sale**		
(i)	Investment in associates (Refer Note 20.1)	1.33	0.45
(ii)	Loan to associates (Refer Note 20.2)	33.92	17.97
	Sub Total (i+ii+iii)	**35.25**	**18.42**
(B)	Asset Classified as Held for Sale - Building**	0.01	0.01
	Total (A+B)	**35.26**	**18.43**
(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)	**35.26**	**18.43**

*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 31.03.2026 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 31.03.2026	As at 31.03.2025
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	Shongtong Power Transmission Limited	0.05	0.05
3	Kankani Power Transmission Limited	0.05	0.05
4	Tuticorin Power Transmission Limited	0.05	0.05
5	Rajgarh III Power Transmission Limited	-	0.05
6	WRNES Tale Gaon Power Transmission Limited	-	0.05
7	Apta Power Transmission Limited	0.05	-
8	Dholpur Power Transmission Limited	0.05	-
9	Ambernath Power Transmission Limited	0.05	-
10	Hampapura Power Transmission Ltd.	0.05	-
11	Jalna Power Transmisison Limited	0.05	-
12	Mekhali Power Transmission Ltd.	0.05	-
13	Robertsganj PTL	0.05	-

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(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
14	Ryapte Power Transmission Ltd.	0.05	-
15	Sakoli Power Transmission Limited	0.05	-
16	Sharavathi Power Transmission Ltd.	0.05	-
17	Balsane Power Transmission Limited	0.05	-
18	Barmer HVDC PTL	0.05	-
19	Kempegowda PTL	0.05	-
20	WR-ER Part A Power Transmission Limited	0.05	-
21	Jaisalmer Power Transmission Limited	0.05	-
22	Munak Power Transmission Limited	0.05	-
23	Musalgaon Power Transmission Limited	0.05	-
24	Ranipur Chunar Power Transmission Ltd	0.05	-
25	Vizag Power Transmission Limited	0.05	-
26	WR-ER Part C Power Transmission Limited	0.05	-
In case of PFC's Subsidiary PFC Consulting Limited			
1	SIOT Transmission Limited	0.01	0.01
2	Joda Barbil Transmission Limited	-	0.01
3	Ramakanali B -Panagarh Transmission Limited	0.01	0.01
4	Gola B -Ramgarh B Transmission Limited	0.01	0.01
5	KPS III HVDC Transmission Limited	-	0.01
6	Angul Sundargarh Transmission Limited	-	0.01
7	Wahipora And Sallar Transmission Limited	0.01	0.01
8	MEL Power Transmission Limited	-	0.01
9	Kandla Gha Transmission Limited	0.01	0.01
10	Raghanesda RE Transmission Limited	-	0.01
11	NER Expansion Transmission Limited	-	0.01
12	Kakinada I Transmission Limited	0.01	0.01
13	NES Dharashiv Transmission Limited	-	0.01
14	NES Navi Mumbai Transmission Limited	0.01	0.01
15	NES Pune East New Transmission Limited	-	0.01
16	Kurnool IV REZ Power Transmission Limited	0.01	-
17	Tumkur II RE Transmission Limited	0.01	-
18	Raigad Power Transmission Limited	0.01	-
19	Alibag Power Transmission Limited	0.01	-
20	Latur REZ Transmission Limited	0.01	-
21	NERGS III Siang Basin Transmission Limited	0.01	-
	Total	**1.33**	**0.45**

20.2 Loan to Associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
In case of PFC's Subsidiary REC Ltd.			
1	Receivable from SPV-Under Incorporation	(0.11)	(0.22)
2	Shongtong Power Transmission Limited	2.19	1.30
3	Luhri Power Transmission Limited	1.39	1.39
4	Kankani Power Transmission Limited	0.42	0.01
5	Tuticorin Power Transmission Limited	1.07	0.41
6	WRNES Tale Gaon Power Transmission Limited	0.01	0.29
7	Rajgarh III Power Transmission Limited	-	0.17

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
8	Velegaon Power Transmission Limited	-	0.11
9	Jejuri Hinjewadi Power Transmission Limited	-	0.11
10	Robertsganj Power Transmission Limited	0.78	-
11	Hampapura Power Transmission Limited	0.85	-
12	Mekhali Power Transmission Limited	0.68	-
13	Ryapte Power Transmission Limited	0.79	-
14	Sharavathi Power Transmission Limited	0.71	-
15	Jalna Power Transmission Limited	0.75	-
16	Sakoli Power Transmission Limited	0.62	-
17	Barmer HVDC Power Transmission Ltd.	0.64	-
18	Kempegowda Power Transmission Ltd.	0.32	-
19	WRER Part A Power Transmission Limited	0.48	-
20	WRER Part C Power Transmission Limited	0.34	-
21	Musalgaon Power Transmission Ltd	0.40	-
22	Ranipur Chunar Power Transmission Limited	0.38	-
23	Balsane Power Transmisison Limuted	0.31	-
24	Ambernath Power Transmission Limited	0.25	-
25	Apta Power Transmission Limited	0.27	-
26	Dholpur Power Transmission Limited	0.22	-
27	Vizag Power Transmission Limited	0.21	-
28	Munak Power Transmission Limited	0.16	-
29	Jaisalmer Power Transmission Limited	0.19	-
In case of PFC's Subsidiary PFC Consulting Limited			
1	SIOT Transmission Limited	3.76	2.54
2	Joda Barbil Transmission Limited	-	1.57
3	Ramakanali B -Panagarh Transmission Limited	1.01	0.59
4	Gola B -Ramgarh B Transmission Limited	0.75	0.44
5	KPS III HVDC Transmission Limited	-	1.15
6	Angul Sundargarh Transmission Limited	-	1.59
7	Wahipora And Sallar Transmission Limited	1.86	1.12
8	MEL Power Transmission Limited	-	0.79
9	Kandla Gha Transmission Limited	1.11	0.95
10	Raghanesda RE Transmission Limited	-	0.80
11	NER Expansion Transmission Limited	-	1.05
12	Kakinada I Transmission Limited	1.79	0.58
13	NES Dharashiv Transmission Limited	-	0.23
14	NES Navi Mumbai Transmission Limited	1.16	0.30
15	NES Pune East New Transmission Limited	-	0.18
16	Kurnool IV REZ Power Transmission Limited	2.54	-
17	Tumkur II RE Transmission Limited	1.07	-
18	Raigad Power Transmission Limited	0.50	-
19	Alibag Power Transmission Limited	0.57	-
20	Latur REZ Transmission Limited	0.47	-
21	NERGS III Siang Basin Transmission Limited	1.32	-
22	Amount receivable from ITP under Incorporation*	1.67	0.51
	Total	**33.92**	**17.97**

*During the FY 2025-26, PFC Consulting Limited has incurred ₹ 1.67 crore (previous year ₹ 0.51 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 31.03.2026	As at 31.03.2025
Trade Payables			
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	2.35	0.80
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	208.22	151.35
Other Payables			
(iii)	Total outstanding dues of Micro, Small and Medium Enterprises	2.07	6.52
(iv)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	14.21	17.28
Total Payables		**226.85**	**175.95**

21.1 Trade Payables ageing schedule

(₹ in crore)

Particulars	As at 31st March 2026						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							
- Disputed	-	-	-	-	-	-	-
- Others	0.05	-	2.30	-	-	-	2.35
Sub-total (i)	**0.05**	**-**	**2.30**	**-**	**-**	**-**	**2.35**
(ii) Other than MSME							
- Disputed	-	-	-	-	-	-	-
- Others	8.94	4.16	129.78	38.19	15.99	11.16	208.22
Sub-total (ii)	**8.94**	**4.16**	**129.78**	**38.19**	**15.99**	**11.16**	**208.22**
Total (i+ii)	**8.99**	**4.16**	**132.08**	**38.19**	**15.99**	**11.16**	**210.57**

(₹ in crore)

Sr. No.	Particulars	As at 31st March 2025						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	0.63	0.06	0.11	-	-	-	0.80
	Sub-total (i)	**0.63**	**0.06**	**0.11**	**-**	**-**	**-**	**0.80**
(i)	**Other than MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	13.59	0.63	123.48	9.70	2.50	1.45	151.35
	Sub-total (ii)	**13.59**	**0.63**	**123.48**	**9.70**	**2.50**	**1.45**	**151.35**
	Total (i+ii)	**14.22**	**0.69**	**123.59**	**9.70**	**2.50**	**1.45**	**152.15**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 31.03.2026	As at 31.03.2025
(A)	**Secured Bonds / Debenture**		
(i)	- Infrastructure Bonds (Refer note 22.1)	**38.51**	38.51
(ii)	- Tax Free Bonds (Refer note 22.2)	**15,578.46**	16,438.84
(iii)	- 54EC Capital Gain Tax Exemption Bonds (Refer note 22.3)	**53,428.97**	53,178.78
(iv)	- Taxable Bonds (Refer note 22.4)	**7,826.87**	7,251.51
(v)	- Bond Application Money (Refer note 22.5)	**525.42**	595.88
	Sub-Total (A)	**77,398.23**	**77,503.52**
(B)	**Unsecured Bonds / Debenture**		
(i)	- Infrastructure Bonds (Refer note 22.6)	**3.96**	3.96
(ii)	- Taxable Bonds (Refer note 22.7)	**4,74,924.10**	4,50,221.45
(iii)	- Foreign Currency Notes (Refer note 22.8 & 22.9)	**67,469.13**	61,009.27
(iv)	- Commercial Paper (Refer note 22.10)	**9,505.37**	5,996.24
	Sub-Total (B)	**5,51,902.56**	**5,17,230.92**
(C)	**Total Principal Outstanding of Debt Securities (A+B)**	**6,29,300.79**	**5,94,734.44**
(D)	Interest accrued but not due on (C) above	**18,822.32**	17,800.34
(E)	Unamortised Transaction Cost on (C) above	**(768.94)**	(746.56)
(F)	Hedging Adjustments - Loan Liability - FV Hedge on (C) above	**(208.33)**	387.82
	Total Debt Securities (iii to vi)	**6,47,145.84**	**6,12,176.04**
Geography wise Debt Securities			
(i)	Debt Securities in India	**5,79,312.96**	5,50,993.35
(ii)	Debt Securities outside India	**67,832.88**	61,182.69
	Total Geography wise Debt Securities	**6,47,145.84**	**6,12,176.04**

22.1 Details of Secured Infrastructure Bonds outstanding are as follows:

(₹ in crore)

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2026	31.03.2025			
In case of PFC							
1	Infrastructure Bonds (2010-11) - Series III	8.50%	**5.27**	5.27	31.03.2026	22.11	Due on 31.03.26, but Repaid in FY 2026-27 (02.04.26)
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	**19.33**	19.33	31.03.2026		
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**			

Notes to the Consolidated Financial Statements

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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
			31.03.2026	31.03.2025			
In case of PFC							
1	Tax Free Bonds Series 136	7.16%	-	300.00	17.07.2025		
2	Tax Free Bonds (2015-16) Series 1B	7.36%	-	77.22	17.10.2025		Repaid in FY 2025-26
3	Tax Free Bonds (2015-16) Series 1A	7.11%	-	77.23	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%	**167.96**	171.38	04.01.2028		
10	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	**189.04**	185.62	04.01.2028		
11	Tax Free Bonds (2012-13) Tranch II	7.54%	**53.21**	52.18	28.03.2028		
12	Tax Free Bonds (2012-13) Tranch II	7.04%	**16.00**	17.03	28.03.2028	22.13	Redeemable at par on maturity
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**	44.45	17.10.2030		
17	Tax Free Bonds (2015-16) Series 2-A	7.27%	**132.05**	132.05	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**	127.37	17.10.2035		
21	Tax Free Bonds (2015-16) Series 3-A	7.35%	**241.68**	241.68	17.10.2035		
	Sub - Total (A)		**7,031.12**	**7,485.57**			
In case of PFC's Subsidiary REC Ltd.							
1	Series 2015-16 Series 5A	7.17%	-	300.00	23.07.2025	Redeemed 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	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2026	31.03.2025			
4	Series 2012-13 Tranche 1	7.38% to 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 Tranche 1	8.37% to 8.71%	**2,835.54**	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
8	Series 2013-14 Series 4A & 4B	8.54%	**45.00**	45.00	11.10.2028		Redeemable at par on 11.10.2028
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%	**590.63**	696.56	05.11.2030		Redeemable at par. Bonds amounting to ₹ 105.93 crores were redeemed 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)		**8,547.33**	**8,953.27**			
	Total (A+B)		**15,578.46**	**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
			31.03.2026	31.03.2025		
In case of PFC						
1	Series III (FY 2019-20)	5.75%	**-**	129.01		Repaid in FY 2025-26
2	Series IV (FY 2020-21)	5.75%	**-**	252.38		
3	Series IV (FY 2020-21)	5.00%	**238.47**	685.41		Repaid in FY 2025-26 (₹238.47 Cr repaid on 02.04.26)
4	Series V (FY 2021-22)	5.00%	**1,434.64**	1,434.64	22.13	Redeemable at par during FY 2026-27
5	Series VI (FY 2022-23)	5.00%	**2,600.87**	2,600.87		Redeemable at par during FY 2027-28
6	Series VII (FY 2023-24)	5.25%	**2,740.99**	2,740.99		Redeemable at par during FY 2028-29
7	Series VIII(FY 2024-25)	5.25%	**2,099.77**	2,099.77		Redeemable at par during FY 2029-30
8	Series IX(FY 2025-26)	5.25%	**1,143.27**	-		Redeemable at par during FY 2030-31
	Sub - Total (A)		**10,258.01**	**9,943.09**		
In case of PFC's Subsidiary REC Ltd.						
1	Series XIV (2020-21)	5.75% and 5%	**-**	5,312.07	Redeemed at par during FY 2025-26	
2	Series XV (2021-22)	5.00%	**7,312.80**	7,312.80	Redeemable at par during FY 2026-27	
3	Series XVI (2022-23)	5.00%	**12,152.39**	12,152.39	Redeemable at par during FY 2027-28	
4	Series XVII (2023-24)	5.25%	**11,419.07**	11,419.57	Redeemable at par during FY 2028-29	
5	Series XVIII (2024-25)	5.25%	**7,634.21**	7,038.86	Redeemable at par during FY 2029-30	
6	Series XIX (2025-26)	5.25%	**4,652.49**	-	Redeemable at par during FY 2030-31	
	Sub - Total (B)		**43,170.96**	**43,235.69**		
	Total (A+B)		**53,428.97**	**53,178.78**		

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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 31.03.2026	Principal Amount (₹ in crore) outstanding as at 31.03.2025	Date of Redemption	For Security, Refer Note	Redemption details
In case of PFC							
1	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	-	27.05	22.01.2026		Repaid in FY 2025-26
2	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	-	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		
11	Secured Public Issue (25-26) 6.85 Tranch1 Series1 Category12	6.85%	**1.08**	-	03.02.2031		
12	Secured Public Issue (25-26) 6.90 Tranch1 Series1 Category3	6.90%	**2.95**	-	03.02.2031		
13	Secured Public Issue (25-26) 7.00 Tranch 1 Series1 Category 4	7.00%	**20.52**	-	03.02.2031		
14	7 47 SEC TAX NCD 2324 PI TR I SR II CAT I-II	7.47%	**362.51**	362.51	01.08.2033		
15	7 53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV	7.53%	**45.48**	45.48	01.08.2033		
16	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	**1,330.05**	1,330.05	22.01.2036	22.13	Redeemable at par on maturity
17	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	**50.05**	50.05	22.01.2036		
18	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	**53.36**	53.36	22.01.2036		
19	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	**3.51**	3.51	22.01.2036		
20	Secured Public Issue (25-26) 7.00 Tranch1 Series2 Category12	7.00%	**32.06**	-	03.02.2036		
21	Secured Public Issue (25-26) 7.10 Tranch 1 Series2 Category3	7.10%	**2.15**	-	03.02.2036		
22	Secured Public Issue (25-26) 7.20 Tranch1 Series2 Category4	7.20%	**13.04**	-	03.02.2036		
23	Secured Public Issue (25-26) 6.80 Tranch1 Series3 Category12	6.80%	**266.34**	-	03.03.2036		
24	Secured Public Issue (25-26) 6.85 Tranch1 Series3 Category3	6.85%	**82.68**	-	03.03.2036		
25	Secured Public Issue (25-26) 6.95 Tranch1 Series3 Category4	6.95%	**136.78**	-	03.03.2036		
26	7 50 SEC TAX NCD 2324 PI TR I SR III CAT I-II	7.50%	**183.70**	183.70	01.08.2038		
27	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		
28	Secured Public Issue (25-26) 7.05 Tranch1 Series4 Category12	7.05%	**7.61**	-	03.02.2041		
29	Secured Public Issue (25-26) 7.20 Tranch 1 Series4 Category 3	7.20%	**10.61**	-	03.02.2041		
30	Secured Public Issue (25-26) 7.30 Tranch1 Series4 Category4	7.30%	**21.83**	-	03.02.2041		
31	Secured Public Issue (25-26) 7.20 Tranch1 Series5 Category3	7.20%	**1.52**	-	03.02.2041		
32	Secured Public Issue (25-26) 7.30 Tranch1 Series5 Category4	7.30%	**6.76**	-	03.02.2041		
	Total		**7,826.87**	**7,251.51**			

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22.5 The details of Bond Application Money outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Redemption details
			31.03.2026	31.03.2025	
In case of PFC's Subsidiary REC Ltd.					
1	54EC Capital Gain Tax Exemption Bonds	5.25%	**525.42**	595.88	Redeemable at par after 5 years from the deemed date of allotment
	Total		**525.42**	**595.88**	

