मनीष कुमार अग्रवाल
कंपनी सचिव
MANISH KUMAR AGARWAL
Company Secretary

आज़ादी का अमृत महोत्सव

पावर फाइनेंस कार्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)
(आई.एस.ओ. 45001:2018 प्रमाणित)

(A Govt. of India Undertaking)
(ISO 45001:2018 Certified)

No: 1:05:138:II:CS
Dated: 06.08.2024

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

Sub: Update on Annual Report for the Financial Year 2023-24.

Dear Sir(s),

This is in continuation to our letter dated 30.07.2024 informing about the 38th Annual General Meeting (AGM) of Power Finance Corporation Limited to be held on Wednesday, August 21, 2024 at 11.00 A.M. through video conferencing/other audio-visual means comprising the Notice of 38th AGM & the Annual Report for the financial year 2023-24. It is further informed that the updated copy of Annual Report with no material change is enclosed herewith, containing an update of shareholding of REC Limited as 52.63% on page no 5 of Annual Report wherein there was a printing error earlier.

This is submitted for