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
			31.03.2026	31.03.2025		
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 years from the date of allotment
2	Series-II (2011-12) Annual	9.15%	**1.13**	1.13	15.02.2027	
	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
			31.03.2026	31.03.2025		
In case of PFC						
1	Series 204A	5.77%	-	900.00	11.04.2025	
2	Series 130-C	8.39%	-	925.00	19.04.2025	Repaid in FY 2025-26
3	Series 199B	7.16%	-	1,320.00	24.04.2025	
4	7 44 TX UNS BND SRS 229 (2Y Put Call)	7.44%	-	1,550.00	09.05.2025	Redemption due to exercise of call option
5	Series 65 III	8.70%	-	1,337.50	14.05.2025	
6	Series 202B	7.17%	-	810.00	22.05.2025	
7	7 17 TX UNS BND SRS 202B R1	7.17%	-	3,100.00	22.05.2025	
8	Series 66-B	8.75%	-	1,532.00	15.06.2025	
9	Series 210A - STRPP1	6.35%	-	405.60	30.06.2025	
10	Series 215	7.13%	-	2,420.00	08.08.2025	Repaid in FY 2025-26
11	Series 217B STRPP I	7.15%	-	276.40	08.09.2025	
12	Series 208	6.50%	-	2,806.00	17.09.2025	
13	Series 141-B	8.40%	-	1,000.00	18.09.2025	
14	Series 218	7.59%	-	1,450.00	03.11.2025	
15	Series 71	9.05%	-	192.70	15.12.2025	
16	Series 222	7.58%	-	2,540.00	15.01.2026	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
17	7 75 TX UNS BND SRS 248A	7.75%	**1,685.00**	1,685.00	15.04.2026	
18	Series 147	8.03%	**1,000.00**	1,000.00	02.05.2026	
19	7 37 TX UNS BND SRS 230	7.37%	**2,990.00**	2,990.00	22.05.2026	
20	Series 210A - STRPP2	6.35%	**540.80**	540.80	30.06.2026	
21	Series 216	7.13%	**3,000.00**	3,000.00	15.07.2026	
22	Series 225A	7.77%	**3,262.70**	3,262.70	15.07.2026	
23	7 55 TX UNS BND SRS 228A	7.55%	**2,330.00**	2,330.00	15.07.2026	
24	Series - 76-B	9.46%	**1,105.00**	1,105.00	01.08.2026	
25	Series 150-B	7.63%	**1,675.00**	1,675.00	14.08.2026	
26	7 64 TX UNS BND SRS 233B	7.64%	**2,500.00**	2,500.00	25.08.2026	
27	ZCB TX UNS BND SRS 233A YTM 7 65	7.65%	**580.68**	539.37	25.08.2026	
28	Series 212A	6.09%	**2,450.00**	2,450.00	27.08.2026	
29	Series - 77-B	9.45%	**2,568.00**	2,568.00	01.09.2026	
30	Series 217B STRPP II	7.15%	**276.40**	276.40	08.09.2026	
31	Series 227A	7.70%	**1,200.00**	1,200.00	15.09.2026	
32	Series 151-B	7.56%	**210.00**	210.00	16.09.2026	
33	Series 152	7.55%	**4,000.00**	4,000.00	25.09.2026	
34	Series 155	7.23%	**2,635.00**	2,635.00	05.01.2027	
35	7 55 TX UNS BND SRS 238	7.55%	**2,754.00**	2,754.00	15.04.2027	
36	Series 168-B	7.44%	**1,540.00**	1,540.00	12.06.2027	
37	Series 210A - STRPP3	6.35%	**405.60**	405.60	30.06.2027	
38	6 27 TX UNS BND SRS 251A	6.27%	**2,500.00**	-	15.07.2027	Redeemable at par on maturity
39	6 27 TX UNS BND SRS 251A R1	6.27%	**2,450.00**	-	15.07.2027	
40	Series 169-B	7.30%	**1,500.00**	1,500.00	07.08.2027	
41	Series 217B STRPP III	7.15%	**276.40**	276.40	08.09.2027	
42	6 73 TX UNS BND SRS 253	6.73%	**3,450.00**	-	15.10.2027	
43	Series 170-B	7.65%	**2,001.00**	2,001.00	22.11.2027	
44	Series 171	7.62%	**5,000.00**	5,000.00	15.12.2027	
45	Series 221B	7.59%	**3,500.00**	3,500.00	17.01.2028	
46	Series 172	7.74%	**850.00**	850.00	29.01.2028	
47	6 92 TX UNS BND SRS 258A	6.92%	**2,000.00**	-	16.02.2028	
48	6 96 TX UNS BND SRS 259A	6.96%	**3,000.00**	-	02.03.2028	
49	Series 101 B	9.00%	**1,370.00**	1,370.00	11.03.2028	
50	Series 102 A (III)	8.90%	**403.00**	403.00	18.03.2028	
51	Series 103	8.94%	**2,807.00**	2,807.00	25.03.2028	
52	Series 177	7.85%	**3,855.00**	3,855.00	03.04.2028	
53	Series 227B	7.77%	**1,390.00**	1,390.00	15.04.2028	
54	7 42 TX UNS BND SRS 246A	7.42%	**4,000.00**	4,000.00	15.04.2028	
55	7 45 TX UNS BND SRS 248B	7.45%	**4,000.00**	4,000.00	15.07.2028	
56	6 61 TX UNS BND SRS 250A	6.61%	**2,450.00**	-	15.07.2028	
57	Series 178	8.95%	**3,000.00**	3,000.00	10.10.2028	
58	Series 179-A	8.67%	**1,007.40**	1,007.40	19.11.2028	
59	7.60 TX UNS BND SRS 237A	7.60%	**3,000.00**	3,000.00	13.04.2029	
60	Series 187 B	8.85%	**1,982.10**	1,982.10	27.05.2029	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
61	Series 118 Option B III	9.39%	**460.00**	460.00	27.08.2029	
62	Series193	7.93%	**4,710.50**	4,710.50	31.12.2029	
63	7 40 TX UNS BND SRS 244B	7.40%	**2,545.00**	2,545.00	15.01.2030	
64	7 44 TX UNS BND SRS 247A	7.44%	**3,340.00**	3,340.00	15.01.2030	
65	Series 196R1	7.41%	**1,500.00**	1,500.00	25.02.2030	
66	Series 196	7.41%	**2,500.00**	2,500.00	25.02.2030	
67	Series 225B STRPP I	7.82%	**625.00**	625.00	13.03.2030	
68	Series 195	7.86%	**1,100.00**	1,100.00	12.04.2030	
69	7 86 TX UNS BND SRS 195 R1	7.86%	**1,260.00**	1,260.00	12.04.2030	
70	Series 200	7.40%	**2,920.00**	2,920.00	08.05.2030	
71	Series 197	7.41%	**5,000.00**	5,000.00	15.05.2030	
72	Series 203B	7.75%	**3,318.00**	3,318.00	11.06.2030	
73	Series 66-C	8.85%	**633.00**	633.00	15.06.2030	
74	Series 201	7.68%	**3,101.30**	3,101.30	15.07.2030	
75	6 64 TX UNS BND SRS 250B	6.64%	**2,500.00**	-	15.07.2030	Redeemable at par on maturity
76	6 64 TX UNS BND SRS 250B R1	6.64%	**2,425.00**	-	15.07.2030	
77	Series 202C	7.79%	**1,936.00**	1,936.00	22.07.2030	
78	Series 205A	7.05%	**1,610.10**	1,610.10	09.08.2030	
79	6 59 TX UNS BND SRS 251B	6.59%	**1,980.00**	-	15.10.2030	
80	6 59 TX UNS BND SRS 251B R1	6.59%	**2,500.00**	-	15.10.2030	
81	Series 71	9.05%	**192.70**	192.70	15.12.2030	
82	Series 207R1	7.04%	**2,549.10**	2,549.10	16.12.2030	
83	Series 207	7.04%	**1,097.40**	1,097.40	16.12.2030	
84	7 24 TX UNS BND SRS 258B	7.24%	**2,000.00**	-	17.02.2031	
85	Series 225B STRPP II	7.82%	**625.00**	625.00	13.03.2031	
86	Series 204B	6.88%	**1,300.00**	1,300.00	11.04.2031	
87	Series 213	6.95%	**1,988.00**	1,988.00	01.10.2031	
88	7 27 TX UNS BND SRS 242A	7.27%	**3,500.00**	3,500.00	15.10.2031	
89	7 38 TX UNS BND SRS 246B	7.38%	**2,835.00**	2,835.00	15.01.2032	
90	Series 225B STRPP III	7.82%	**625.00**	625.00	12.03.2032	
91	Series 214 (BBETF)	6.92%	**1,180.00**	1,180.00	14.04.2032	
92	6 92 TX UNS BND SRS 214 R1	6.92%	**1,330.00**	1,330.00	14.04.2032	
93	Series 217A	7.42%	**4,000.00**	4,000.00	08.09.2032	
94	Series 223	7.64%	**3,500.00**	3,500.00	22.02.2033	
95	Series 225B STRPP IV	7.82%	**625.00**	625.00	11.03.2033	
96	Series 220	7.58%	**470.00**	470.00	15.04.2033	Redeemable at par on maturity
97	Series 226A	7.66%	**1,200.00**	1,200.00	15.04.2033	
98	Series 226B	7.70%	**583.50**	583.50	15.04.2033	
99	7 57 TX UNS BND SRS 232	7.57%	**3,000.00**	3,000.00	12.07.2033	
100	7 62 TX UNS BND SRS 228B	7.62%	**2,102.00**	2,102.00	15.07.2033	
101	7 60 TX UNS BND SRS 233C	7.60%	**3,500.00**	3,500.00	25.08.2033	
102	Series 179-B	8.64%	**528.40**	528.40	19.11.2033	
103	7 70 TX UNS BND SRS 234	7.70%	**2,625.00**	2,625.00	30.11.2033	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
104	Series 180	8.75%	**2,654.00**	2,654.00	22.02.2034	
105	7.49 TX UNS BND SRS 237B	7.49%	**3,000.00**	3,000.00	22.02.2034	
106	Series 186	8.79%	**2,578.90**	2,578.90	30.04.2034	
107	7 44 TX UNS BND SRS 239	7.44%	**3,178.00**	3,178.00	15.07.2034	
108	Series 189	8.15%	**4,035.00**	4,035.00	08.08.2034	
109	Series 190	8.25%	**4,016.00**	4,016.00	06.09.2034	
110	7 30 TX UNS BND SRS 241	7.30%	**2,741.10**	2,741.10	16.10.2034	
111	7 10 TX UNS BND SRS 243B	7.10%	**3,052.00**	3,052.00	15.01.2035	
112	7 24 TX UNS BND SRS 245A	7.24%	**2,500.00**	2,500.00	15.01.2035	
113	7 40 TX UNS BND SRS 247B	7.40%	**3,075.00**	3,075.00	15.01.2035	
114	Series 205B	7.20%	**1,605.70**	1,605.70	10.08.2035	
115	Series 209	7.34%	**1,711.00**	1,711.00	29.09.2035	
116	7 08 TX UNS BND SRS 255	7.08%	**3,000.00**	-	27.11.2035	
117	7 31 TX UNS BND SRS 259B	7.31%	**3,000.00**	-	03.03.2036	Redeemable at par on maturity
118	Series 210B	7.11%	**1,933.50**	1,933.50	30.06.2036	
119	Series 212B	7.15%	**2,343.68**	2,343.68	27.08.2036	
120	Series 219	7.65%	**4,000.00**	4,000.00	13.11.2037	
121	Series 221A	7.72%	**2,782.70**	2,782.70	19.12.2037	
122	Series 224	7.82%	**3,468.50**	3,468.50	06.03.2038	
123	7 48 TX UNS BND SRS 231	7.48%	**3,896.90**	3,896.90	20.06.2038	
124	7 69 TX UNS BND SRS 235	7.69%	**3,335.00**	3,335.00	15.12.2038	
125	7 32 TX UNS BND SRS 240	7.32%	**3,050.00**	3,050.00	15.07.2039	
126	7 22 TX UNS BND SRS 242B	7.22%	**3,226.55**	3,226.55	15.10.2039	
127	7 11 TX UNS BND SRS 243A	7.11%	**3,200.00**	3,200.00	16.01.2040	
128	7 16 TX UNS BND SRS 244A	7.16%	**2,700.00**	2,700.00	16.01.2040	
129	7 10 TX UNS BND SRS 254	7.10%	**2,486.00**	-	12.11.2040	
130	7 25 TX UNS BND SRS 245B	7.25%	**1,450.00**	1,450.00	16.01.2045	
	Sub - Total (A)		**2,59,839.63**	**2,46,622.52**		
In case of PFC's Subsidiary REC Ltd.						
1	133rd Series	8.30%	-	2,396.00	10.04.2025	Redeemed at par on 10.04.2025
2	94th Series	8.75%	-	1,250.00	09.06.2025	Redeemed at par on 09.06.2025
3	95-II Series	8.75%	-	1,800.00	14.07.2025	Redeemed at par on 11.07.2025
4	136th Series	8.11%	-	2,585.00	07.10.2025	Redeemed at par on 07.10.2025
5	229A Series	7.79%	-	1,033.00	29.11.2025	Redeemed at par on 29.11.2025
6	203B Series	5.85%	-	2,777.00	20.12.2025	Redeemed at par on 20.12.2025
7	204B Series	5.81%	-	2,082.00	31.12.2025	Redeemed at par on 31.12.2025
8	205B Series	5.94%	-	2,000.00	31.01.2026	Redeemed at par on 31.01.2026
9	214A Series	7.32%	-	500.00	28.02.2026	Redeemed at par on 28.02.2026
10	219th Series	7.60%	-	3,148.70	28.02.2026	Redeemed at par on 28.02.2026
11	223A Series	7.44%	**3,000.00**	3,000.00	30.04.2026	Redeemable at par on 30.04.2026
12	228A Series	7.80%	**1,679.00**	1,679.00	30.05.2026	Redeemable at par on 30.05.2026
13	218A Series	7.56%	**3,000.00**	3,000.00	30.06.2026	Redeemable at par on 30.06.2026
14	225th Series	7.64%	**2,210.00**	2,210.00	30.06.2026	Redeemable at par on 30.06.2026
15	221st Series	7.51%	**2,848.00**	2,848.00	31.07.2026	Redeemable at par on 31.07.2026
16	234A Series	7.70%	**2,500.00**	2,500.00	31.08.2026	Redeemable at par on 31.08.2026

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
17	227A Series	7.77%	**2,670.00**	2,670.00	30.09.2026	Redeemable at par on 30.09.2026
18	211th 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
19	237th Series	7.55%	**2,000.00**	2,000.00	31.10.2026	Redeemable at par on 31.10.2026
20	140th Series	7.52%	**2,100.00**	2,100.00	07.11.2026	Redeemable at par on 07.11.2026
21	142nd Series	7.54%	**3,000.00**	3,000.00	30.12.2026	Redeemable at par on 30.12.2026
22	230A Series	7.71%	**3,685.00**	3,685.00	26.02.2027	Redeemable at par on 26.02.2027
23	147th Series	7.95%	**2,745.00**	2,745.00	12.03.2027	Redeemable at par on 12.03.2027
24	249A Series	6.37%	**3,000.00**	-	31.03.2027	Redeemable at par on 31.03.2027
25	231A Series	7.64%	**2,875.00**	2,875.00	30.04.2027	Redeemable at par on 30.04.2027
26	232A Series	7.59%	**3,183.00**	3,183.00	31.05.2027	Redeemable at par on 31.05.2027
27	250A Series	6.60%	**4,000.00**	-	30.06.2027	Redeemable at par on 30.06.2027
28	236B Series	7.56%	**3,000.00**	3,000.00	31.08.2027	Redeemable at par on 31.08.2027
29	156th Series	7.70%	**3,533.00**	3,533.00	10.12.2027	Redeemable at par on 10.12.2027
30	248A Series	6.52%	**3,000.00**	-	31.01.2028	Redeemable at par on 31.01.2028
31	251 Series	6.95%	**2,835.00**	-	18.02.2028	Redeemable at par on 18.02.2028
32	245A Series	7.44%	**3,000.00**	3,000.00	29.02.2028	Redeemable at par on 29.02.2028
33	216A Series	7.55%	**1,701.50**	1,701.50	31.03.2028	Redeemable at par on 31.03.2028
34	220A Series	7.77%	**2,000.00**	2,000.00	31.03.2028	Redeemable at par on 31.03.2028
35	223B Series	7.46%	**2,993.60**	2,993.60	30.06.2028	Redeemable at par on 30.06.2028
36	162nd Series	8.55%	**2,500.00**	2,500.00	09.08.2028	Redeemable at par on 09.08.2028
37	163rd Series	8.63%	**2,500.00**	2,500.00	25.08.2028	Redeemable at par on 25.08.2028
38	168th Series	8.56%	**2,552.40**	2,552.40	29.11.2028	Payable semi-annually, Redeemable at par on 29.11.2028
39	169th Series	8.37%	**2,554.00**	2,554.00	07.12.2028	Payable semi-annually, Redeemable at par on 07.12.2028
40	176th Series	8.85%	**1,600.70**	1,600.70	16.04.2029	Redeemable at par on 16.04.2029
41	178th Series	8.80%	**1,097.00**	1,097.00	14.05.2029	Redeemable at par on 14.05.2029
42	234B Series	7.58%	**2,500.00**	2,500.00	31.05.2029	Redeemable at par on 31.05.2029
43	180B Series	8.30%	**2,070.90**	2,070.90	25.06.2029	Redeemable at par on 25.06.2029
44	184A Series	8.25%	**1,451.00**	1,451.00	26.09.2029	Redeemable at par on 26.09.2029
45	249B Series	6.70%	**1,922.50**	-	31.12.2029	Redeemable at par on 31.12.2029
46	192nd Series	7.50%	**2,382.00**	2,382.00	28.02.2030	Redeemable at par on 28.02.2030
47	188B Series	7.89%	**3,100.00**	3,100.00	30.03.2030	Redeemable at par on 30.03.2030
48	189th Series	7.92%	**3,054.90**	3,054.90	30.03.2030	Redeemable at par on 30.03.2030
49	240B Series	7.34%	**2,901.00**	2,901.00	30.04.2030	Redeemable at par on 30.04.2030
50	197th Series	7.55%	**3,740.00**	3,740.00	11.05.2030	Redeemable at par on 11.05.2030
51	198B Series	7.79%	**1,569.00**	1,569.00	21.05.2030	Redeemable at par on 21.05.2030
52	247A Series	6.87%	**3,000.00**	-	31.05.2030	Redeemable at par on 31.05.2030
53	202A Series	7.25%	**3,500.00**	3,500.00	30.09.2030	Redeemable at par on 30.09.2030
54	203A Series	6.80%	**5,000.00**	5,000.00	20.12.2030	Redeemable at par on 20.12.2030
55	204A Series	6.90%	**2,500.00**	2,500.00	31.01.2031	Redeemable at par on 31.01.2031
56	252 Series	7.19%	**3,000.00**	-	15.03.2031	Redeemable at par on 15.03.2031
57	201B Series	6.90%	**2,415.00**	2,415.00	31.03.2031	Redeemable at par on 31.03.2031
58	213th Series	6.92%	**3,380.00**	3,380.00	20.03.2032	Redeemable at par on 20.03.2032

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
59	218B Series	7.69%	**2,004.40**	2,004.40	31.01.2033	Redeemable at par on 31.01.2033
60	214B Series	7.50%	**4,947.60**	4,947.60	28.02.2033	Redeemable at par on 28.02.2033
61	220B Series	7.69%	**1,600.10**	1,600.10	31.03.2033	Redeemable at par on 31.03.2033
62	217th Series	7.53%	**500.00**	500.00	31.03.2033	Redeemable at par on 31.03.2033
63	227B Series	7.71%	**2,818.70**	2,818.70	31.10.2033	Redeemable at par on 31.10.2033
64	228B Series	7.71%	**2,899.69**	2,899.69	30.11.2033	Redeemable at par on 30.11.2033
65	215th 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
66	230B Series	7.64%	**3,000.00**	3,000.00	31.01.2034	Redeemable at par on 31.01.2034
67	231B Series	7.47%	**2,500.00**	2,500.00	28.02.2034	Redeemable at par on 28.02.2034
68	232B Series	7.45%	**2,935.00**	2,935.00	29.04.2034	Redeemable at par on 29.04.2034
69	233rd Series	7.53%	**3,000.00**	3,000.00	31.05.2034	Redeemable at par on 31.05.2034
70	235th Series	7.35%	**4,000.00**	4,000.00	31.07.2034	payable semi-annually, Redeemable at par on 31.07.2034
71	182nd Series	8.18%	**5,063.00**	5,063.00	22.08.2034	Redeemable at par on 22.08.2034
72	183rd Series	8.29%	**3,028.00**	3,028.00	16.09.2034	Redeemable at par on 16.09.2034
73	242nd Series	7.20%	**2,297.00**	2,297.00	15.01.2035	Redeemable at par on 15.01.2035
74	245B Series	7.32%	**2,780.00**	2,780.00	28.02.2035	Redeemable at par on 28.02.2035
75	241st Series	7.10%	**1,620.00**	1,620.00	30.04.2035	Redeemable at par on 30.04.2035
76	247B Series	6.86%	**2,000.00**	-	31.05.2035	Redeemable at par on 31.05.2035
77	250B Series	7.06%	**2,865.00**	-	30.06.2035	Redeemable at par on 30.06.2035
78	236A Series	7.45%	**3,000.00**	3,000.00	31.08.2035	Redeemable at par on 31.08.2035
79	207th Series	7.02%	**4,589.90**	4,589.90	31.01.2036	Redeemable at par on 31.01.2036
80	208th Series	7.40%	**3,613.80**	3,613.80	15.03.2036	Redeemable at par on 15.03.2036
81	248B Series	6.81%	**2,635.00**	-	30.04.2036	Redeemable at par on 30.04.2036
82	216B Series	7.67%	**2,000.00**	2,000.00	30.11.2037	Redeemable at par on 30.11.2037
83	229B Series	7.67%	**3,539.40**	3,539.40	30.11.2038	Redeemable at par on 30.11.2038
84	238th Series	7.31%	**2,145.00**	2,145.00	30.09.2039	Redeemable at par on 30.09.2039
85	240A Series	7.09%	**3,575.00**	3,575.00	30.11.2039	Redeemable at par on 30.11.2039
86	243rd Series	7.28%	**2,595.00**	2,595.00	20.02.2040	Redeemable at par on 20.02.2040
87	246 Series	7.02%	**2,625.00**	-	30.04.2040	Redeemable at par on 30.04.2040
88	ZCB-Bond Series 239		**2,970.38**	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)		**2,15,084.47**	**2,03,598.93**		
	Total (A+B)		**4,74,924.10**	**4,50,221.45**		

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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
			31.03.2026	31.03.2025		
In case of PFC						
1	3.75% USD Green Bonds 2027	3.75%	**3,786.17**	3,423.26	06.12.2027	Redeemable at par on maturity
2	5.25% USD Bonds 2028	5.25%	**2,839.63**	2,567.44	10.08.2028	
3	1.841% EUR Bonds 2028	1.84%	**3,270.19**	2,769.74	21.09.2028	
4	6.15% USD Bonds 2028	6.15%	**4,732.72**	4,279.07	06.12.2028	
5	4.50% USD Bonds 2029	4.50%	**5,679.26**	5,134.88	18.06.2029	
6	3.90% USD Bonds 2029	3.90%	**4,259.44**	3,851.16	16.09.2029	
7	3.95% USD Bonds 2030	3.95%	**7,099.07**	6,418.60	23.04.2030	
8	3.35% USD Bonds 2031	3.35%	**4,732.72**	4,279.07	16.05.2031	
	Sub - Total (A)		**36,399.20**	**32,723.23**		
In case of PFC's Subsidiary REC Ltd.						
1	US $500 Mn Bonds	2.25%	**4,732.72**	4,279.07	01.09.2026	Redeemable at par on 01.09.2026
2	US $400 Mn Bonds	2.75%	**3,786.17**	3,423.26	13.01.2027	Redeemable at par on 13.01.2027
3	US $450 Mn Green Bonds	3.875%	**4,259.44**	3,851.16	07.07.2027	Redeemable at par on 07.07.2027
4	US $300 Mn Bonds	4.625%	**2,839.63**	2,567.44	22.03.2028	Redeemable at par on 22.03.2028
5	US $750 Mn Bonds	5.625%	**7,099.07**	6,418.61	11.04.2028	Redeemable at par on 11.04.2028
6	JPY 31000 Mn Bonds	1.76%	**1,836.75**	1,759.25	19.01.2029	Redeemable at par on 19.01.2029
7	JPY 27400 Mn Bonds	1.41%	**1,623.45**	1,554.95	19.04.2029	Redeemable at par on 19.04.2029
8	USD 500 Mn Bonds	4.75%	**4,732.72**	4,279.07	27.09.2029	Redeemable at par on 27.09.2029
9	JPY 2700 Mn Bonds	2.20%	**159.98**	153.23	19.01.2034	Redeemable at par on 19.01.2034
	Sub - Total (B)		**31,069.93**	**28,286.04**		
	Total (A+B)		**67,469.13**	**61,009.27**		

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 summay of funds raised under the GMTN Programme is as below:

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Funds raised during the year under GMTN Programme	**Nil**	USD 0.50 Billion
Cumulative amount raised under GMTN Programme	**USD 6.07 Billion**	USD 6.07 Billion
Outstanding amount out of funds raised under GMTN Programme	**USD 3.32 Billion**	USD 3.32 Billion

The amounts raised during the year have been utilized 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.

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22.10 The details of Unsecured Commercial Papers outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
In case of PFC						
1	CP 118	7.80%	-	1,675.00	15.04.2025	Repaid in FY 2025-26
2	CP117A	7.53%	-	3,000.00	23.06.2025	
3	CP117B	7.55%	-	1,450.00	15.12.2025	
4	CP-120	6.40%	3,000.00	-	15.04.2026	Redeemable at par on maturity
5	CP-122	7.65%	3,575.00	-	25.06.2026	
	Total (A)		**6,575.00**	**6,125.00**		
	Less:Unamortised Financial charge (B)		69.63	128.76		
	Sub - Total (C)= (A-B)		**6,505.37**	**5,996.24**		
In case of PFC's Subsidiary REC Ltd.						
1	69th Series	6.25%	3,000	-	10.06.2026	Redeemable at par on maturity
	Sub - Total (D)		**3,000**	**-**		
	Total (C+D)		**9,505.37**	**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 XV, XVI, XVII, XVIII and XIX 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.

Notes to the Consolidated Financial Statements

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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 31.03.2026	As at 31.03.2025
(A)	**Secured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions (Refer note 23.1)		
	- Rupee Term Loans	-	1,216.25
(ii)	Other Loans from Banks		
	- Loan against Term Deposits (Refer note 23.2)	**849.12**	5,923.35
	Sub-Total (A)	**849.12**	**7,139.60**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 23.3)	**1,61,869.70**	1,86,731.41
	- Rupee Term Loans (Refer note 23.4)	**1,51,574.75**	1,24,540.18
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans- Multilateral/Bilateral Agencies (Refer note 23.5)	**14,562.72**	7,430.55
	- 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)	**5,368.71**	3,152.78
	Sub-Total (B)	**3,50,875.88**	**3,39,354.92**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) (A+B)**	**3,51,725.00**	**3,46,494.52**
(D)	Interest accrued but not due on (C) above	**1,577.00**	1,547.52
(E)	Unamortised Transaction Cost on (C) above	**(1,365.58)**	(1,538.56)
	Total Borrowings (other than Debt Securities) (C to E)	**3,51,936.42**	**3,46,503.48**
	Geography wise Borrowings		
(i)	Borrowings in India	**1,84,002.93**	1,96,063.52
(ii)	Borrowings outside India	**1,67,933.49**	1,50,439.96
	Total Geography wise Borrowings	**3,51,936.42**	**3,46,503.48**

23.1 Details of Secured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2026	Principal Amount (₹ in crore) outstanding as at 31.03.2025	Date of Redemption	Redemption details
In case of PFC					
1	Punjab National Bank	-	56.25	15.04.2025	Repaid in FY 2025-26
2	Union Bank of India	-	450.00	15.04.2025	
3	State Bank of India	-	710.00	10.07.2025	
	Total Secured Rupee Term Loans	-	**1,216.25**		

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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
		31.03.2026	31.03.2025		
In case of PFC					
1	YES Bank	-	495.00	02.04.2025	Repaid in FY 2025-26
2	Indian Bank	-	563.68	02.04.2025	
3	United Bank of India	-	1,995.00	02.04.2025	
4	Bank of India	-	1,596.59	02.04.2025	
5	Bandhan Bank	-	401.28	02.04.2025	
6	RBL Bank	-	450.00	02.04.2025	
7	Jammu and Kashmir Bank	**456.65**	421.80	04.04.2026	₹ 421.80 crore repaid on 02.04.2025
8	State Bank of India	**30.22**		02.04.2026	Repaid on 02.04.2026
9	Punjab National Bank	**362.25**		04.04.2026	Repaid on 04.04.2026
	Total Loan against Term Deposits	**849.12**	**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
		31.03.2026	31.03.2025		
In case of PFC					
1	11 FCNR USD 175M 120924	-	1,497.67	12.09.2025	Repaid in FY 2025-26
2	SLN 30	-	855.81	13.10.2025	
3	SLN 30	-	2,567.44	05.11.2025	
4	12 STFCTL USD 150M 291124	-	1,283.72	29.11.2025	
5	13 FCNR USD 110M 271224	-	941.40	27.12.2025	
6	14 FCNR USD 250M 280325	-	2,139.54	28.03.2026	
7	31 A FCTL USD 525M 301121	**4,969.35**	4,493.02	30.11.2026	Bullet Repayment at the end of the tenor
8	31 B FCTL USD 100M 301121	**946.54**	855.81	30.11.2026	
9	32 A FCTL JPY 89208M 281222	**5,285.57**	5,062.55	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.
10	33 A FCTL USD 500M 250923	**4,732.72**	4,279.07	25.09.2028	Redeemable in 2 instalments: 50% loan amount on 25.09.2028 & balance outstanding on 27.09.2028.
11	33 B FCTL USD 600M 191223	**5,679.26**	5,134.88	19.12.2028	Bullet Repayment at the end of the tenor
12	34 A FCTL USD 250M 220324	**2,366.36**	2,139.54	22.03.2029	
13	34 B FCTL JPY 7577M 220324	**448.92**	429.98	22.06.2029	
14	35 A FCTL JPY 52419M 260924	**3,105.85**	2,974.81	26.09.2029	
15	35 B FCTL EUR 450M 260924	**4,912.41**	4,160.64	26.09.2029	Redeemable in 2 instalments: 50% loan amount on 26.09.2029 & balance outstanding on 24.12.2029.
16	35 C FCTL USD 400M 211124	**3,786.17**	3,423.26	21.11.2029	Bullet Repayment at the end of the tenor
17	32 B FCTL JPY 26762M 050123	**1,585.65**	1,518.74	05.01.2030	
18	36 FCTL USD 100M 060225	**946.54**	855.81	06.02.2030	
19	37 FCTL JPY 22341M 210325	**1,323.70**	1,267.85	21.03.2030	
20	38A FCTL USD 75M 250325	**709.91**	641.86	25.03.2030	

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
21	38B FCTL GBP 135M 250325	**1,692.41**	1,491.75	25.03.2030	
22	40 FCTL JPY 37405M 270325	**2,216.25**	2,122.73	27.03.2030	
23	39 FCTL USD 100M 280325	**946.54**	855.81	28.03.2030	
24	41 FCTL EUR 427M 231225	**4,186.83**	-	23.12.2030	
25	34 C FCTL JPY 22730M 220324	**1,346.77**	1,289.94	22.03.2031	
	Sub Total (A)	**51,187.75**	**52,283.65**		
In case of PFC's Subsidiary REC Ltd.					
1	US $148.039 Mn	-	1,266.94	03.04.2025	Repaid on 03.04.2025
2	US $62.09 Mn	-	530.69	03.04.2025	Repaid on 03.04.2025
3	US $150 Mn	-	1,283.72	08.04.2025	Repaid on 08.04.2025
4	US $ 85.547 Mn	-	732.13	17.04.2025	Repaid on 17.04.2025
5	US $100 Mn	-	855.81	23.04.2025	Repaid on 23.04.2025
6	US $150 Mn	-	1,283.72	25.04.2025	Repaid on 25.04.2025
7	US $200 Mn	-	1,711.63	02.05.2025	Repaid on 02.05.2025
8	US $150 Mn	-	1,283.72	06.05.2025	Repaid on 06.05.2025
9	US $ 240.103 Mn	-	2,054.84	23.05.2025	Repaid on 23.05.2025
10	US $124.098 Mn	-	1,062.06	23.05.2025	Repaid on 23.05.2025
11	US $75.15 Mn	-	643.14	23.05.2025	Repaid on 23.05.2025
12	US $75 Mn	-	641.86	06.06.2025	Repaid on 06.06.2025
13	US $44 Mn	-	376.56	11.06.2025	Repaid on 11.06.2025
14	US $49 Mn	-	419.35	12.06.2025	Repaid on 12.06.2025
15	US $119.793 Mn	-	1,025.20	27.06.2025	Repaid on 27.06.2025
16	US $120 Mn	-	1,026.98	27.06.2025	Repaid on 27.06.2025
17	US $125 Mn	-	1,069.77	03.07.2025	Repaid on 03.07.2025
18	US $200 Mn	-	1,711.63	09.07.2025	Repaid on 09.07.2025
19	US $150 Mn	-	1,283.72	17.07.2025	Repaid on 17.07.2025
20	US $250 Mn	-	2,139.54	22.08.2025	Repaid on 22.08.2025
21	US $200 Mn	-	1,711.63	04.09.2025	Repaid on 04.09.2025
22	US $60 Mn	-	513.49	15.10.2025	Repaid on 15.10.2025
23	US $150 Mn	-	1,283.72	16.10.2025	Repaid on 16.10.2025
24	US $100 Mn	-	855.81	07.11.2025	Repaid on 07.11.2025
25	US $100 Mn	-	855.81	25.11.2025	Repaid on 25.11.2025
26	US $100 Mn	-	855.81	26.11.2025	Repaid on 26.11.2025
27	US $200 Mn	-	1,711.63	05.12.2025	Repaid on 05.12.2025
28	US $141 Mn	-	1,206.70	11.12.2025	Repaid on 11.12.2025
29	US $75 Mn	-	641.86	12.12.2025	Repaid on 12.12.2025
30	US $225 Mn	-	1,925.58	17.12.2025	Repaid on 17.12.2025
31	JPY ¥ 34.229 Bn	-	1,942.50	18.12.2025	Repaid on 18.12.2025
32	US $100 Mn	-	855.81	14.01.2026	Repaid on 14.01.2026
33	US $150 Mn	-	1,283.72	13.02.2026	Repaid on 13.02.2026
34	US $100 Mn	-	855.81	18.03.2026	Repaid on 18.03.2026
35	US $210.05 Mn	**1,988.20**	-	02.04.2026	Repayable on 02.04.2026
36	US $150 Mn	**1,419.81**	-	09.04.2026	Repayable on 09.04.2026
37	US $500 Mn	**4,732.72**	4,279.07	10.12.2027	Repayable on 10.12.2027
38	US $75 Mn	-	641.86	02.04.2025	Repaid on 02.04.2025

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
39	JPY ¥ 10.519 Bn	-	596.95	25.09.2025	Repaid on 25.09.2025
40	US $170 Mn	-	599.07	06.10.2025	$100 Mn repaid on 26.03.2025 and $ 70 Mn repaid on 06.10.2025
41	US $425 Mn	-	3,637.21	16.03.2026	Repaid on 16.03.2026
42	US $600 Mn	5,679.26	5,134.88	25.08.2026	Repayable on 25.08.2026
43	US $75 Mn	709.91	641.86	07.10.2026	Repayable on 07.10.2026
44	US $1175 Mn	11,121.88	10,055.81	29.12.2026	Repayable on 29.12.2026
45	JPY ¥ 37.506 Bn	2,222.27	2,128.50	03.03.2027	Repayable on 03.03.2027
46	US $100 Mn	946.54	855.81	13.06.2027	Repayable on 13.06.2027
47	US $45 Mn	425.94	385.12	02.07.2027	Repayable on 02.07.2027
48	US $200 Mn	1,893.09	1,711.63	28.07.2027	Repayable on 28.07.2027
49	US $150 Mn	1,419.81	1,283.72	13.09.2027	Repayable on 13.09.2027
50	SGD 213.21 Mn	1,568.26	1,358.36	27.10.2027	Repayable on 27.10.2027
51	€ 254.19 Mn	2,770.88	2,346.84	31.10.2027	Repayable on 31.10.2027
52	€ 349.83 Mn	3,813.37	3,229.79	27.03.2028	Repayable on 27.03.2028
53	US $50 Mn	473.27	-	09.04.2028	Repayable on 09.04.2028
54	US $25 Mn	236.64	-	09.04.2028	Repayable on 09.04.2028
55	JPY ¥ 38.624 Bn	2,288.49	2,191.93	20.04.2028	Repayable on 20.04.2028
56	JPY 10.495 Bn	621.84	595.60	26.06.2028	Repayable on 26.06.2028
57	US $505 Mn	4,780.04	4,321.86	03.08.2028	Repayable on 03.08.2028
58	US $645 Mn	6,105.20	5,520.00	31.08.2028	Repayable on 31.08.2028
59	US $100 Mn	946.54	855.81	14.09.2028	Repayable on 14.09.2028
60	JPY ¥ 68.485 Bn	4,057.75	3,886.54	21.09.2028	Repayable on 21.09.2028
61	US $100 Mn	946.54	855.81	25.09.2028	Repayable on 25.09.2028
62	JPY ¥ 14.358 Bn	850.74	814.84	09.01.2029	Repayable on 09.01.2029
63	US $100 Mn	946.54	855.81	06.02.2029	Repayable on 06.02.2029
64	JPY ¥ 22101 Mn	1,309.48	1,254.23	15.02.2029	Repayable on 15.02.2029
65	US $200 Mn	1,893.09	1,711.63	07.03.2029	Repayable on 07.03.2029
66	JPY ¥ 22041 Mn	1,305.93	1,250.83	19.03.2029	Repayable on 19.03.2029
67	JPY ¥ 14.847 Bn	879.68	842.57	21.03.2029	Repayable on 21.03.2029
68	US $225 Mn	2,129.72	1,925.58	27.03.2029	Repayable on 27.03.2029
69	JPY ¥ 60.536 Bn	3,586.76	3,435.42	25.04.2029	Repayable on 25.04.2029
70	JPY ¥ 9.376 Bn	555.50	532.07	17.05.2029	Repayable on 17.05.2029
71	US $300 Mn	2,839.63	2,567.44	04.06.2029	Repayable on 04.06.2029
72	US $90 Mn	851.89	770.23	13.06.2029	Repayable on 13.06.2029
73	JPY ¥ 32.222 Bn	1,909.15	1,828.60	28.06.2029	Repayable on 28.06.2029
74	US $300 Mn	2,839.63	2,567.44	10.07.2029	Repayable on 10.07.2029
75	JPY ¥ 31.964 Bn	1,893.87	1,813.96	30.07.2029	Repayable on 30.07.2029
76	US $125 Mn	1,183.18	1,069.77	30.10.2029	Repayable on 30.10.2029
77	JPY ¥ 12.80 Bn	758.40	726.40	13.11.2029	Repayable on 13.11.2029
78	US $75 Mn	709.91	641.86	05.12.2029	Repayable on 05.12.2029
79	JPY ¥ 45.02 Bn	2,667.41	2,554.86	06.12.2029	Repayable on 06.12.2029
80	US $250 Mn	2,366.36	2,139.54	26.12.2029	Repayable on 26.12.2029
81	US $320 Mn	3,028.94	2,738.60	22.01.2030	Repayable on 22.01.2030
82	US $250 Mn	2,366.36	2,139.54	07.02.2030	Repayable on 07.02.2030
83	JPY ¥ 29.642 Bn	1,756.29	1,682.18	19.03.2030	Repayable on 19.03.2030

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
84	US $300 Mn	**2,839.63**	2,567.44	02.06.2030	Repayable on 02.06.2030
85	US $ 150 Mn	**1,419.81**	-	03.07.2030	Repayable on 03.07.2030
86	US $ 300 Mn	**2,839.63**	-	04.09.2030	Repayable on 04.09.2030
87	US $150 Mn	**1,419.81**	-	12.12.2030	Repayable on 12.12.2030
88	US $250 Mn	**2,366.36**	-	25.03.2031	Repayable on 25.03.2031
	Sub Total (B)	**1,10,681.95**	**1,34,447.76**		
	Total (A+B)	**1,61,869.70**	**1,86,731.41**		

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
		31.03.2026	31.03.2025		
In case of PFC					
1	Punjab & Sind Bank	-	500.00	15.04.2025	Repaid in FY 2025-26
2	KEB Hana Bank	-	50.00	15.04.2025	
3	Bank of Baroda	-	21.88	15.04.2025	
4	Bank of Baroda	-	35.88	15.04.2025	
5	Bank of Baroda	-	455.76	15.04.2025	
6	Bank of Baroda	-	102.78	15.04.2025	
7	Bank of Baroda	-	1,883.70	15.04.2025	
8	Canara Bank	-	100.00	22.07.2025	
9	Indusind Bank Ltd.	-	53.50	22.07.2025	
10	Central Bank	-	500.00	22.07.2025	
11	Central Bank	-	1,122.25	22.07.2025	
12	Central Bank	-	45.40	22.07.2025	
13	National Bank for Financing Infrastructure and Development	-	1,000.00	02.09.2025	
14	HDFC Bank Ltd.	-	3,000.00	30.09.2025	
15	National Bank for Financing Infrastructure and Development	-	3,500.00	10.10.2025	
16	Karnataka Bank	-	125.00	07.02.2026	
17	Indusind Bank Ltd.	-	446.50	23.02.2026	
18	ICICI Bank Ltd.	-	2,000.00	30.03.2026	
19	South Indian Bank	-	200.00	30.03.2026	
20	Bank of Baroda	**5,000.00**	5,000.00	17.05.2026	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
21	Canara Bank	**200.00**	600.00	22.06.2026	The loan balance is to be repaid in 2 quarterly instalments of ₹100 crore each starting from 22-Jun-2026 and ending on 22-Sep-2026
22	Karnataka Bank	**250.00**	250.00	29.06.2026	Bullet Repayment at the end of the tenor
23	HDFC Bank Ltd.	**2,550.00**	3,000.00	30.06.2026	Staggered repayment of loan starting from 30-Jun-2026 and ending on 05-Sep-2030

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
24	Indian Bank Ltd.	**2,000.00**	2,000.00	30.06.2026	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
25	Bank of India	**250.00**	500.00	11.09.2026	The loan balance is to be repaid in 1 instalment of ₹250 crore on 11-Sep-2026
26	Bank of India	**300.00**	400.00	18.09.2026	The loan balance is to be repaid in 3 annual instalments of ₹100 crore each starting from 18-Sep-2026 and ending on 18-Sep-2028
27	UCO Bank	**1,000.00**	1,000.00	24.09.2026	Bullet Repayment at the end of the tenor
28	Punjab National Bank	**500.00**	500.00	27.09.2026	Bullet Repayment at the end of the tenor
29	Punjab National Bank	**5.00**	5.00	29.09.2026	Bullet Repayment at the end of the tenor
30	Punjab National Bank	**3,000.00**	3,000.00	29.09.2026	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
31	India Infrastructure Finance Company Limited	**1,000.00**	1,000.00	30.09.2026	Bullet Repayment at the end of the tenor
32	ICICI Bank Ltd.	**2,000.00**	-	30.09.2026	Bullet Repayment at the end of the tenor
33	Bank of Baroda	**1,470.30**	-	23.10.2026	Bullet Repayment at the end of the tenor
34	Bank of Baroda	**2,429.70**	-	30.10.2026	Bullet Repayment at the end of the tenor
35	Punjab & Sind Bank	**500.00**	-	31.10.2026	The loan is to be repaid in 2 harlf yearly instalments starting from 31-Oct-2026 and ending on 30-Apr-2027.
36	Central Bank	**1,500.00**	-	30.11.2026	Bullet Repayment at the end of the tenor
37	HDFC Bank Ltd.	**4,000.00**	4,000.00	31.12.2026	The loan is to be repaid in quarterly instalments starting from 31-Dec-2026 and ending on 25-Sep-2030.
38	Central Bank	**1,000.00**	-	31.12.2026	Bullet Repayment at the end of the tenor
39	Union Bank of India	**3,288.27**	-	31.01.2027	Bullet Repayment at the end of the tenor
40	Central Bank	**500.00**	-	31.01.2027	Bullet Repayment at the end of the tenor
41	Bank of India	**2,000.00**	2,000.00	02.03.2027	Bullet Repayment at the end of the tenor
42	South Indian Bank	**200.00**	200.00	29.03.2027	Bullet Repayment at the end of the tenor
43	Central Bank	**1,000.00**	1,000.00	31.03.2027	Bullet Repayment at the end of the tenor
44	Union Bank of India	**3,000.00**	3,000.00	31.03.2027	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
45	India Infrastructure Finance Company Limited	**3,000.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
46	Canara Bank	**1,500.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
47	Punjab National Bank	**1,500.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
48	Union Bank of India	**461.73**	-	30.04.2027	Bullet Repayment at the end of the tenor
49	South Indian Bank	**200.00**	-	30.04.2027	Bullet Repayment at the end of the tenor
50	Canara Bank	**2,250.00**	2,250.00	28.06.2027	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
51	Canara Bank	**1,508.55**	1,508.55	29.06.2027	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
		31.03.2026	31.03.2025		
52	Canara Bank	**250.00**	250.00	30.06.2027	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
53	Karnataka Bank	**300.00**	300.00	30.08.2027	Bullet Repayment at the end of the tenor
54	Canara Bank	**2,306.20**	2,306.20	30.09.2027	Bullet Repayment at the end of the tenor
55	Bank of India	**1,500.00**	1,500.00	25.02.2028	Bullet Repayment at the end of the tenor
56	UCO Bank	**1,000.00**	1,000.00	30.03.2028	Bullet Repayment at the end of the tenor
57	Punjab & Sind Bank	**1,000.00**	1,000.00	30.03.2028	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
58	South Indian Bank	**199.96**	199.96	31.05.2028	Bullet Repayment at the end of the tenor
59	HDFC Bank Ltd.	**4,000.00**	4,000.00	05.07.2028	Bullet Repayment at the end of the tenor
60	South Indian Bank	**199.96**	199.96	19.09.2028	Bullet Repayment at the end of the tenor
61	Union Bank of India	**837.19**	837.19	27.09.2028	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
62	Bank of India	**2,000.00**	-	30.09.2028	Bullet Repayment at the end of the tenor
63	State Bank of India	**9,000.00**	9,000.00	31.12.2028	The loan is to be repaid in quarterly instalments starting from 31-Dec-2028 and ending on 30-Sep-2033.
64	India Infrastructure Finance Company Limited	**2,000.00**	2,000.00	28.02.2029	Bullet Repayment at the end of the tenor
65	Punjab National Bank	**1,000.00**	1,000.00	06.12.2029	Bullet Repayment at the end of the tenor
66	India Infrastructure Finance Company Limited	**343.10**	343.10	09.12.2029	Bullet Repayment at the end of the tenor
67	India Infrastructure Finance Company Limited	**573.30**	573.30	07.01.2030	Bullet Repayment at the end of the tenor
68	India Infrastructure Finance Company Limited	**115.00**	115.00	08.01.2030	Bullet Repayment at the end of the tenor
69	India Infrastructure Finance Company Limited	**1,179.80**	1,179.80	09.01.2030	Bullet Repayment at the end of the tenor
70	India Infrastructure Finance Company Limited	**3,000.00**	3,000.00	29.03.2030	Bullet Repayment at the end of the tenor
71	Punjab National Bank	**1,000.00**	-	07.05.2030	Bullet Repayment at the end of the tenor
72	India Infrastructure Finance Company Limited	**1,000.00**	-	09.05.2030	Bullet Repayment at the end of the tenor
73	State Bank of India	**5,000.00**	5,000.00	19.12.2034	Bullet Repayment at the end of the tenor
	Sub Total (A)	**87,168.06**	**80,160.71**		
In case of PFC's Subsidiary REC Ltd.					
1	- Bank of Baroda	**7,249.89**	2,624.91	30.09.2026	₹ 2249.91 crore repayable in 3 annual instalments next installment repayable on 30.09.2026, final instalment repayable on 30.09.2028 and balance ₹4999.98 crore repayable on 22.09.2028.
2	- Jammu & Kashmir Bank	**299.94**	299.94	28.10.2026	₹ 299.94 crore repayable on 28.10.2026
3	- South Indian Bank	**499.88**	499.89	08.11.2026	₹299.93 crore repayable on 08.11.2026 and ₹ 199.95 crore repayable on 04.08.2027

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2026	31.03.2025		
4	- Punjab National Bank	**8,299.10**	8,962.44	11.11.2026	₹1,999.63 crore repayable on 11.11.2026, ₹999.64 crore repayable in 4 equal annual installments of ₹200 crore starting from 29.03.2028 and last installment of ₹ 199.64 crore on 29.12.2031, ₹1,199.99 crore repayable on 03.11.2028, ₹1,999.98 crore repayable on 27.12.2028 and ₹2,099.86 crore repayable on 19.06.2029
5	- HDFC Bank	**17,850.00**	17,850.00	17.11.2026	₹850 crore repayable on 17.11.2026, ₹2,000 crore repayable on 31.03.2027, ₹2,000 crore repayable on 07.09.2027, ₹2,500 crore repayable on 29.12.2027, ₹2,500 crore repayable on 27.02.2028, ₹1,000 crore repayable on 27.06.2028, ₹1,500 crore repayable on 29.06.2028, ₹4,000 crore repayable on 30.09.2028 and ₹1,500 crore repayable on 28.12.2028
6	- Central Bank of India	**928.49**	899.99	30.03.2027	₹428.49 crore repayable in 6 annual instalments next instalment repayable on 30.03.2027, final instalment on 30.03.2032 and ₹500 crore repayable on 28.08.2028
7	- Union Bank of India	**9,999.40**	3,999.41	31.03.2027	₹1999.65 Crore repayable in 5 annual instalments of ₹400 crore each starting from 31.03.2027, final installment on 31.03.2031, ₹499.87 crore repayable on 29.09.2028, ₹499.88 crore repayable on 05.11.2028, ₹2000 crore loan repayable on 16.12.2028 and ₹5000 crore loan repayable on 30.12.2030
8	- State Bank of India	**10,197.00**	709.92	27.12.2027	₹2697 crore repayable in 8 equal semi annual installments of ₹299.67 crore starting from 27.12.2027 and balance 9th installment of ₹299.64 crore on 27.12.2031, ₹1157 crore repayable on 12.11.2030, ₹3500 crore repayable on 18.01.2031 and ₹2843 crore repayable on 01.02.2031
9	- ICICI Bank	**8,583.00**	5,533.00	15.05.2028	₹1533 crore repayable on 15.05.2028, ₹2050 crore repayable on 29.08.2028, ₹2000 crore repayable on 09.03.2029 and ₹3000 crore repayable on 23.01.2030
10	- Karnataka Bank	**499.99**	499.97	27.05.2028	₹ 499.99 crore repayable on 27.05.2028
11	- Indian Infrastructure Finance Company Ltd. (IIFCL)	**-**	2,500.00	27.02.2026	₹1500 crore repaid on 13.06.2025 and ₹1000 crore repaid on 27.02.2026
	Sub Total (B)	**64,406.69**	**44,379.47**		
	Total (A+B)	**1,51,574.75**	**1,24,540.18**		

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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
		31.03.2026	31.03.2025		
In case of PFC					
1	ADB (Guaranteed by Government of India)	**19.88**	29.37	15.04.2026	Semi Annual Instalments till 15.10.2028
2	JBIC PLA 1	**96.54**	113.19	20.04.2026	Semi Annual Instalments till 20.10.2034
3	KfW EUR 200M 030123	**895.72**	625.20	15.05.2026	Semi Annual Instalments till 15.11.2031
4	Credit National (Guaranteed by Government of India)	**1.29**	2.87	30.06.2026	Semi Annual Instalments till 30.06.2028
5	KFW I (Guaranteed by Government of India)	**38.72**	36.27	30.06.2026	Semi Annual Instalments till 30.06.2035
6	JBIC PLA 2	**79.81**	64.63	20.07.2026	Semi Annual Instalments till 20.07.2036
7	FCTL VIII JPY 25500M 260924	**1,355.01**	1,406.93	20.07.2026	Semi Annual Instalments till 18.07.2042
8	FCTL SACE EUR 200M	**2,180.13**	1,846.49	18.12.2026	Semi Annual Instalments till 18.06.2036
9	JBIC GA2 PLA1	**3,555.00**	-	15.01.2027	Semi Annual Instalments till 15.01.2037
10	FCTL IX USD 180M 301025	**1,703.78**	-	30.10.2029	Semi Annual Instalments till 30.10.2035
	Sub Total (A)	**9,925.87**	**4,124.95**		
In case of PFC's Subsidiary REC Ltd.					
1	KfW-IV Loan	**1,135.85**	1,232.37	15.05.2026	Repayable in equal half-yearly instalments of US $12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2026
2	KfW-V Loan	**1,435.51**	1,450.60	15.05.2026	Repayable in equal half-yearly instalments of US $8.92 Mn till 15.05.2034, next instalment falling due on 15.05.2026
3	KfW-VII Loan	**980.46**	-	15.05.2028	Repayable in equal half-yearly instalments of €10.53 Mn till 15.05.2037, first instalment falling due on 15.05.2028
4	KfW-VI Loan	**1,085.03**	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)	**4,636.85**	**3,305.60**		
	Total (A+B)	**14,562.72**	**7,430.55**		

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 140 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.

In case of PFC's Subsidiary REC Ltd. Foreign Currency Borrowings in Note No. 21.1(iii) and (iv) 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.

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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
		31.03.2026	31.03.2025		
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
		31.03.2026	31.03.2025		
In case of PFC					
1	Indian Bank	**-**	982.00	27.06.2025	Repaid in FY 2025-26
	Sub Total (A)	**-**	**982.00**		
In case of PFC's Subsidiary REC Ltd.					
1	- HDFC Bank	**-**	1,500.00	24.11.2025	Repaid in FY 2025-26
2	- KEB Hana Bank	**-**	100.00	13.11.2025	
3	- South Indian Bank	**150.00**	-	03.04.2026	₹150 crore Repayable on 03.04.2026
4	- Punjab National Bank	**209.00**	-	10.05.2026	₹209 crore Repayable on 10.05.2026
5	- Indian Bank	**550.00**	-	28.06.2026	₹550 crore Repayable on 28.06.2026
6	- State Bank Of India	**1,618.00**	-	01.08.2026	₹1618 crore Repayable on 01.08.2026
7	- Bank of Baroda	**1,000.00**	-	24.09.2026	₹700 crore repayable on 24.09.2026, ₹125 crore repayable on 29.09.2026, ₹175 crore repayable on 30.09.2026
8	- India Infrastructure Finance Company Ltd. (IIFCL)	**1,500.00**	-	26.03.2027	₹1500 crore Repayable on 26.03.2027
9	- Overdrafts/ Cash credit repayable on demand from banks	**341.71**	570.78	Running facility	Running facility
	Sub Total (B)	**5,368.71**	**2,170.78**		
	Total (A+B)	**5,368.71**	**3,152.78**		

Notes to the Consolidated Financial Statements

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23.9 In case of PFC Ltd. Borrowings as at 31.03.2026 in 23.1 and 23.4 above were raised at respective bank's Benchmark rate plus spread ranging upto 185 bps.

In case of PFC Subsidiary REC Ltd. Term Loans from banks/ financial institutions/ Government as mentioned in Note No. 21.1 (i), (ii), (v) have been raised at interest rates ranging from 5.32% to 8.29% (previous year 7.05% 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 31.03.2026	As at 31.03.2025
(A)	**Subordinated Liabilities (Unsecured)**		
(i)	Perpetual Debt Instruments (Principal Outstanding) (Refer note 24.1)	**5,660.00**	5,185.00
(ii)	Subordinated Bonds (Principal Outstanding) (Refer note 24.2)	**7,562.20**	7,562.20
(B)	**Total Principal Outstanding of Subordinated Laibilities**	**13,222.20**	**12,747.20**
(C)	Interest accrued but not due on (B) above	**364.03**	339.91
(D)	Unamortised Transaction Cost on (B) above	**(143.37)**	(56.35)
(E)	Hedging Adjustments - Loan Liability - FV Hedge on (B) above	**(21.66)**	47.75
	Total Subordinated Liabilities	**13,421.20**	**13,078.51**
	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	**13,421.20**	13,078.51
(ii)	Subordinated Bonds outside India	**-**	-
	Total Geography wise Subordinated Liabilities	**13,421.20**	**13,078.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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
			31.03.2026	31.03.2025		
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.
2	7.43 PERPETUAL TX UNS BND SRS 252	7.43%	**475.00**	-	NA	Perpetual, unless the Call Option is exercised on the Call Option Date (31st July, 2035 or any annually from this date after) subject to receipt of the prior approval of the RBI.
Sub Total (A)			**575.00**	**100.00**		
In case of REC						
1	222nd 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.
2	226th 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.
3	244th Series - Perpetual Tier-I Bonds- REC Ltd.	7.99%	**1,995.00**	1,995.00	28.02.2035	With call option exercisable on 28.02.2035 or any on annual anniversary date thereafter
Sub Total (B)			**5,085.00**	**5,085.00**		
Total Perpetual Debt(A+B)			**5,660.00**	**5,185.00**		

PFC had issued Perpetual Debt Instruments (PDI) of ₹ 475 crore during the year 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.

Notes to the Consolidated Financial Statements

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24.2 Details of Subordinated Debt (Unsecured) are as under:

(₹ in crore)

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2026	31.03.2025		
In case of PFC						
1	Bond Series 184 B	9.10%	**2,411.50**	2,411.50	25.03.2029	Redeemable at par in FY 2028-29.
2	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**	**3,411.50**		
In case of REC						
1	175th Series - Subordinate Tier-II Bonds	8.97%	**2,151.20**	2,151.20	28.03.2029	Redeemable at par on 28.03.2029
2	199th 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**	**7,562.20**		

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 31.03.2026	As at 31.03.2025
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 25.1)	**29,356.50**	29,356.50
(ii)	Advance received from Associates	**111.38**	96.33
(iii)	Unclaimed Dividends (Refer note 25.2)	**99.10**	586.25
(iv)	Unclaimed - Bonds and Interest Accrued thereon (Refer note 25.2)		
	- Unclaimed Bonds	**25.08**	27.64
	- Unclaimed Interest on Bonds	**96.48**	91.77
(v)	Others		
	- Interest on application money and interest accrued thereon	**0.75**	0.51
	- Interest on Subsidy Fund and other GOI Funds for disbursement	**56.42**	66.24
	- Lease Liability (Refer note 51.1)	**12.84**	12.05
	- Derivative Liability - Variation Margin	**16,705.42**	13,762.10
	- Excess amounts received for Loan Assets	**3,527.55**	1,024.68
	- Other liabilities*	**1,984.38**	1,845.02
	Total Other Financial Liabilities	**51,975.90**	**46,869.09**

*includes unreconciled balance from two subsidiaries amounting to ₹ 0.08 crore each

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25.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
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**	247.20
	Total GoI Serviced Bonds (Unsecured Taxable Bonds)	**29,356.50**	**29,356.50**

25.2 Unclaimed dividends, unclaimed bonds and interest accrued 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.

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 ""Undisbursed Funds to be disbursed as Subsidy/ Grant"" under the head ''Other Financial Liabilities"".During the year, undisbursed funds of ₹10.72 crore under such schemes being closed,has been refunded to Ministry of Power, Government of India (previous year nil). 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.

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Net amount of Nil as at 31st March 2026 (₹ 0.79 crores as at 31st March 2025) represents represents the balance amount of interest subsidy fund, which has been refunded to Ministry of Power, Government of India and comprises of the following:-

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Opening Balance of Interest Subsidy Fund	0.79	0.77
Add: Interest earned during the year	-	0.02
Less: Interest subsidy passed on to the borrower	0.79	-
Closing Balance of Interest Subsidy Fund	**-**	**0.79**

(iii) The movement in Interest on Subsidy/ Grant of RECL is explained as under:

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Opening Balance	8.29	31.68
Add: Interest earned/Adjustment during the year	3.11	4.58
Less: Amount refunded to Govt./Adjusted during the year	(3.66)	(27.97)
Closing Balance	**7.74**	**8.29**

26. PROVISIONS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	For Employee Benefits (Refer note 50)		
	- Gratuity	5.35	6.01
	- Leave Encashment	122.51	121.40
	- Economic Rehabilitation of Employees	14.64	14.41
	- Provision for Bonus / Incentive	89.92	86.76
	- Provision for Staff Welfare Expenses	58.36	49.06
(ii)	Impairment Loss Allowance - Letter of Comfort & Letter of Undetaking (Refer note 26.1)	54.94	69.19
(iii)	Impairment Loss Allowance - Undrawn Loan Commitment (Refer note 26.1)	417.23	-
(iv)	Provision for Unspent CSR Expense	613.11	267.06
(v)	Provision for other expenses	-	0.01
	Total Provisions	**1,376.06**	**613.90**

26.1 Movement of Impairment loss allowance on Letter of Comfort & Letter of Undertaking and Undrawn Loan Commitment

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(i)	Opening balance	69.19	80.65
(ii)	Creation during the year	465.14	23.78
(iii)	Reversal during the year	(62.16)	(35.24)
	Closing balance	**472.17**	**69.19**

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for the year ended March 31, 2026

27. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Unamortised Fee - Undisbursed Loans Assets	766.36	672.53
(ii)	Sundry Liabilities Account (Interest Capitalisation)	96.35	99.37
(iii)	Statutory dues payable	196.82	169.21
(iv)	Advance received from Govt. towards Govt. Schemes	-	0.08
(v)	Others	83.77	78.71
	Total Other Non-Financial Liabilities	**1,143.30**	**1,019.90**

28. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2026		As at 31.03.2025	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	**Authorised Capital**				
	Equity Share Capital (Par Value per share ₹ 10)	11,00,00,00,000	11,000.00	11,00,00,00,000	11,000.00
	Preference Share Capital (Par Value per share ₹ 10)	20,00,00,000	200.00	20,00,00,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**				
	Equity Share Capital (Par Value per share ₹ 10)	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
(C)	**Reconciliation of Equity Share Capital**				
	Opening Equity Share Capital	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
	Changes during the year		-		-
	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 31.03.2026		As at 31.03.2025	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India (Promoters)	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 31.03.2026			As at 31.03.2025		
		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 (Promoters)	1,84,78,64,722	55.99%	-	1,84,78,64,722	55.99%	-

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 31.03.2026	As at 31.03.2025
(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)	**(920.95)**	(680.08)
(iv)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	29.1(iv)	**27,981.32**	22,257.03
(v)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	29.1(v)	**1,377.58**	1,358.41
(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)	**54,481.75**	49,241.93
(viii)	Interest Differential Reserve - KFW Loan	29.1(vii)	**68.77**	68.90
(ix)	General Reserve	29.1(viii)	**25,478.34**	23,025.12
(x)	Impairment Reserve	29.1(ix)	**89.18**	89.18
(B)	**Retained Earnings**	29.1(x)	**36,045.99**	29,090.03
(C)	**Other Comprehensive Income (OCI) Reserves**			
(xi)	Equity Instruments through Other Comprehensive Income	29.1(xi)	**797.27**	1,065.90
(xii)	Effective portion of Cash Flow Hedges	29.1(xii)	**(2,895.89)**	(301.72)
(xiii)	Costs of Hedging Reserve	29.1(xiii)	**(3,406.05)**	(1,209.95)
(xiv)	Exchange differences in translating the financials of foreign operations		**32.10**	2.07
	Total Other Equity		**1,29,560.84**	**1,14,438.25**

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 crore and the consideration paid (including investment of ₹ 0.50 crore existing on the date of acquisition) of ₹ 14,500.50 crore has been recognized as capital reserve-common control.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
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)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**2,946.07**	**2,946.07**
Add: Transferred from Retained Earnings	-	-
Less: Utilised for issue of Bonus Equity Shares (including expense thereof)	-	-
Balance as at the end of the year	**2,946.07**	**2,946.07**

(iii) Foreign Currency Monetary Item Translation Difference Account:

It represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortized over the tenure of the respective borrowings.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**(680.08)**	**(758.20)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(716.75)	(152.80)
Less: Amortisation during the year	475.88	230.92
Balance as at the end of the year	**(920.95)**	**(680.08)**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**22,257.03**	**17,132.46**
Add: Transferred from Retained Earnings	5,724.29	5,124.57
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**27,981.32**	**22,257.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(v) Reserve for Bad & doubtful debts u/s 36(1)(viia)(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)(viia)(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**1,358.41**	**1,574.26**
Add: Transferred from Retained Earnings	**1,381.29**	1,362.24
Less: Utilisation of reserve against bad debts written off	**(1,358.41)**	(1,574.26)
Less: Adjustments during the year	**(3.71)**	(3.83)
Balance as at the end of the year	**1,377.58**	**1,358.41**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**49,241.93**	**44,077.56**
Add: Transferred from Retained Earnings	**5,160.37**	5,114.29
Add: Adjustments during the year	**79.45**	50.08
Balance as at the end of the year	**54,481.75**	**49,241.93**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**68.90**	**67.15**
Add: Addition during the year	**(0.13)**	1.75
Less:Deletion during the year	**-**	-
Balance as at the end of the year	**68.77**	**68.90**

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for the year ended March 31, 2026

(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 utilization / 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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**23,025.12**	**21,056.10**
Add: Transferred from Retained Earnings	**1,094.81**	394.76
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	**1,358.41**	1,574.26
Balance as at the end of the year	**25,478.34**	**23,025.12**

(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.

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**89.18**	**89.18**
Add: Transferred from Retained Earnings	**-**	-
Less: Transferred to General Reserve	**-**	-
Balance as at the end of the year	**89.18**	**89.18**

(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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**29,090.03**	**23,413.33**
Add: Profit for the year	**25,900.95**	22,990.81
Add: Remeasurement of Defined Benefit Plans (net of taxes)	**3.61**	(4.42)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	**-**	114.38
Add: Changes in Accounting Policy / Prior Period Errors	**-**	-
Add; Transfer to /from Retained Earnings	**(13,360.76)**	(11,995.86)
Add: Additions / Deletion during the year (net)	**(75.61)**	(48.00)
Less: Coupon Payment on Perpetual Debt Instruments	**(17.53)**	(17.53)
Less: Dividend paid during the year	**(5,494.67)**	(5,362.67)
Less: Other Adjustments	**(0.03)**	-
Balance as at the end of the year	**36,045.99**	**29,090.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(xi) 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 derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to consolidated statement of profit and loss. Dividends on such investments are recognized 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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**1,065.90**	**1,247.97**
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	**(268.63)**	(67.69)
Less: Reclassification of (gain)/ loss on sale/ extinguishment of FVOCI equity instrument (net of taxes)	**-**	(114.38)
Balance as at the end of the year	**797.27**	**1,065.90**

(xii) 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 recognized in this reserve. The amounts recognized 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 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**(301.72)**	**(636.02)**
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	**(2,594.17)**	334.30
Balance as at the end of the year	**(2,895.89)**	**(301.72)**

(xiii) 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 recognized in this reserve. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance as at the beginning of the year	**(1,209.95)**	**151.46**
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	**(2,196.10)**	(1,361.41)
Balance as at the end of the year	**(3,406.05)**	**(1,209.95)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

29.2 (i) The details of dividend declared/proposed by PFC on equity shares of face value of ₹10 each is as under:

Particulars	As at 31.03.2026			As at 31.03.2025		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	146.00%	14.60	4,818.15	137.50%	13.75	4537.64
Final Dividend	39.50%	3.95	1,303.54	20.50%	2.05	676.52
Total Dividend	**185.50%**	**18.55**	**6,121.69**	**158.00%**	**15.80**	**5,214.16**

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 13.05.2026 has proposed final dividend @ 39.50% on the paid up equity share capital i.e. ₹ 3.95/- per equity share of ₹ 10/- each for the FY 2025-26 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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year		**36,858.48**	**32,583.37**
(i)	Share of Net Profit for the year	**7,724.39**	7,523.59
(ii)	Re-measurement of Defined Benefit Plans	**0.39**	0.27
(iii)	Share of Other Comprehensive Income / (Expense)	**(1,973.79)**	(718.70)
Share of Total Comprehensive Income		**5,750.99**	**6,805.16**
(i)	Dividend Declared/ Proposed to Non-Controlling Interest	**(2,444.57)**	(2,544.35)
(ii)	Others	**(143.21)**	14.30
Balance at the end of the year - towards Equity Share Holders		**40,021.68**	**36,858.48**
	Towards Instruments Entirely Equity in Nature (Refer note 30.2)	**558.40**	558.40
Total Non - Controlling Interest		**40,580.08**	**37,416.88**

30.1 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 31.03.2026	Number of Bonds	As at 31.03.2025
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	**5,584**	**558.40**	5,584	558.40

30.2 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

Particulars	As at 31.03.2026		As at 31.03.2025	
	Number	Amount	Number	Amount
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**	**558.40**	**5,584**	**558.40**

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for the year ended March 31, 2026

30.3 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

Particulars	As at 31.03.2026		As at 31.03.2025	
	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%

30.4 PFC's subsidiary REC Ltd. had issued Perpetual Debt Instruments of face value of ₹ 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.

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.

31. INTEREST INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
A	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	**1,11,062.61**	1,03,382.43
	Less : Rebate for Timely Payment to Borrowers	**(178.49)**	(254.36)
(ii)	Interest on Deposits with Banks	**512.73**	559.86
(iii)	Interest on Investment	**784.30**	613.18
(iv)	Other Interest Income	**650.89**	571.37
	Subtotal (A)	**1,12,832.04**	**1,04,872.48**
B	**On Financial Assets classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	**81.80**	119.87
(ii)	Other Income	**47.60**	8.66
	Subtotal (B)	**129.40**	**128.53**
	Total Interest Income (A+B)	**1,12,961.44**	**1,05,001.01**

32. DIVIDEND INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(A)	**Dividend on equity investments designated at FVTOCI**		
(i)	Investments held at the end of the year	**99.71**	90.50
(ii)	Investments derecognized during the year	**-**	-
	Sub-Total (i+ii)	**99.71**	**90.50**
(B)	Dividend on preference shares	**-**	0.01
	Total Dividend Income (A+B)	**99.71**	**90.51**

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33. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Prepayment Premium on Loans	1,386.30	288.47
(ii)	Fee based Income on Loans	249.80	232.51
(iii)	Fee for implementation of GoI Schemes (Refer note 56)	107.31	104.98
	Total Fees and Commission Income	**1,743.41**	**625.96**

34A OTHER OPERATING INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Sale of Services (Refer note 6.12)	639.05	784.14
	Total Other Operating Income	**639.05**	**784.14**

34B COST OF SERVICES RENDERED

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Project and consultancy expenses	308.51	170.84
	Total Cost of services rendered	**308.51**	**170.84**

35. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Excess Liabilities written back	2.07	3.70
(ii)	Miscellaneous Income	81.24	93.38
	Total Other Income	**83.31**	**97.08**

36. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
On Financial Liabilities Measured At Amortised Cost			
(i)	**Interest on Borrowings (other than Debt Securities)**		
	- Term Loans and others	19,031.13	19,749.56
(ii)	**Interest on Debt Securities**		
	- Bonds / Debentures	42,529.50	40,098.99
	- Commercial Paper	387.51	8.97
(iii)	**Interest on Subordinated Liabilities**	1,100.73	1,095.36
(iv)	**Other Interest Expense**		
	- Interest under Income Tax Act, 1961	0.54	3.86
	- Interest expense on Variation Margin	746.84	626.00
	- Interest on liability towards employee benefits	9.89	8.46
	- Other interest expense*	1.07	1.24
	Less: Finance Cost Capitalised	(6.39)	(3.02)
(v)	**Swap Premium (Net)**	5,614.50	3,054.46
	Total Finance Costs	**69,415.32**	**64,643.88**

*includes interest on lease liability. (Refer note 51.1)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

37. NET TRANSLATION / TRANSACTION EXCHANGE LOSS / (GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
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	**1,578.75**	437.87
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	**282.20**	237.04
Total	**Net Translation / Transaction Exchange Loss / (Gain)**	**1,860.95**	**674.91**

37.1 The Group's foreign currency monetary items are translated at prevailing rate at the year-end as below:

(₹ in crore)

Exchange Rates	As at 31.03.2026	As at 31.03.2025
USD / INR	**94.6543**	85.5814
EURO / INR	**109.0064**	92.3246
JPY / INR	**0.5925**	0.5675
GBP / INR	**125.6347**	110.7389
SGD / INR	**73.5548**	63.7098

38. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Agency Fees	**5.71**	5.14
(ii)	Guarantee, Listing and Trusteeship fees	**16.36**	8.90
(iii)	Credit Rating Fees	**16.36**	9.91
(iv)	Other Finance Charges	**(6.26)**	10.38
	Total Fees and Commission Expense	**32.17**	**34.33**

39. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
On financial instruments at Fair value through Profit or Loss:			
(i)	**On trading Portfolio**	**-**	-
(ii)	**Others**		
	- Change in Fair Value of Derivatives	**936.05**	(57.20)
	- Change in Fair Value of Investments	**45.84**	(519.56)
	- Change in Fair Value of Short Term Investment of Surplus Funds in Mutual Funds	**-**	(1.92)
	Subtotal (ii)	**981.89**	**(578.68)**
	Total Net Loss / (Gain) on Fair Value changes (i+ii)	**981.89**	**(578.68)**
Fair value changes:			
(i)	- Realised	**680.86**	(606.65)
(ii)	- Unrealised	**301.03**	27.97
	Total Net Loss / (Gain) on Fair Value changes	**981.89**	**(578.68)**

39.1 Fair value changes in this table are other than those arising on account of accrued interest income/expense.

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for the year ended March 31, 2026

40. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans	**(2,022.53)**	1,320.11
(ii)	Other Financial Assets and Trade Receivables	**31.81**	139.71
(iii)	Letter of Comfort & Letter of Undertaking	**(14.25)**	15.62
(iv)	Undrawn Loan Commitment	**417.23**	-
(v)	Investments	**2.81**	3.26
	Total Impairment on Financial Instruments	**(1,584.93)**	**1,478.70**

40.1 Refer Note 46.1 for details of impairment on financial assets.

41. EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Salaries and Wages	**363.81**	358.87
(ii)	Contribution to Provident and other Funds/ Schemes	**61.11**	53.92
(iii)	Staff Welfare Expenses	**113.53**	112.19
(iv)	Rent for Residential Accommodation of Employees	**31.82**	25.79
	Total Employee Benefit Expenses	**570.27**	**550.77**

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 31.03.2026	Year ended 31.03.2025
(i)	Rent, Taxes and Energy Cost	**15.91**	18.11
(ii)	Repairs and Maintenance	**43.15**	46.30
(iii)	Communication Costs	**10.07**	9.94
(iv)	Printing and Stationery	**3.00**	3.26
(v)	Advertisement and Publicity	**36.37**	44.81
(vi)	Directors Fees, Allowance & Expenses	**1.15**	0.75
(vii)	Auditor's fees and expenses	**3.89**	3.51
(viii)	Legal & Professional charges	**24.11**	42.06
(ix)	Insurance	**0.39**	1.22
(x)	Travelling and Conveyance	**57.48**	56.96
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	**16.07**	12.47
(xii)	Govt. scheme monitoring expense	**21.50**	29.70
(xiii)	Conference And Meeting Expenses	**24.92**	17.25
(xiv)	Security Expenses	**4.53**	4.04
(xv)	Other Expenditure	**91.54**	81.38
	Total Other Expenses	**354.08**	**371.76**

Notes to the Consolidated Financial Statements

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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 2025-26	FY 2024-25
Current Tax Expense /(Income)		
Current Year	7,571.99	7,748.48
Earlier Years	4.62	(15.56)
(A) Total Current Tax Expense	**7,576.61**	**7,732.92**
Deferred Tax Expense /(Income)		
Origination and reversal of temporary differences	1,647.73	384.84
(B) Total Deferred Tax Expense/(Income)	**1,647.73**	**384.84**
Total Income Tax Expense (A+B)	**9,224.34**	**8,117.76**

43.2 Income tax expense recognised in Consolidated Other Comprehensive Income:

(₹ in crore)

	FY 2025-26	FY 2024-25
Current Tax Expense /(Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	0.70	(0.02)
Net gain / (loss) on fair value of equity instruments	-	13.96
(A) Total Current Tax Expense/(Income)	**0.70**	**13.94**
Deferred Tax Expense/(Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	0.26	(1.24)
Net Gain / (Loss) on Fair Value of Equity Instruments	(63.24)	38.27
(ii) Items that will be reclassified to Profit and Loss		
Effective portion of Gain and (Loss) on Hedging Instruments in Cash flow Hedge	(1,638.33)	258.28
Cost of hedging reserve	(624.52)	(841.66)
Exchange differences in transalting the financials of foreign operations	-	0.70
(B) Total Deferred Tax Expense/(Income) (i+ii)	**(2,325.83)**	**(545.65)**
Total Tax Expense/(Income) recognised in OCI (A+B)	**(2,325.13)**	**(531.71)**

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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)

	FY 2025-26	FY 2024-25
Profit before Tax	**42,849.68**	38,632.83
Corporate Tax Rate	**25.168%**	25.168%
Tax expense using the Corporate tax rate	**10,784.41**	**9,723.11**
Increase/(Decrease) on account of:		
Non-deductible tax expenses		
Tax exempt income	**13.35**	22.81
Deduction u/s 80M of Income Tax Act 1961	**(743.08)**	(753.10)
Deduction under 36(1)(viii) of Income Tax Act 1961	**(1,702.04)**	(1,710.42)
Others	**147.23**	116.45
Tax expense pertaining to earlier years	**3.92**	(13.38)
Impact of change in tax rate	**-**	-
Effect of eliminations	**720.54**	731.68
Total tax expenses in the Consolidated Statement of Profit and Loss	**9,224.34**	**8,117.16**

44. DISCLOSURE AS PER IND AS 33 ''EARNINGS PER SHARE''

(₹ in crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
(A)	**Profit for the period used as numerator (basic & diluted) (₹ in crore):**		
	(i) from continuing operations	**25,900.95**	22,990.81
	(ii) from discontinued operations	**-**	-
	(iii) from continuing and discontinued operations	**25,900.95**	22,990.81
(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	**78.49**	69.67
	(ii) for discontinued operations	**-**	-
	(iii) for continuing and discontinued operations	**78.49**	69.67

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 Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, 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.

Notes to the Consolidated Financial Statements

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Capital to Risk Weighted Assets Ratio (CRAR) is as under:

In respect of PFC

(₹ in crore)

Sr. No.	Ratios	Numerator	Denominator	As at 31.03.2026	As at 31.03.2025
(i)*	Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	**23.44%**	22.08%
	CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	**21.93%**	20.29%
	CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	**1.51%**	1.79%
(ii)*	Liquidity Coverage Ratio(LCR) (Refer Note 54.6)	Total High Quality Liquid Assets	Total Net Cash Outflows	**148.60%**	100.00%
(iii)	Debt- Equity Ratio (times)	Total Debt (principal outstanding)	Net Worth	**4.75**	5.12

* Computed as per applicable RBI guidelines.

**The percentage of amount of perpetual debt instruments of the Tier-I Capital is 0.60% (previous year 0.13%).

Details of Subordinated and Perpetual Debt Instruments raised during the year are as under:

(₹ in crore)

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	**475.00**	-

In respect of RECL

(₹ in crore)

Sr. No.	Ratios	Numerator	Denominator	As at 31.03.2026	As at 31.03.2025
(i)*	Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	**23.11%**	25.99%
	CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	**21.25%**	23.76%
	CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	**1.86%**	2.23%
(ii)	Debt- Equity Ratio (times)	Total Debt (principal outstanding) less cash & cash equivalents	Net Worth	**5.94**	6.23

* Computed as per applicable RBI guidelines.

**The amount of perpetual debt instruments of the Tier-I Capital is 6.55% (previous year 7.10%).

Details of Subordinated and Perpetual Debt Instruments raised during the year are as under:

(₹ in crore)

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	1,995.00

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.

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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).

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:

Note	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 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.

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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:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Low Credit Risk		
Cash and cash equivalents[a]	**1,409.44**	319.22
Bank balances other than included in cash and cash equivalents[a]	**3,263.23**	9,265.73
Loans (Principal Outstanding)[c]	**11,17,291.04**	10,15,247.28
Trade and other receivables[b]	**259.63**	218.39
Investments (Excluding equity investments)[a]	**12,396.12**	9,198.67
Other financial assets[b]	**30,013.69**	30,064.25
Moderate Credit Risk		
Loans (Principal Outstanding)[c]	**38,769.84**	76,579.11
Trade receivables[b]	**106.44**	70.07
High Credit Risk		
Investments (Excluding equity investments)[a]	**101.67**	101.67
Loans (Principal Outstanding)[c]	**7,707.33**	18,169.50
Other financial assets[b]	**146.27**	178.80
Trade and other receivables[b]	**95.04**	89.10

(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 ₹ 107.74 crore on its investments as at 31.03.2026 (as at 31.03.2025 ₹ 104.93 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).

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.

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(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.

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 categorization of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out 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.

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

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:

(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.

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(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 minimize 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 utilization 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., regularization 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 categorized 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 utilization 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.

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 utilization 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

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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 Specialized 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, ICRA 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 are 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 Credit Rating Agencies (CRAs) are 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 ratio (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 is used to compute Lifetime PDs of the rating grade.

In case of Investments, the external rating of the instrument as published by various credit rating agencies is referred to arrive at PD. In case of non-availability of external rating, the rating to be used for assigning PD is restricted to (BBB-) i.e. lowest investment grade.

(ii) 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 is 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. Moreover, for non-guaranteed portfolio of State Sector borrowers, additional stress factors are

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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 realizable 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 is 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 is also applied as a haircut to arrive at the realisable value.

For investments, LGD is assessed based on the type and characteristics of the underlying security.

(iii) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal (including undrawn commitment thereof) 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 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.

(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, possibility of stressed and favourable economic conditions etc. Further, the independent agency also considers additional macroeconomic parameters like Installed Generating Capacity Utilities YoY Change, Index of Industrial Production (IIP) Capital Goods Growth Rate, Index of Industrial Production (IIP) electricity Year on Year (YoY) growth rate, Money supply YoY growth rate, Gross Domestic Products (GDP) growth rate, Coal Based Thermal Electricity Gross Generation YoY Growth rate among others etc. 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)

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>> Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, LAF, LUF, etc
- Actual Default dates
- Status of the Project

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. Rating/Grading downgraded in rating family of borrower by two or more notches (even if the borrower is in Stage 1 on DPD basis)

Additional factors for private sector borrowers: -

i. Downgrade in the credit rating of borrower to "C"

ii. Delay in the date of commencement of commercial operation of project by more than 3 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 (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company 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.MoP and external rating agencies use different rating nomenclatures. Therefore, both nomenclatures are mapped to convey the same result in terms of credit risk, ensuring consistency and accuracy in PD assignment.

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 realizable 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.

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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.

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 recognized 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:

(₹ in crore)

Days Past Due (DPD)	As at 31.03.2026				As at 31.03.2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	5,31,142.21	1,216.63	-	5,32,358.84	5,01,495.96	-	307.07	5,01,803.03
1-30 days	15,191.66	-	-	15,191.66	-	-	-	-
31-60 days	-	26,242.22	-	26,242.22	-	29,650.31	-	29,650.31
61-90 days	-	-	-	-	-	1,457.29	-	1,457.29
More than 90 days	-	-	6,322.58	6,322.58	-	-	10,209.78	10,209.78
Total	**5,46,333.87**	**27,458.85**	**6,322.58**	**5,80,115.30**	**5,01,495.96**	**31,107.60**	**10,516.85**	**5,43,120.41**
Impairment loss allowance*	**4,192.56**	**757.88**	**5,448.32**	**10,398.76**	**5,381.05**	**560.76**	**8,424.25**	**14,366.06**

*excludes impairment loss allowance of ₹ 21.40 crore (₹ 50.71 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 134.52 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

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B. In respect of RECL

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under:

(₹ in crore)

Credit Risk Category (Internal/Mapped Ratings)	As at 31.03.2026				As at 31.03.2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very Good (AAA | AA | A | Government Loan)	2,67,788.14	9,966.88	-	2,77,755.02	2,27,156.98	41,032.49	-	2,68,189.47
Good (BBB | BB |B)	2,36,005.71	343.46	-	2,36,349.17	1,78,400.70	4,088.70	-	1,82,489.40
Average (C)	73,437.57	10.01	-	73,447.58	1,16,210.15	-	-	1,16,210.15
Fair (D)	-	990.63	-	990.63	-	350.32	-	350.32
Non- Performing (D)	-	-	1,384.75	1,384.75	-	-	7,652.65	7,652.65
Gross Exposure	**5,77,231.42**	**11,310.98**	**1,384.75**	**5,89,927.15**	**5,21,767.83**	**45,471.51**	**7,652.65**	**5,74,892.00**
Less: Loss allowance (including LoC)	6,040.53	178.48	707.98	6,926.99	4,822.81	501.95	5,489.48	10,814.24
Net Exposure	**5,71,190.89**	**11,132.50**	**676.77**	**5,83,000.16**	**5,16,945.02**	**44,969.56**	**2,163.17**	**5,64,077.76**

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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	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)	**9,37,283.13**	**9,211.35**	9,15,119.35	9,587.15
Loans to private sector	**2,26,485.07**	**8,080.86**	1,94,876.54	15,643.82
Total	**11,63,768.20**	**17,292.21**	**11,09,995.89**	**25,230.97**

*excludes impairment loss allowance of ₹ 54.94 crore (₹ 69.19 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 417.23 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

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.

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Further, the Companies have a lending portfolio comprising of loans to generation, renewable, transmission and distribution power projects spread across diverse geographical areas.

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Principal Outstanding	Impairment Loss Allowance*	Principal Outstanding	Impairment Loss Allowance*
Concentration by schemes				
Generation	**3,33,718.08**	**7,716.03**	3,22,256.96	14,305.70
Renewable	**1,65,482.42**	**3,436.08**	1,44,697.20	3,665.12
Transmission	**87,851.61**	**386.81**	85,525.29	330.36
Distribution	**4,49,947.16**	**4,215.06**	4,56,463.53	6,416.69
Others	**1,26,768.93**	**1,538.25**	1,01,052.92	513.11
Total	**11,63,768.20**	**17,292.23**	**11,09,995.89**	**25,230.97**

*excludes impairment loss allowance of ₹ 54.94 crore (₹ 69.19 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 417.23 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

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:

(₹ in crore)

Particulars	As at 31.03.2026			As at 31.03.2025		
	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance coverage(%)	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance coverage(%)
Stage 1	**11,17,291.03**	**10,199.55**	**0.91**	10,15,247.28	10,254.53	1.01
Stage 2	**38,769.84**	**936.36**	**2.42**	76,579.11	1,062.71	1.39
Stage 3**	**7,707.33**	**6,156.30**	**79.88**	18,169.50	13,913.74	76.58
Total	**11,63,768.20**	**17,292.21**	**1.49**	**11,09,995.89**	**25,230.97**	**2.27**

*excludes impairment loss allowance of ₹ 54.94 crore (₹ 69.19 crore as at 31.03.2025) on Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 417.23 crore (Nil as at 31.03.2025) has been created towards Undrawn Loan Commitment of the Company.

**includes loan outstanding of ₹ 262.90 crore (Previous year 307.07 crore) of one of the borrower which has committed fraud on the Company.

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 and Letter of Undertaking) in respect of PFC & RECL between the beginning and the end of the reporting period:

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FY 2025-26	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	**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**
Transfer to Stage 1	36,566.14	370.13	(36,566.14)	(504.65)	-	-	-	(134.52)
Transfer to Stage 2	(854.51)	(3.00)	3,105.28	932.39	(2,250.77)	(929.39)	-	-
Transfer to Stage 3	-	-	(14.48)	(0.35)	14.48	0.35	-	-
Net change in Principal/ ECL during the year within the same stage	14,869.97	(1,736.73)	(2,317.33)	(136.11)	(46.56)	32.99	12,506.08	(1,839.85)
New financial assets originated	2,89,703.88	3,349.12	3.30	-	-	-	2,89,707.18	3,349.12
Financial assets derecognised (includes loans repaid/pre-payment with stage movement)	(2,38,241.72)	(1,979.55)	(1,719.21)	(116.93)	(2,633.84)	(1,315.90)	(2,42,594.77)	(3,412.39)
Financial Assets derecognised (Write Off)	-	-	(300.70)	(300.70)	(3,148.62)	(3,148.61)	(3,449.32)	(3,449.32)
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	(2,396.86)	(2,396.86)	(2,396.86)	(2,396.86)
Closing Balance	**11,17,291.04**	**10,254.50**	**38,769.83**	**936.36**	**7,707.32**	**6,156.32**	**11,63,768.20**	**17,347.15**

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	**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	-	-
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)	(901.39)	1,614.43
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**

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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 31.03.2026	As at 31.03.2025
(i)	**Net Credit Impaired accounts to Gross Loans outstanding (%)**	0.13	0.38
(ii)	**Net Credit Impaired accounts to Net Loans outstanding (%)**	0.13	0.39
		FY 2025-26	FY 2024-25
(iii)	**Movement of Gross Credit Impaired accounts**		
	(a) Opening balance	18,169.50	29,883.55
	(b) Additions during the year	14.48	452.63
	(c) Reductions/ (write off) during the year	(10,476.65)	(12,166.68)
	(d) Closing balance	**7,707.33**	**18,169.50**
(iv)	**Movement of Net Credit Impaired accounts**		
	(a) Opening balance	4,255.76	8,467.22
	(b) Additions during the year	(30.83)	57.33
	(c) Reductions/ (write off) during the year	(2,673.92)	(4,268.79)
	(d) Closing balance	**1,551.01**	**4,255.76**
(v)	**Movement of impairment loss allowance on Credit Impaired accounts**		
	(a) Opening balance	13,913.74	21,416.33
	(b) Additions during the year	(968.18)	395.30
	(c) Reductions/ (write off) during the year	(6,789.26)	(7,897.89)
	(d) Closing balance	**6,156.30**	**13,913.74**

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 Disclosures as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 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 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Gross NPA to Gross Loans	**1.80%**	2.46%	**2.19%**	3.62%
Net NPA to Net Loans	**0.75%**	0.89%	**1.92%**	2.56%

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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 31.03.2026

(₹ 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	5,46,887.87	4,204.44	5,42,683.43	2,902.92	1,301.52
	Stage 2	27,012.16	540.24	26,471.92	452.26	87.98
	Stage 3	-	-	-	-	-
Sub-total		**5,73,900.03**	**4,744.68**	**5,69,155.35**	**3,355.18**	**1,389.50**
Non- Performing Assets (NPA)						
Substandard	Stage 1	2,282.06	96.59	2,185.47	224.33	(127.74)
	Stage 2	473.95	142.26	331.69	46.97	95.29
	Stage 3	14.48	14.48	-	1.45	13.03
Sub-total for Substandard		**2,770.49**	**253.33**	**2,517.16**	**272.75**	**(19.42)**
Doubtful - up to 1 year	Stage 1	259.80	9.47	250.33	50.94	(41.47)
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	424.67	16.58	408.09	212.27	(195.69)
Doubtful - up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	753.77	75.38	678.39	224.09	(148.71)
More than 3 years	Stage 2	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	130.13	130.13	-	26.03	104.10
1 to 3 years	Stage 3	37.37	37.37	-	22.56	14.81
More than 3 years	Stage 3	2,026.16	1,151.90	874.26	1,236.11	(84.21)
Sub-total for Doubtful		**3,631.90**	**1,420.83**	**2,211.07**	**1,772.00**	**(351.17)**
Loss	Stage 3	4,114.44	4,114.44	-	4,114.44	-
Sub-total for NPA		**10,516.83**	**5,788.60**	**4,728.23**	**6,159.19**	**(370.59)**
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	-	21.40	(21.40)	-	21.40
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		**-**	**21.40**	**(21.40)**	**-**	**21.40**
Total	Stage 1	5,49,854.40	4,348.47	5,45,505.92	3,390.46	958.01
	Stage 2	28,239.88	757.88	27,482.00	723.32	34.56
	Stage 3	6,322.58	5,448.32	874.26	5,400.59	47.73
	Total	**5,84,416.86**	**10,554.67**	**5,73,862.18**	**9,514.37**	**1,040.30**

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As at 31.03.2025

(₹ in crore)

Asset Classification as per RBI Norms	Asset classifica tion 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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for the year ended March 31, 2026

B. In respect of RECL

As at 31.03.2026

(₹ in crore)

Asset Classification as per RBI Norms	Asset classifica tion 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	5,62,758.20	5,130.04	5,57,628.16	4,014.07	1,115.97
	Stage 2	10,559.90	54.85	10,505.05	41.28	13.57
Sub-total		**5,73,318.10**	**5,184.89**	**5,68,133.21**	**4,055.35**	**1,129.54**
Non- Performing Assets (NPA)						
Substandard	Stage 1	632.93	20.73	612.20	63.03	(42.30)
Sub-total for Substandard		**632.93**	**20.73**	**612.20**	**63.03**	**(42.30)**
Doubtful Assets						
Up to 1 year	Stage 1	9,423.62	843.63	8,579.99	1,884.17	(1,040.54)
More than 3 years	Stage 1	377.24	12.59	364.65	166.31	(153.72)
1 to 3 years	Stage 2	999.88	123.63	876.25	303.95	(180.32)
More than 3 years	Stage 3	1,384.75	707.98	676.77	694.73	13.25
Sub-total for Doubtful		**12,185.49**	**1,687.83**	**10,497.66**	**3,049.16**	**(1,361.33)**
Loss	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total for NPA		**12,818.42**	**1,708.56**	**11,109.86**	**3,112.19**	**(1,403.63)**
Total Loan Assets		**5,86,136.52**	**6,893.45**	**5,79,243.07**	**7,167.54**	**(274.09)**
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	-	307.38	(307.38)	-	307.38
	Stage 2	-	8.87	(8.87)	-	8.87
Sub-total		**-**	**316.25**	**(316.25)**	**-**	**316.25**
Total	Stage 1	5,73,191.99	6,323.24	5,66,877.62	6,127.58	186.79
	Stage 2	11,559.78	178.48	11,381.30	345.23	(157.88)
	Stage 3	1,384.75	707.98	676.77	694.73	13.25
	Total	**5,86,136.52**	**7,209.70**	**5,78,935.69**	**7,167.54**	**42.16**

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As at 31.03.2025

(₹ in crore)

Asset Classification as per RBI Norms	Asset classifica tion 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 - up to 1 year	Stage 1	1,512.43	754.87	757.56	480.16	274.71
1 to 3 years	Stage 3	385.44	8.48	376.96	169.92	(161.44)
More than 3 years	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	-	-	-	-	-
Loss	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**

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 31.03.2026	
Gross carrying value	**411.10**
Expected credit loss (provision)	**(117.89)**
Carrying amount (net of impairment)	**293.21**
As at 31.03.2025	
Gross carrying value	323.48
Expected credit loss (provision)	(88.35)
Carrying amount (net of impairment)	**235.13**

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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:

	Less than 1 year	1 year- 2 year	More than 2 year	Total
Gross carrying amount as at 31.03.2026	28.80	1.61	14.72	45.14
Gross carrying amount as at 31.03.2025	25.47	5.45	20.08	51.00

Movement in the expected credit loss allowance

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Balance	**12.08**	**12.89**
Impairment allowance reversal	**(1.23)**	(4.29)
Impairment losses recognized	**0.93**	3.48
Closing Balance	**11.78**	**12.08**

C. In respect of PFC

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Balance	**0.81**	**0.81**
Impairment allowance reversal	**-**	-
Impairment losses recognized	**-**	-
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.

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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 31.03.2026				
Domestic borrowings				
Principal	**1,35,862.84**	**3,84,060.23**	**2,30,961.96**	**7,50,885.03**
Interest	**51,250.06**	**1,31,034.13**	**79,655.70**	**2,61,939.89**
Foreign Currency borrowings				
Principal	**40,301.34**	**1,91,494.34**	**12,105.86**	**2,43,901.54**
Interest	**8,087.65**	**15,791.90**	**600.76**	**24,480.31**
Total	**2,35,501.89**	**7,22,380.60**	**3,23,324.28**	**12,81,206.77**
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**

*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 31.03.2026				
Forward	-	-	-	-
Option/Swaps	**928.96**	**2,564.10**	**396.64**	**3,889.70**
Total	**928.96**	**2,564.10**	**396.64**	**3,889.70**
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**

* 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 31.03.2026				
Loan Assets				
Principal	1,41,800.17	4,48,573.72	5,67,238.01	11,57,611.90
Interest	1,03,304.39	2,96,072.66	2,63,330.13	6,62,707.18
Total	**2,45,104.56**	**7,44,646.38**	**8,30,568.14**	**18,20,319.08**
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**

*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.

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 mobilize 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 31.03.2026	As at 31.03.2025
Cash credit/ overdraft/ line of credits / working capital demand loans	**7,190.00**	7,190.00

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 31.03.2026	As at 31.03.2025
Expiring within one year - Floating Rate	**12,936.63**	14,291.72
Expiring beyond one year -Floating Rate	**1,199.67**	1,222.19

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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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Crore in respective currency	₹ in crore	Crore in respective currency	₹ in crore
USD Loans	**11,934.55**	**1,66,908.06**	15,628.83	1,89,506.55
- Hedged	**11,819.71**	**1,65,803.15**	15,555.74	1,88,854.54
- Unhedged	**114.84**	**1,104.91**	73.09	652.00
Euro Loans	**836.02**	**23,050.00**	706.28	15,017.85
- Hedged	**737.49**	**21,133.81**	676.55	12,273.18
- Unhedged	**98.53**	**1,916.19**	29.73	2,744.67
JPY Loans	**5,45,546.77**	**50,682.81**	5,84,502.64	47,796.73
- Hedged	**5,42,772.45**	**49,039.02**	5,81,710.15	46,211.99
- Unhedged	**2,774.32**	**1,643.79**	2,792.49	1,584.74
GBP Loans	**13.47**	**1,692.41**	13.47	1,491.75
- Hedged	**13.47**	**1,692.41**	13.47	1,491.75
- Unhedged	**-**	**-**	-	-
SGD Loans	**213.21**	**1,568.26**	213.21	1,358.36
- Hedged	**213.21**	**1,568.26**	213.21	1,358.36
- Unhedged	**-**	**-**	-	-
Total		**2,43,901.54**		2,55,171.23
- Hedged		**2,39,236.65**		2,50,189.82
- Unhedged		**4,664.89**		4,981.41

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.

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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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Decrease	Increase	Decrease	Increase
USD	**41.59**	**(41.59)**	24.77	(24.77)
EURO	**83.47**	**(83.47)**	137.23	(137.23)
JPY	**82.19**	**(82.19)**	79.24	(79.24)
GBP	**-**	**-**	-	-
SGD	**-**	**-**	-	-
Total	**207.25**	**(207.25)**	**241.24**	**(241.24)**

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 optimizing 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:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Fixed Rate Borrowings	**3,15,891.76**	3,02,058.41
Floating Rate Borrowings	**1,72,624.26**	1,63,704.67
Total Borrowings	**4,88,516.02**	**4,65,763.08**

(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 (+/-) ₹ 230.36 crore. (As at 31.03.2025 (+/-) ₹ 213.56 crore).

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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.

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 minimize 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 31.03.2026 is as under:

(Foreign Currency & INR Equivalent in ₹ crore)

Particulars	As at 31.03.2026			As at 31.03.2025		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	**64,406.69**	**-**	**64,406.69**	**44,379.47**	**-**	**44,379.47**
USD $	8,041.29	6,986.66	1,054.63	8,166.15	7,533.40	632.75
INR Equivalent	**76,114.26**	**66,131.72**	**9,982.54**	**69,887.05**	**64,471.86**	**5,415.19**
JPY ¥	4,40,642.36	4,40,642.36	-	4,85,390.31	4,51,161.24	34,229.07
INR Equivalent	**26,108.06**	**26,108.06**	**-**	**27,545.90**	**25,603.40**	**1,942.50**
EURO €	693.97	-	693.97	604.02	-	604.02
INR Equivalent	**7,564.71**	**-**	**7,564.71**	**5,576.63**	**-**	**5,576.63**
SGD $	213.21	-	213.21	213.21	-	213.21
INR Equivalent	**1,568.26**	**-**	**1,568.26**	**1,358.36**	**-**	**1,358.36**
Total INR Equivalent	**1,75,761.98**	**92,239.78**	**83,522.20**	**1,48,747.41**	**90,075.26**	**58,672.15**

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 ₹ 11,955.70 crore as on 31st March 2026 (Previous year ₹ 13,955.70 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.

RECL is exposed to interest rate risk on following loan assets which are at semi-fixed rates:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Rupee Loans	**5,64,697.12**	5,48,015.73

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(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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Decrease	Increase	Decrease	Increase
Floating Rate Loan Liabilities	312.51	(312.51)	(219.53)	219.53
Interest Rate Swaps	44.88	(44.88)	(52.37)	52.37
Floating/ semi-fixed Rate Loan Assets	(2,112.87)	2,112.87	2,050.46	(2,050.46)

*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, 2026 as per the contracted interest rate benchmark is as below:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Amount (₹ in crore)	Amount (USD Mn equivalent)	Amount (₹ in crore)	Amount (USD Mn equivalent)
3M Term SOFR	1,893.09	200.00	4,365.53	510.10
6M Term SOFR	8,389.10	886.29	8,611.65	1,006.25
Overnight SOFR	65,832.07	6,955.00	56,909.87	6,649.79
3M EURIBOR	2,770.88	292.74	2,346.84	274.22
6M EURIBOR	4,793.83	506.46	3,229.79	377.39
Overnight TONA	26,108.06	2,758.25	27,545.90	3,218.68
Overnight SORA	1,568.26	165.68	1,358.36	158.72
Total	**1,11,355.29**	**11,764.42**	**1,04,367.94**	**12,195.15**

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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Increase	Decrease	Increase	Decrease
Impact on P&L	12.89	(12.89)	15.81	(15.81)
Impact on OCI	108.58	(108.58)	122.06	(122.06)

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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 recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Consolidated Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Consolidated Statement of Profit and Loss on a systematic basis.

The 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	As at 31.03.2026	As at 31.03.2025
Effective Portion of Cash flow Hedges			
(a)	**Opening balance of Reserves (net of tax)**	**(742.86)**	**(1,510.82)**
(b)	Changes in intrinsic value of options contracts	13,787.45	8,361.34
(c)	Changes in intrinsic value of PoS/IRS/Cross currency contracts	1,089.39	579.42
(d)	Amount reclassified from OCI to P&L	(21,386.42)	(7,914.51)
(e)	**Net amount recognised in OCI during the year (b + c + d)**	**(6,509.58)**	**1,026.25**
(f)	Deferred Tax on (e) above	1,638.32	(258.29)
(g)	**Net amount recognised in OCI during the year (Net of Tax) (e + f)**	**(4,871.26)**	**767.96**
(h)	**Closing balance of Reserves (net of Tax) (a + g)**	**(5,614.12)**	**(742.86)**
Cost of Hedging Reserve			
(a)	**Opening balance of Reserves (net of tax)**	**(1,550.23)**	**952.24**
(b)	Changes in deferred time value of options/ PoS/ Forwards	(10,104.70)	(8,923.05)
(c)	Amortisation of time value	7,623.26	5,578.91
(d)	**Net amount recognised in OCI during the year (b + c)**	**(2,481.44)**	**(3,344.14)**
(e)	Deferred Tax on (d) above	624.51	841.67
(f)	**Net amount recognised in OCI during the year (Net of Tax) (d + e)**	**(1,856.93)**	**(2,502.47)**
(g)	**Closing balance of Reserves (net of Tax) (a + f)**	**(3,407.16)**	**(1,550.23)**

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:

a) 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).

b) 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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for the year ended March 31, 2026

(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 31.03.2026							
1.	Currency Derivatives	Forwards	-	-	-		
		Currency Swaps	1,692.41	147.64	-	Mar-30	GBP/JPY 193.60
		Principal Only Swaps	6,111.39	709.29	-	Dec-27	USD/INR 83.11
		Call Spread Option	-	-	-		
		Seagull Option	1,25,743.89	9,482.63	1,593.80	May 2026 - Dec 2030	EUR/USD - 1.13 USD/JPY - 143.01 USD/INR - 83.57
	Sub Total		**1,33,547.69**	**10,339.56**	**1,593.80**		
2.	Interest Rate Derivatives	Interest Rate Swap	43,619.95	287.61	116.74	Jun 2026 - Dec 2030	USD SOFR - 3.70% 6M Euribor - 3.22% JPY TONA - 0.97% 3M T-bill minus spread
	Sub Total		**43,619.95**	**287.61**	**116.74**		
	Total (1+2)		**1,77,167.64**	**10,627.17**	**1,710.54**		
As at 31.03.2025							
1.	Currency Derivatives	Forwards	-	-	-		
		Principal Only Swaps	7,354.07	64.52	25.75	Sep 2025-Dec 2030	
		Call Spread Option	8,948.85	119.84	-	Oct 2025 - Dec 2027	83.34
		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**	**773.17**		

[1]forms part of the line item 'Derivative Financial Instruments' in the Consolidated Balance Sheet.

Notes to the Consolidated Financial Statements

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(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge*

(₹ in crore)

Description (including derivatives)	As at 31.03.2026	As at 31.03.2025
Currency derivatives		
Upto 1 year	**37,335.81**	36,377.80
1 – 5 years	**96,211.88**	85,770.70
More than 5 years	**-**	-
Sub Total (A)	**1,33,547.69**	**1,22,148.50**
Interest rate derivatives		
Upto 1 year	**4,636.33**	5,134.88
1 – 5 years	**38,983.62**	29,460.10
More than 5 years	**-**	-
Sub Total (B)	**43,619.95**	**34,594.99**
Total (A+B)	**1,77,167.64**	**1,56,743.49**

Maturity buckets in the above table are as per the remaining tenure of the respective derivative insturment.

(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 31.03.2026					
1.	Currency Derivatives	1,683.46	-	1,824.55	Finance Costs
				(7,296.35)	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest Rate Derivatives	233.23	-	33.78	Finance Costs
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

(v) Fair Value Hedge

At 31st March 2026, Company has outstanding interest rate swap agreements of ₹ 30,037.40 crores (Previous year - ₹ 30,036.90 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 31-03-2026	- Interest rate swap	**30,037.40**	**(230.00)**	**Derivative financial instruments**	**665.57**
As at 31-03-2025	- Interest rate swap	30,036.90	435.57	Derivative financial instruments	435.57

*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 31-03-2026	- Subordinated Liabilities	**3,411.50**	**(21.66)**	**Subordinated Liabilities**	**69.41**
	- Debt Securities-Bonds	**26,625.90**	**(208.34)**	**Debt Securities-Bonds**	**596.16**
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

The decrease in fair value of the interest rate swap of ₹ 665.57 crores (Previous year- ₹ 435.57 crores) has been offset with a similar gain on the respective subordinated liabilities and debt securities-bonds.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(i) Effects of hedge accounting

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 31.03.2026								
Cash Flow Hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 13,556.76	12,535.48	20.30	Apr 2026 - May 2034	1:1	83.20	4,463.59	(4,463.59)
	USD 1,208.05	1,303.02	-	Nov 2027 - Mar 2028	1:1	85.86	569.83	(569.83)
	USD 9,84,729.20	3,594.27	462.13	Mar 2027 - Jan 2034	1:1	0.56	(1,136.08)	1,136.08
	USD 426.42	401.43	-	Oct-27	1:1	58.26	150.05	(150.05)
Principal only swaps	USD 300.00	372.95	-	Jun-30	1:1	75.55	264.29	(264.29)
Cross Currency Swaps	USD 2,620.05	460.35	572.52	Apr 2026 - Dec 2030	1:1	4.48%	(1,781.82)	1,781.82
	USD 213.21	-	128.06	Oct-27	1:1	1.68%	(68.95)	68.95
Interest rate swaps	USD 6,866.66	508.12	89.31	Aug 2026 - May 2034	1:1	3.22%	602.57	(602.57)
	USD 4,40,637.76	558.35	-	March 2027- Mar 2030	1:1	1.53%	248.24	(248.24)
	USD 55,280.00	-	512.38	Aug 2028 - Sep 2034	1:1	8.44%	(456.27)	456.27
As at 31.03.2025								
Cash Flow Hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 20,931.08	10,539.15	98.61	Apr 2025 - May 2034	1:1	85.02	810.21	(810.21)
	USD 1,208.05	733.20	-	Oct 2027 - Mar 2028	1:1	82.39	53.73	(53.73)
	USD 10,63,706.18	4,573.26	203.25	Sep 2025 - Jan 2034	1:1	0.56	(1,211.19)	1,211.19
	USD 426.42	251.39	-	Oct-27	1:1	58.26	18.78	(18.78)
Principal only swaps	USD 375.00	87.12	-	Apr 2025 - Jun 2030	1:1	75.41	(18.43)	18.43
Cross Currency Swaps	USD 6,188.89	182.40	1,006.78	Apr 2025 - Jun 2029	1:1	0.03	294.33	(294.33)
	USD 213.21	-	77.47	Apr 2025 - Oct 2027	1:1	3.01%	17.55	(17.55)
Interest rate swaps	USD 7,008.50	391.39	173.66	Apr 2025 - May 2034	1:1	3.25%	149.95	(277.79)
	USD 4,51,156.76	263.86	8.42	Sep 2025 - Mar 2030	1:1	0.02	194.73	(58.81)
	USD -	-	-	Matured in March 2025	1:1	0.00%	(15.09)	(58.81)
	USD 55,280.00	-	25.39	Jun 2025 - Sep 2034	1:1	8.44%	(10.41)	10.40

(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 31.03.2026					
1	Currency risk and interest rate risk	2,855.45	-	(12,955.28)	Net Translation / Transaction Exchange Loss / (Gain)
				3,900.99	Finance Costs
				731.39	Net (Gain)/ loss on Fair Value Changes
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

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(iii) Fair Value Hedges

At 31st March 2026, Company has outstanding interest rate swap agreements of ₹11,995.70 crores (Previous year ₹ 13,995.70 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 31-03-2026	- Interest rate swap	11,995.70	(131.95)	Derivative financial instruments	(123.03)
As at 31-03-2025	- Interest rate swap	13,995.70	(8.92)	Derivative financial instruments	212.41

* 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 31-03-2026	- Subordinated Liabilities	4,142.68	(135.18)	Subordinated Liabilities	(87.81)
	- Institutional bonds	7,957.86	3.23	Debt Securities- Institutional Bonds	(35.22)
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

The decrease in fair value of the interest rate swap of ₹ 123.03 crores (Previous year ₹ 212.41 crores) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

48. FAIR VALUE MEASUREMENTS

48.1 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).

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability - Recurring fair value	Fair Value as at 31.03.2026	Fair Value as at 31.03.2025	Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
(1)	**Quoted Equity investments (Refer Note 13.3)**				
	- PTC India Limited	**189.06**	196.33	Level 1	Quoted market price
	- Coal India Limited	**629.03**	556.07		
	- NHPC Limited	**834.13**	930.09		
	- Suzlon Energy Limited	**526.56**	754.17		
	- Housing & Urban Development Corporation. Ltd	**-**	-		
	- RattanIndia Power Limited	**247.74**	320.81		
	- Units of Raajmarg Infra Investment Trust-2026 Invit	**2.85**	-		

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(₹ in crore)

Sr. No.	Financial asset/ Financial Liability - Recurring fair value	Fair Value as at 31.03.2026	Fair Value as at 31.03.2025	Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
(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**	0.00		
	- TRN Energy Private Limited	**0.00**	-		Fair value has been determined using the Ind AS financials of the investee company.
	- Power Exchange India Limited	**6.48**	5.06		
	- Energy Efficiency Services Ltd (EESL)	**70.55**	221.57		
	-Ind Barath Energy Utkal Limited	**47.09**	22.75		
	-Jhabua Power Limited	**605.24**	590.12		
	-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 realized from the investments.
(4)	**Investment in debentures**				
	- 7.99% Perpetual bonds -Canara Bank	**207.80**	207.78	Level 2	Fair valued by discounting future cash flows at coupon rate.
	- 8.55% Perpetual Bonds of PNB- Quoted	**512.93**	520.85		
	- 9.50% Perpetual Bonds of UCO Bank	**234.85**	239.55		
	- RKM Powergen Pvt. Ltd. - Series A - OCD	**0.00**	0.00	Level 3	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**	0.00		
	- RKM Powergen Pvt. Ltd. - Series AI - OCD	**0.00**	0.00		
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series A- OCD	**-**	0.00		
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	**0.00**	0.00		
	- Dans Energy Private Limited-OCD	**0.00**	0.00		
	- TRN Energy Private Limited -OCD - Series A	**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.
	- TRN Energy Private Limited -OCD - Series B	**0.00**	-		
(5)	**Derivative Financial Instruments**				
	- Assets	**30,588.12**	24,079.48	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	**3,889.69**	2,443.23		

48.2 There were no transfers between Level 1 and Level 2 during the year.

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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:

(₹ in crore)

Particulars	FVTPL		FVTOCI	
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in Debentures	Investment in Un-quoted Equity Shares
FY 2025-26				
Opening Balance	**968.18**	**-**	**-**	**839.50**
Investment made during the year	-	-	-	-
Settlement	-	-	(41.01)	-
Transfer in Level 3	-	-	-	-
Transfer from Level 3	(968.18)	-	-	-
Interest income[1]	-	-	0.78	-
Fair Value gain/(loss) [2] & [3]	-	-	40.23	(110.14)
Closing Balance	**-**	**-**	**-**	**729.36**
Unrealized gains on balances held at the end of the year	-	-	-	(126.13)
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**
Unrealized gains on balances held at the end of the year	20.25	-	-	(91.85)

[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:

(₹ in crore)

Asset/Liability	Fair value hierarchy	As at 31.03.2026		As at 31.03.2025	
		Amortized Cost	Fair value	Amortized Cost	Fair value
Loans	Level 3	**11,63,653.34**	**11,62,639.28**	10,91,898.40	11,02,215.05
Investments[a]	Level 1/3	**11,434.91**	**11,523.61**	8,227.23	8,553.04
Other financial assets	Level 2	**30,013.69**	**30,507.26**	30,064.25	30,552.84
Debt securities[a]	Level 1 / 2	**6,47,145.84**	**6,25,129.52**	6,12,176.04	6,02,078.87
Borrowings other than debt securities[b]	Level 2	**3,51,936.42**	**3,53,998.96**	3,46,503.49	3,45,353.36
Subordinated liabilities	Level 2	**13,421.20**	**13,566.07**	13,078.51	13,328.66

(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.

G-Sec amounting to ₹1,193.06 crore held as collateral with CCIL for Initial Margin as on 31.03.2026.

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, 2026 has been arrived at using the alternative benchmark i.e. SOFR (Secured Overnight Financing rate).

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for the year ended March 31, 2026

(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.

49.1 RELATED PARTIES

Associates:			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited (Striked off on 09.03.2026)
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited (Striked off on16.03.2026)
5	Jharkhand Infrapower Limited (filed for Struck off)	6	Odisha Infrapower Limited (Striked off on 23.03.2026)
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited (filed for Struck off)
9	Bihar Infrapower Limited (filed for Struck off)	10	Cheyyur Infra Limited (filed for Struck off)
11	Deoghar Infra Limited (filed for Struck off)		
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 (incorporated on 01.03.2024 and transferred on 28.07.2025)
7	Bhuj II Transmission Limited	8	KPS III HVDC Transmission Limited (incorporated on 18.01.2024 and transferred on 12.12.2025)
9	Bhuj ICT Transmission Limited (incorporated on 19.11.2024)	10	Bhadla and Bikaner Complex Transmisssion Limited (incorporated on 14.10.2024)
11	Kandla GHA Transmission Limited (incorporated on 27.11.2024)	12	Wahipora and Sallar Transmission Limited (incorporated on 11.11.2024)
13	Raghanesda RE Transmission Limited (incorporated on 03.12.2024 and transferred on 23.07.2025)	14	MEL Power Transmission Limited (incorporated on 19.11.2024 and transferred on 04.06.2025)
15	NES Dharashiv Transmission Limited (incorporated on 20.03.2025 and transferred on 12.03.2026)	16	NER Expansion Transmission Limited (incorporated on 06.12.2024 and transferred on 23.07.2025)
17	NES Pune East New Transmission Limited (incorporated on 29.03.2025 and transferred on 12.03.2026)	18	Kakinada I Transmission Limited (incorporated on 20.02.2025)
19	Kurnool IV REZ Power Transmission Limited (incorporated on 13.06.2025)	20	NES Navi Mumbai Transmission Limited (incorporated on 20.03.2025)
21	Alibag Power Transmission Limited (incorporated on 08.11.2025)	22	Raigad Power Transmission Limited (incorporated on 17.11.2025)
23	Tumkur II RE Transmission Limited (incorporated on 24.09.2025)	24	Nergs III Siang Basin Transmission Limited (incorporated on 21.11.2025)
25	Mandsaur I RE Transmission Limited (incorporated on 16.04.2025 and transferred on 08.10.2025)	26	Latur REZ Transmission Limited (incorporated on 10.12.2025)
27	Vindhyachal Varanasi Transmission Limited (incorporated on 16.04.2025 and transferred on 16.10.2025)	28	Wagdari Transmission Limited (incorporated on 13.06.2025 and transferred on 27.03.2026)
29	Morena I SEZ Transmission Limited (incorporated on 16.04.2025 and transferred on 03.02.2026)	30	SR AND ER POWER TRANSMISSION (incorporated on 22.08.2025 and transferred on 03.02.2026)
31	Saswad Transmission Limited (incorporated on 16.06.2025 and transferred on 26.02.2026)	32	SOUTH KALAMB POWER TRANSMISSION LIMITED (incorporated on 30.09.2025 and transferred on 30.03.2026)

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for the year ended March 31, 2026

Through RECL			
33	Chandil Transmission Limited	34	Dumka Transmission Limited
35	Mandar Transmission Limited	36	Koderma Transmission Limited
37	Luhri Power Transmission Limited	38	Shongtong Power Transmission Limited
39	Kankani Power Transmission Limited	40	Tuticorin Power Transmission Limited (Incorporated on 05.11.2024)
41	WRNES Talegaon Power Transmission Limited (Incorporated on 16.11.2024 and transferred on 30.05.2025)	42	Rajgarh III Power Transmission Limited (Striked off on 20.01.2026)
43	Jejuri Hinjewadi Power Transmission Limited (Incorporated on 28.03.2025 and transferred on 09.01.2026)	44	Velgaon Power Transmission Limited (Incorporated on 29.03.2025 and transferred on 09.01.2026)
45	Mekhali Power Transmission Limited (Incorporated on 20.05.2025)	46	Sharavathi Power Transmission Limited (Incorporated on 20.05.2025)
47	Hampapura Power Transmission Limited (incorporated on 20.05.2025)	48	Ryapte Power Transmission Limited (incorporated on 21.05.2025)
49	Robertsganj Power Transmission Limited (Incorporated on 28.05.2025)	50	Ananthapuram II Power Transmission Limited (Incorporated on 26.06.2025 and transferred on 17.10.2025)
51	Jalna Power Transmission Limited (Incorporated on 29.06.2025)	52	SR WR Power Transmission Limited (Incorporated on 01.07.2025 Transferred on 17.10.2025)
53	Sakoli Power Transmission Limited (Incorporated on 07.07.2025)	54	Umred Power Transmission Limited (Incorporated on 07.07.2025 and transferred on 26.02.2026)
55	Bellary Davanagere Power Transmission Limited (Incorporated on 25.09.2025 and transferred on 12.02.2026)	56	Kempegowda Power Transmission Limited (Incorporated on 30.09.2025)
57	Barmer HVDC Power Transmission Limited (Incorporated on 30.09.2025)	58	WR ER Part A Power Transmission Limited (Incorporated on 06.11.2025)
59	WR ER Part C Power Transmission Limited (Incorporated on 06.11.2025)	60	Balsane Power Transmission Limited (Incorporated on 18.12.2025)
61	Ambernath Power Transmission Limited (Incorporated on 19.12.2025)	62	Musalgaon Power Transmission Limited (Incorporated on 20.12.2025)
63	Dholpur Power Transmission Limited (Incorporated on 23.12.2025)	64	Jaisalmer Power Transmission Limited (Incorporated on 23.12.2025)
65	Apta Power Transmission Limited (Incorporated on 24.12.2025)	66	Ranipur Chunar Power Transmission Limited (Incorporated on 26.12.2025)
67	Rajgarh Neemuch Power Transmission Limited (Incorporated on 17.06.2025 and Transferred on 29.09.2025)	68	Davanagere Power Transmission Limited (Incorporated on 26.06.2025 and Transferred on 24.09.2025)
69	Munak Power Transmission Limited (Incorporated on 05.01.2026)	70	Vizag Power Transmission Limited (Incorporated on 16.02.2026)

		Designation
Key Managerial Personnel (KMP) of the Company & their relatives:		
1	Smt Parminder Chopra	Chairman and Managing Director
2	Shri Shashank Misra	Government Nominee Director (w.e.f 25.06.2024)
3	Shri Rajiv Ranjan Jha	Director (Projects)
4	Shri Manoj Sharma	Director (Commercial) (up to 31.03.2026)
5	Shri Sandeep Kumar	Director (Finance) (up to 31.03.2026)
6	Shri Bhaskar Bhattacharya	Part Time Non-Official Independent Director (w.e.f. 13.05.2025 upto 01.04.2026)
7	Shri Prasanna Tantri	Part Time Non-Official Independent Director (w.e.f 17.04.2025 upto 17.04.2026)
8	Smt Usha Sanjeev Nair	Part Time Non-Official Independent Director (w.e.f 17.04.2025 upto 17.04.2026)
9	Shri Naresh Dhanrajbhai Kella	Part Time Non-Official Independent Director (w.e.f 17.04.2025 upto 17.04.2026)
10	Shri Sudhir Mehta	Part Time Non-Official Independent Director (w.e.f 14.05.2025)
11	Shri Manish Kumar Agarwal	GM & Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

		Designation
In respect of RECL		
1	Smt. Parminder Chopra	Chairman & Managing Director (Ceased w.e.f. April 22, 2025)
2	Sh. Jitendra Srivastava	Chairman & Managing Director (Appointed w.e.f. April 22, 2025)
3	Sh.Thangrajan Subash Chandira Bosh	Director (Projects) (Appointed w.e.f. October 3, 2025)
4	Sh. Rajesh Kumar	Director-Finance (Appointed w.e.f. April 2, 2026) and Executive Director- Finance (Designated as KMP Ceased w.e.f. April 2, 2026)
5	Sh. V.K. Singh	Director (Projects)- (Ceased w.e.f. July 1, 2025)
6	Sh. Harsh Baweja	Director-Finance/CFO (Ceased w.e.f. February 1, 2026)
7	Sh. Shashank Misra	Government Nominee Director
8	Sh. Manoj Sharma	PFC Nominee Director (Ceased w.e.f. April 1, 2026)
9	Dr. Gambheer Singh	Part Time Non-Official Independent Director (Appointed w.e.f. April 17, 2025)
10	Dr. Durgesh Nandini	Part Time Non-Official Independent Director (Appointed w.e.f. April 17, 2025)
11	Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director (Ceased w.e.f. March 3, 2026)
12	Sh. J.S. Amitabh	Executive Director & Company Secretary (Ceased w.e.f. December 1, 2025)
13	Sh. M. L. Kumawat	Executive Director (Finance) (Designated as KMP w.e.f. April 9, 2026)
14	Sh. Dinesh Garg	GM & Company Secretary (Appointed w.e.f. December 1, 2025)
In respect of PFCCL		
1	Smt. Parminder Chopra	Chairman
2	Shri Rajiv Ranjan Jha	Director
3	Shri. Manoj Sharma	Director (up to 31.03.2026)
4	Shri. Sandeep Kumar	Director (up to 31.03.2026)
5	Shri Manoj Kumar Rana	Chief Executive Officer (CEO) (up to 15.10.2025)
6	Shri Hemant Kumar Das	Executive Director, PFCCL* (Since 15.10.2025)
7	Shri Rakesh Mohan	Chief Finance Officer (CFO) (appointed w.e.f. 08.07.2024)
8	Sh. Sachin Arora	Company Secretary (CS)

* Exercising power of CEO PFCCL in terms of delegation by the board

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		
Society of subsidiary RECL			
1	REC Foundation		

		Designation
Company in which KMP of subsidiary RECL are directors		
1	Samarpan Hospitals Private Limited	Part Time Non-Official Independent Director- Dr. Gambheer Singh- (Appointed w.e.f. April 17, 2025)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 2025-26	During FY 2024-25
ASSOCIATES:		
Recoveries of advances (including interest) from associates	**24.72**	0.12
Loans granted (including interest accrued) to associates	**4.10**	8.36
Interest income on advances to associates	**3.35**	2.04
Repayment of advance taken from Associate	**15.05**	49.20
Repayment of Loan by Associate	**83.82**	
Interest expenses on advances from associates	**-**	-
Income on transfer of associate	**120.14**	228.26
Consultancy Fee	**85.63**	335.59
Others	**36.18**	36.38
Trusts / Funds/ Foundations of the Group		
Contributions made during the year	**37.96**	28.35
Finance cost on bonds	**3.30**	5.04
Subscription of bonds	**-**	1.00
Redemption of bonds	**1.00**	0.03
Provision settled by the Company	**3.26**	
Payment towards CSR Expenses	**154.60**	268.00
KEY MANAGERIAL PERSONNEL		
(i) Short term employee benefits	**9.95**	8.98
(ii) Post-employment benefits	**2.53**	1.15
(iii) Other long-term benefits	**1.17**	0.05
Sub Total (i+ii+iii)	**13.65**	**10.18**
Repayment/ Recovery of loans and advances including interest income	**0.57**	0.91
Subscription of bonds	**-**	-
Redemption of bonds	**0.01**	-
Directors' Sitting Fee paid	**1.10**	0.70
Dividend paid	**0.02**	0.02
Finance cost on bonds paid	**0.02**	0.02

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 31.03.2026	As at 31.03.2025
Amount recoverable towards loans & advances (including interest) and others from:		
Associates	**164.45**	232.29
Key managerial personnel	**1.61**	1.30
Trusts / Funds under control of the Group	**46.42**	34.78
Amount payable towards loans & advances (including interest) and others to:		
Associates	**111.39**	96.33

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Debt Securities of the Group held by:		
Key managerial personnel	**0.34**	0.20
Trusts/ Funds under control of the Group	**57.20**	58.20
Provisions made w.r.t Trusts/ Funds under control of the Group	**10.04**	15.50
Investments made in:		
Associates	**0.30**	0.72
REC Foundation		
Others	**0.15**	1.67

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 2025-26	During FY 2024-25
Disbursement of loans	**21,886.80**	16,068.48
Interest Income received	**6,415.00**	5,678.33
Membership Fee	**15.00**	10.00

Refer Note 14, 23.7, 25.1, 25.3 and 56 in respect of material transactions with the Central Govt.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 ₹18.21 crore (previous year ₹18.46 crore) for the year is recognized 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'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 31.03.2026	As at 31.03.2025
(a) Present value of Defined benefit obligation	**766.77**	735.36
(b) Fair Value of Plan Assets	**771.96**	740.17
(c) Net Defined Benefit (Asset)/ Liability (a-b)	**(5.19)**	(4.81)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
I.	**Opening Balance**	**735.36**	**704.71**	**740.17**	**705.20**	**(4.81)**	**(0.49)**
	Included in profit and loss						
	Current service Cost	**24.70**	22.95	**-**	-	**24.70**	22.95
	Past service cost	**-**	-	**-**	-	**-**	-
	Interest cost / (income)	**59.50**	56.83	**59.02**	56.83	**0.48**	-
II.	**Total amount recognised in profit and loss**	**84.20**	**79.78**	**59.02**	**56.83**	**25.18**	**22.95**
	Included in OCI						
	Re-measurement loss/ (gain):						
	Actuarial loss/ (gain) arising from changes in financial assumptions	**0.59**	(3.31)	**0.05**	1.00	**0.54**	(4.31)
	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**	**0.59**	**(3.31)**	**0.05**	**1.00**	**0.54**	**(4.31)**
IV.	Contribution by participants	**37.68**	38.27	**37.68**	38.27	**-**	-
V.	Contribution by employer	**-**	-	**24.69**	22.95	**(24.69)**	(22.95)
VI.	Net Liability transferred In / (Out)	**5.57**	9.97	**5.57**	9.97	**-**	-
VII.	Benefits paid	**(96.66)**	(94.06)	**(95.23)**	(94.05)	**(1.43)**	(0.01)
VIII.	**Closing Balance (I+II+III+IV+V+VI+VII)**	**766.74**	**735.36**	**771.96**	**740.17**	**(5.21)**	**(4.81)**

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 ₹ 0.25 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 31.03.2026	As at 31.03.2025
(a)	Present value of Defined benefit obligation	**62.56**	61.73
(b)	Fair Value of Plan Assets	**58.67**	55.72
(c)	Net Defined Benefit (Asset)/ Liability (a-b)	**3.89**	6.01

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
I.	**Opening Balance**	**61.73**	**58.49**	**55.72**	**57.14**	**6.01**	**1.35**
	Included in profit and loss						
	Current service Cost	**3.48**	2.79	-	-	**3.48**	2.79
	Past service cost	**5.83**	2.73	-	-	**5.83**	2.73
	Interest cost / (income)	**4.03**	3.95	**3.77**	4.05	**0.26**	(0.10)
II.	**Total amount recognised in profit and loss**	**13.34**	**9.47**	**3.77**	**4.05**	**9.57**	**5.42**
	Included in OCI						
	Re-measurement loss/ (gain):						
	Actuarial loss/ (gain) arising from changes in financial assumptions	**(4.11)**	1.65	-	-	**(4.11)**	1.65
	Actuarial loss/ (gain) arising from experience adjustment	**(0.96)**	(0.09)	-	-	**(0.96)**	(0.09)
	Actuarial loss/ (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
	Return on plan assets excluding interest income	-	-	**0.61**	0.95	**(0.61)**	(0.95)
III.	**Total amount recognised in OCI**	**(5.07)**	**1.56**	**0.61**	**0.95**	**(5.68)**	**0.61**
	IV. Contribution by participants	-	-	-	-	-	-
	V. Contribution by employer	-	-	**6.01**	1.37	**(6.01)**	(1.37)
	VI. Benefits paid	**(7.44)**	(7.79)	**(7.44)**	(7.79)	-	-
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**62.56**	**61.73**	**58.67**	**55.72**	**3.89**	**6.01**

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.

(₹ in crore)

Particulars		As at 31.03.2026	As at 31.03.2025
(a)	Present value of Defined benefit obligation	**279.91**	262.11
(b)	Fair Value of Plan Assets	**322.89**	288.72
(c)	Net Defined Benefit (Asset)/ Liability (a-b)	**(42.98)**	(26.61)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
I.	**Opening Balance**	**262.11**	**245.73**	**288.72**	**261.41**	**(26.61)**	**(15.68)**
	Included in profit and loss						
	Current service Cost	**12.81**	10.26	**-**	-	**12.81**	10.26
	Past service cost	**-**	-	**-**	-	**-**	-
	Interest cost / (income)	**17.53**	17.18	**19.52**	18.54	**(1.99)**	(1.36)
II.	**Total amount recognised in profit and loss**	**30.34**	**27.44**	**19.52**	**18.54**	**10.82**	**8.90**
	Included in OCI						
	Re-measurement loss/ (gain):						
	Actuarial loss/ (gain) arising from changes in financial assumptions	**(18.93)**	(8.88)	**-**	-	**(18.93)**	(8.88)
	Actuarial loss/ (gain) arising from experience adjustment	**30.25**	16.57	**-**	-	**30.25**	16.57
	Actuarial loss/ (gain) arising from changes in demographic assumptions	**-**	-	**-**	-	**-**	-
	Return on plan assets excluding interest income	**-**	-	**9.70**	4.03	**(9.70)**	(4.03)
III.	**Total amount recognised in OCI**	**11.32**	**7.69**	**9.70**	**4.03**	**1.62**	**3.66**
IV.	Contribution by participants	**0.13**	0.18	**0.13**	0.19	**-**	(0.01)
V.	Contribution by employer	**-**	-	**9.48**	9.39	**(9.48)**	(9.39)
VI.	Benefits paid	**(23.99)**	(18.93)	**(4.65)**	(4.84)	**(19.34)**	(14.09)
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**279.91**	**262.11**	**322.90**	**288.72**	**(42.99)**	**(26.61)**

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.

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Present value of Defined Benefit Obligation	**14.64**	14.41

Movement in Defined Benefit Obligation

(₹ in crore)

Particulars		Present value of Defined Benefit Obligation for the year ended	
		As at 31.03.2026	As at 31.03.2025
I.	**Opening Balance**	**14.41**	**12.78**
	Included in profit and loss		
	Current service Cost	**1.17**	0.91
	Past service cost	**-**	-
	Interest cost / (income)	**0.94**	0.87

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crore)

Particulars		Present value of Defined Benefit Obligation for the year ended	
		As at 31.03.2026	As at 31.03.2025
II.	**Total amount recognised in profit and loss**	**2.11**	**1.78**
	Included in OCI		
	Actuarial loss / (gain) arising from changes in financial assumptions	**(1.21)**	0.50
	Actuarial loss / (gain) arising from experience adjustment	**0.33**	0.64
	Actuarial loss / (gain) arising from changes in demographic assumptions	**-**	-
	Return on plan assets excluding interest income	**-**	-
III.	**Total amount recognised in OCI**	**(0.88)**	**1.14**
IV.	Contribution by participants	**-**	-
V.	Contribution by employer	**-**	-
VI.	Benefits paid	**(1.00)**	(1.29)
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**14.64**	**14.41**

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.

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50.2.6 Plan Assets

The value of plan assets for each category is as follows:

(₹ in crore)

Particulars	As at 31.03.2026			As at 31.03.2025		
	Provident Fund	Gratuity	PRMS	Provident Fund	Gratuity	PRMS
Cash & Cash Equivalents	**1.39**	**0.92**	**2.79**	8.57	0.44	4.51
State/ Central Government Debt Securities	**432.21**	**27.48**	**104.84**	409.30	27.18	87.98
Corporate Bonds/ Debentures	**287.09**	**21.64**	**211.72**	277.83	21.54	195.05
Others	**51.28**	**8.63**	**3.55**	44.47	6.55	1.18
Total	**771.97**	**58.67**	**322.90**	**740.17**	**55.72**	**288.72**

Actual return on plan assets is ₹ 91.70 crore (previous year ₹ 83.36 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 31.03.2026 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.

The principal assumptions used for actuarial valuation are:-

A. In respect of PFC

Particulars	Provident Fund		Gratuity		PRMS		ERS	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Discount Rate & expected return on plan assets, if funded	**7.54%**	6.78%	**7.54%**	6.78%	**7.54%**	6.78%	**7.54.%**	6.78%
Salary Escalation Rate/Medical inflation rate	**NA**	NA	**5.00%**	5.00%	**6.00%**	6.00%	**5.00%**	5.00%
Mortality Rate	**NA**	NA	**Pre Retirement- As per IALM (2012-14) Post Retirement (2012-15) Annutants 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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B. In respect of RECL

Particulars	Provident Fund		Gratuity		PRMS		ERS	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Method Used				PUCM				
Discount Rate	**7.57%**	6.75%	**7.57%**	6.75%	**7.57%**	6.75%	**7.57%**	6.75%
Expected return on plan assets, if funded	**8.30%**	8.26%	**7.57%**	6.75%	**7.57%**	6.75%	**N/A**	6.75%
Salary Escalation Rate/Medical inflation rate	**NA**	NA	**6.00%**	6.00%	**5.00%**	4.50%	**6.00%**	6.00%
Expected average remaining working lives of employees (years)	**NA**	NA	**21.08**	21.17	**21.10**	21.17	**21.17**	21.17
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:

(₹ in crore)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	**(2.56)**	**2.76**	(2.52)	2.73
- PRMS	**(16.33)**	**18.20**	(15.87)	17.74
- ERS	**(0.69)**	**0.75**	(0.72)	0.78
Salary Escalation/ Medical inflation Rate (0.50% movement)				
- Gratuity	**0.44**	**(0.42)**	0.41	(0.32)
- PRMS	**8.19**	**(7.28)**	7.14	(6.22)
- ERS	**0.44**	**(0.41)**	0.52	(0.49)
Medical Cost (10% movement)				
- PRMS	**27.97**	**(27.86)**	26.15	(25.92)

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

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Upto 1 year	8.80	9.14	21.58	19.02	2.18	2.22
1 to 5 years	24.25	24.12	125.34	110.85	6.63	6.34
Over 5 years	116.10	101.24	606.54	537.10	15.76	15.20
Total	**149.15**	**134.50**	**753.46**	**666.97**	**24.57**	**23.76**

The table above is drawn on the basis of expected cash flows.

50.2.10 Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Provident Fund		Gratuity		PRMS	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Expected contribution	-	-	7.36	9.43	8.50	12.46

50.2.11 The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.81 years (as at 31.03.2025: 13.25 years) for PFC and 13.61 years (as at 31.03.2025: 12.51 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 ₹10.96 crore (previous year ₹24.15 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 ₹ 17.89 crore for the year (previous year ₹ 18.93 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.

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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:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening balance	**12.05**	**14.74**
Additions during the year	**-**	-
Finance cost accrued during the period	**0.95**	1.22
Payment of lease liabilities	**(3.93)**	(3.91)
Reassessment of lease liabilities	**-**	-
Closing balance	**9.07**	**12.05**

51.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Upto 1 year	**1.03**	3.93
Over 1 year and upto 5 years	**3.09**	3.35
More than 5 years	**52.43**	53.20

51.3 During the year 2025-26, the expenses relating to short-term/low value leases amounting to ₹ 38.33 crore (Previous year ₹32.00 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 ₹ 38.56 crore. (Previous year ₹ 31.95 crore)

52. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
Contingent Liabilities			
(A)	**Claims against the Company not acknowledged as debts**	**76.96**	59.50
(B)	**Taxation Demands**		
(i)	Additional demands raised by the Income Tax Department of earlier years which are being contested	**38.91**	158.04
(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.	**0.90**	162.12
(iii)	Service Tax / GST demand or show cause notices raised by Service Tax / GST department in respect of earlier years.	**67.60**	50.35
(Iv)	Excess interest demanded / Penalty not yet demanded by Service Tax Department.	**-**	0.19
(C)	**Guarantees**		
(i)	Guarantees	**-**	-
(ii)	Bank Guarantees	**9.96**	7.89
(D)	**Others**		
(i)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort & Letter of Undertakings against loans sanctioned*	**8,570.01**	9,591.09
(ii)	Penalty imposed by NSE&BSE	**0.60**	2.15
(iii)	Others – Arbitration Proceedings through Project Management Consultant (PMC) (Counter claim of ₹ 41.66 crore, previous year ₹ 41.66 crores)	**513.36**	441.28

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(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for		
	(a) Towards Property, Plant & Equipment	**19.00**	286.65
	(b) Towards Intangible Assets	**6.91**	12.02
(ii)	Other Commitments – unspent CSR	**283.93**	486.45
	Total	**9,588.14**	**11,257.73**

* Necessary impairment loss allowance has been made. Refer Note 26.

53. During the year, PFC, RECL and PFCCL do not have any transactions with the struck off companies except for PFC equity shares held by eleven companies as on 31.03.2026, 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 crores)		Accumulated non-controlling interests (₹ in crores) *	
		As at 31.03.2026	As at 31.03.2025	Year ended 31.03.2026	Year ended 31.03.2025	As at 31.03.2026	As at 31.03.2025
REC Ltd	India	**47.37%**	47.37%	**5,750.99**	6,805.16	**40,580.08**	37,416.88

* 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 31.03.2026	As at 31.03.2025
Financial Assets	**6,35,499.87**	6,10,378.58
Non- Financial Assets	**4,642.59**	4,119.37
Assets classified as held for sale	**15.54**	3.88
Financial Liabilities	**5,54,160.57**	5,35,717.04
Non- Financial Liabilities	**943.02**	408.73
Liabilities directly associated with assets classified as held for sale	**-**	-
Equity attributable to owners of the Company	**44,474.32**	40,959.18
Non-Controlling interests towards Instruments Entirely Equity in Nature (Refer Note 30.1)	**558.40**	558.40
Non-Controlling interests towards Equity Shareholders	**40,021.68**	36,858.48
Total Non-Controlling interests	**40,580.08**	37,416.88

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Total Revenue	**59,628.35**	56,434.03
Total Expenses	**38,843.74**	36,316.56
Profit/(loss) for the year	**16,308.17**	**15,884.23**
Profit/(loss) attributable to owners of the Company	**8,583.78**	8,360.64
Profit/(loss) attributable to the non-controlling interests	**7,724.39**	7,523.59

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(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Other comprehensive income for the year	**(4,166.35)**	**(1,516.80)**
Other comprehensive income attributable to owners of the Company	**(2,192.95)**	(798.37)
Other comprehensive income attributable to the non-controlling interests	**(1,973.40)**	(718.43)
Total comprehensive income for the year	**12,141.82**	**14,367.43**
Total comprehensive income attributable to owners of the Company	**6,390.83**	7,562.27
Total comprehensive income attributable to the non-controlling interests	**5,750.99**	6,805.16
Dividends paid to non-controlling interests	**2,444.57**	2,544.35
Net cash inflow(outflow) from operating activities	**5,971.57**	(39,063.55)
Net cash inflow(outflow) from investing activities	**(3,307.66)**	(1,302.04)
Net cash inflow(outflow) from financing activities	**(2,375.02)**	40,033.60
Net cash inflow(outflow)	**288.89**	**(331.99)**

56. THE GOVERNMENT OF INDIA (GOI) SCHEMES BEING IMPLEMENTED IN THE GROUP

A. In respect of PFC

56.1 Revamped Distribution Sector Scheme (RDSS)

The Company is a designated Nodal Agency for operationalization 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 operationalization of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). In order to ensure achievement of Scheme objectives and to facilitate the completion of remaining Scheme components, MoP vide OM dated 16.07.2025 has extended the Sunset date of RDSS Scheme by 02 years upto 31.03.2028.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 2025-26 is ₹6,805.55 crore (previous year ₹ 4,897.09 crore) and the cumulative grant administered (net of funds lapsed/surrendered by power utilities) till 31.03.2026 is ₹ 15,010.87 crore (till 31.03.2025 is ₹ 8,205.32 crore).

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 2025-26 stands at ₹ 40.33 crore. (Previous year ₹ 51.19 crore)

Further, no amount of GoI grant remained undisbursed in the TSA A/c of PFC as on 31.03.2026 and 31.03.2025.

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B. In respect of RECL

56.2 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 operationalization of NEF scheme across the country.

56.3 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 7years i.e. FY 2021-22 to FY 2027-28 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.

56.4 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 commsioning 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.

56.5 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.

56.6 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 Determined Contributions (NDCs) under the UNFCCC by aiming to achieve 30 GW of rooftop solar capacity in the residential sector by FY 2026-27.

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C. In respect of PFCCL

56.7 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.

56.8 In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories (UT) has to be Corporatized/privatised. MoP through PFCL 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. MoP vide OM dated 20.07.2021 has issued a Revamped Reforms Based and Results Linked Distribution Sector Scheme (RDSS) and the consultancy support provided by MoP to UTs is to be funded out of this scheme. The above amount represent the expenditure incurred by the company and is recoverable as on balance sheet date.

57. STATUS OF DOCUMENTATION SUBSEQUENT TO UNBUNDLING OF SEBS

57.1 Status of documentation subsequent to reorganization 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 reorganization of the State of Andhra Pradesh

A. In respect of PFC

Subsequent to the reorganization 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 reorganization 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).

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(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.

(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 (TNPDCL) and continue to carry on distribution business (ii) Formation of Tamil Nadu Power Generation Company Limited (TNPGCL) 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. TNPGCL and TNGECL were formed on 09.02.2024 and 10.02.2024 respectively.

Further Government of Tamil Nadu in exercise of powers conferred by Section 131 and 133 of the Electricity Act, 2003 (Central Act 36 of 2003) notified Tamil Nadu Electricity Restructuring And Transfer Scheme, 2024 vide G.O. (MS) No.32 Energy (B2) Department dated 06 March, 2024, published in Tamil Nadu Government Gazette Extraordinary No.90 dated 6th March 2024, whereby Government of Tamil Nadu defined the property, interest in property, rights and liabilities of TANGEDCO to be allocated to TNPGCL and TNGECL with effect from 06th March 2024. As the notification dated 06th March 2024 issued by Government of Tamil Nadu was provisional for a period of one year, Company has initially executed provisional loan transfer agreements with the respective entities.

Pursuant to the issuance of final notification of Government of Tamil Nadu No. 40 dated 21st April, 2025 for confirming the transfer of assets and liabilities amongst the three companies as mentioned above, the necessary documentation has been completed by the Company by executing relevant document dated 24th March, 2026 and 30th March, 2026.

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 2025-26	FY 2024-25
Interest income		
- on loans	**1,12,961.44**	1,03,159.20
- others	**83.31**	1,841.81
Dividend income	**99.71**	90.51
Fee and commission income	**1,743.41**	625.96
Other operating income	**639.05**	784.14
Total Revenue from Operations	**1,15,526.92**	**1,06,501.62**

58.3 Information about major borrowers:

No single borrower contributed 10% or more to respective companies' revenue for both FY 2025-26 and FY 2024-25.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

59. AMOUNT EXPECTED TO BE RECOVERED/ SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026			As at 31.03.2025		
		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	**1,409.45**	**-**	**1,409.45**	319.22	-	319.22
(b)	Bank Balance other than included in Cash & Cash Equivalents	**3,263.23**	**-**	**3,263.23**	9,180.82	84.90	9,265.73
(c)	Derivative Financial Instruments	**8,690.24**	**21,897.88**	**30,588.12**	3,406.14	20,673.34	24,079.48
(d)	Receivables						
	- Trade receivables	**326.57**	**-**	**326.57**	274.06	-	274.06
	- Other receivables	**3.87**	**-**	**3.87**	1.99	-	1.99
(e)	Loans	**1,54,873.02**	**9,98,381.56**	**11,53,254.58**	2,06,062.39	8,85,836.01	10,91,898.40
(f)	Investments	**4,511.50**	**11,037.36**	**15,548.86**	2,775.57	10,016.81	12,792.38
(g)	Other Financial Assets	**671.17**	**29,321.02**	**29,992.19**	757.70	29,306.55	30,064.25
	Total Financial Assets (1)	**1,73,749.04**	**10,60,637.82**	**12,34,386.87**	**2,22,777.90**	**9,45,917.61**	**11,68,695.51**
2	**Non-Financial Assets**						
(a)	Current Tax Assets (Net)	**20.24**	**452.73**	**472.97**	14.32	628.06	642.38
(b)	Deferred Tax Assets (Net)	**-**	**6,895.55**	**6,895.55**	15.95	6,201.51	6,217.46
(c)	Investment Property	**-**	**0.98**	**0.98**	-	1.01	1.01
(d)	Property, Plant and Equipment	**-**	**709.68**	**709.68**	-	715.46	715.46
(e)	Capital Work-in-progress	**0.43**	**127.91**	**128.34**	-	76.21	76.21
(f)	Intangible assets under development	**3.87**	**12.03**	**15.90**	-	11.98	11.98
(g)	Intangible Assets	**0.03**	**6.15**	**6.18**	0.00	7.07	7.07
(h)	Right of use asset	**-**	**38.01**	**38.01**	-	37.17	37.17
(i)	Other Non-Financial Assets	**217.96**	**1,670.86**	**1,888.82**	236.34	1,427.38	1,663.72
(j)	Investments accounted for using equity method	**-**	**-**	**-**	-	0.10	0.10
	Total Non-Financial Assets (2)	**242.53**	**9,913.89**	**10,156.42**	**266.61**	**9,105.95**	**9,372.56**
3	**Assets classified as held for sale**	**35.26**	**-**	**35.26**	18.43	-	18.43
	Total Assets (1+2+3)	**1,74,026.84**	**10,70,551.71**	**12,44,578.55**	**2,23,062.95**	**9,55,023.56**	**11,78,086.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026			As at 31.03.2025		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
LIABILITIES							
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	**928.95**	**2,960.74**	**3,889.69**	911.04	1,532.19	2,443.23
(b)	Trade and Other Payables	**226.59**	**0.26**	**226.85**	174.59	1.36	175.95
(c)	Debt Securities	**1,17,987.06**	**5,29,158.78**	**6,47,145.84**	68,405.62	5,43,770.42	6,12,176.04
(d)	Borrowings (other than Debt Securities)	**66,619.33**	**2,85,317.09**	**3,51,936.42**	75,600.94	2,70,902.54	3,46,503.48
(e)	Subordinated Liabilities	**333.36**	**13,087.84**	**13,421.20**	333.79	12,744.72	13,078.51
(f)	Other Financial Liabilities	**11,965.72**	**40,010.18**	**51,975.90**	17,763.98	29,105.11	46,869.09
	Total financial liabilities (1)	**1,98,061.01**	**8,70,534.89**	**10,68,595.90**	**1,63,189.96**	**8,58,056.33**	**10,21,246.30**
2	**Non- Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	**22.04**	**0.23**	**22.27**	-	51.17	51.17
(b)	Provisions	**1,148.91**	**227.17**	**1,376.08**	496.42	117.48	613.90
(c)	Other Non-Financial Liabilities	**1,002.08**	**141.20**	**1,143.28**	880.38	139.52	1,019.90
	Total non-financial liabilities (2)	**2,173.02**	**368.60**	**2,541.63**	**1,376.80**	**308.17**	**1,684.97**
3	**Liabilities directly associated with assets classified as held for sale**	**-**	**-**	**-**	-	-	-
	Total liabilities (1+2+3)	**2,00,234.04**	**8,70,903.49**	**10,71,137.52**	**1,64,566.77**	**8,58,364.50**	**10,22,931.26**

60. DETAILS IN AGGREGATE, FOR INTERESTS IN ALL INDIVIDUALLY IMMATERIAL ASSOCIATES THAT ARE ACCOUNTED FOR USING THE EQUITY METHOD:

(₹ in crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Profit or loss from continuing operations	**(0.02)**	(0.25)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income	**(0.02)**	**(0.25)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

(₹ in crore)

Name of Entity	As at 31.03.2026		As at 31.03.2025	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent				
Power Finance Corporation Limited	**59.12%**	**1,02,531.94**	58.61%	90,936.87
Subsidiaries-Indian				
REC Ltd	**49.04%**	**85,054.41**	50.51%	78,376.06
PFC Consulting Limited (PFCCL)	**0.18%**	**316.46**	0.22%	340.09
PFC Projects Ltd	**0.00%**		0.00%	(0.04)
PFC Infra Finance IFSC Limited	**0.31%**	**540.20**	0.07%	104.19
Associates-Indian (accounted as per equity method)				
Sakhigopal Integrated Power Limited	**0.00%**	**-**	0.00%	-
Ghogarpalli Integrated Power Company Limited	**0.00%**	**-**	0.00%	-
Jharkhand Infrapower Limited	**0.00%**	**-**	0.00%	-
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%**	**0.06**	0.00%	0.08
Bihar Infrapower Limited	**0.00%**	**-**	0.00%	-
Bihar Mega Power Limited	**0.00%**	**-**	0.00%	-
Deoghar Infra Limited	**0.00%**	**-**	0.00%	-
Deoghar Mega Power Limited	**0.00%**	**-**	0.00%	-
Adjustments or eliminations effect	**-8.65%**	**(15,002.03)**	-9.41%	(14,602.02)
Total	**100.00%**	**1,73,441.02**	**100.00%**	**1,55,155.23**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

61.2 Share in Profit and loss

(₹ in crore)

Name of Entity	As at 31.03.2026		As at 31.03.2025	
	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Profit and Loss	Amount
Parent				
PFC Ltd	**59.63%**	**20,051.34**	56.87%	17,352.19
Subsidiaries-Indian				
REC Ltd	**48.50%**	**16,308.17**	52.05%	15,884.23
PFC Consulting Limited (PFCCL)	**0.37%**	**122.78**	0.60%	183.40
PFC Projects Ltd	**0.00%**	**-**	0.00%	0.34
PFC Infra Finance IFSC Limited	**0.02%**	**5.97**	0.01%	2.12
Associates - Indian	**0.00%**	**-**	0.00%	(0.23)
Adjustments or eliminations effect	**-8.51%**	**(2,862.92)**	-9.53%	(2,907.65)
Total	**100.00%**	**33,625.34**	**100.00%**	**30,514.40**

61.3 Share in Other Comprehensive Income (OCI)

(₹ in crore)

Name of Entity	As at 31.03.2026		As at 31.03.2025	
	As % of Consolidated OCI	Amount	As % of Consolidated OCI	Amount
Parent				
PFC Ltd	**40.90%**	**(2,862.33)**	16.57%	(300.84)
Subsidiaries-Indian				
REC Ltd	**59.53%**	**(4,166.35)**	83.54%	(1,516.80)
PFC Consulting Limited (PFCCL)	**0.00%**	**-**	0.00%	-
PFC Projects Ltd	**0.00%**	**-**	0.00%	-
PFC Infra Finance IFSC Limited	**-0.43%**	**30.02**	-0.11%	2.07
Associates - Indian	**0.00%**	**-**	0.00%	-
Adjustments or eliminations effect	**0.00%**	**(0.01)**	0.00%	(0.01)
Total	**100.00%**	**(6,998.67)**	**100.00%**	**(1,815.58)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

61.4 Share in Total Comprehensive Income (TCI)

(₹ in crore)

Name of Entity	As at 31.03.2026		As at 31.03.2025	
	As % of Consolidated TCI	Amount	As % of Consolidated TCI	Amount
Parent				
PFC Ltd	**64.56%**	**17,189.01**	59.41%	17,051.35
Subsidiaries-Indian				
REC Ltd	**45.60%**	**12,141.82**	50.06%	14,367.43
PFC Consulting Limited (PFCCL)	**0.46%**	**122.78**	0.64%	183.40
PFC Projects Ltd	**0.00%**	**-**	0.00%	0.34
PFC Infra Finance IFSC Limited	**0.14%**	**35.99**	0.01%	4.19
Associates - Indian	**0.00%**	**-**	0.00%	(0.23)
Adjustments or eliminations effect	**-10.75%**	**(2,862.92)**	-10.13%	(2,907.65)
Total	**100.00%**	**26,626.67**	**100.00%**	**28,698.82**

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 Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

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

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

Sd/-
(Kamlesh Kumar Upadhyay)
Partner
Membership No.: 096584

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

Sd/-
(Vaibhav Jain)
Partner
Membership No.: 515700

Place: Mumbai
Date: 13.05.2026

Notes

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Corporate Information

Corporate Identification Number
L65910DL1986GOI024862

Registered Office:

'Urjanidhi',1, Barakhamba Lane, Connaught Place, New Delhi-110001

Website: http://www.pfcindia.co.in

Company Secretary & Compliance Officer:

Shri Manish Kumar Agarwal

Tel. No. : (91) (11) 23456000

Email Id: investorsgrievance@pfcindia.com

For the Financial Year 2025-26

Statutory Auditors:

- Thakur, Vaidyanath Aiyar & Co., Chartered Accountants
- Mehra Goel & Co., Chartered Accountants

Secretarial Auditor:

- T. Chatterjee & Associates, Company Secretaries

Depositories:

- National Securities Depository Limited
- Central Depository Services (India) Limited

Shares and Bonds Listed at:

- National Stock Exchange of India Limited
- BSE Limited

Registrar & Share Transfer Agent:

KFin Technologies Limited
Selenium Tower B, Plot Nos. 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032

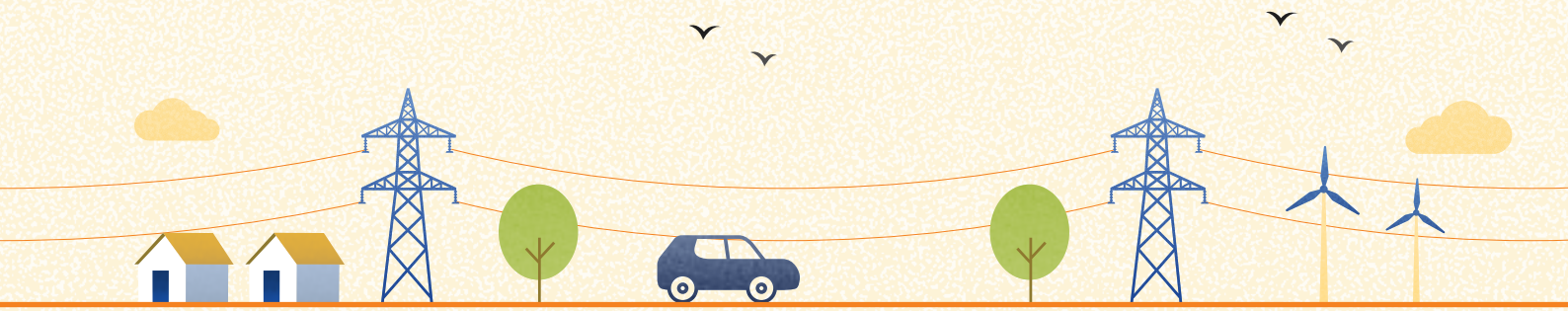
Tel: +91 40 67162222

Email: einward.ris@kfintech.com

Website: http:/www.kfintech.com

Bankers:

- Reserve Bank of India
- State Bank of India
- ICICI Bank
- HDFC Bank





POWER FINANCE CORPORATION LIMITED

(A Maharatna Company)

"Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001,
Website : www.pfcindia.co.in | CIN : L65910DL1986GOI024862

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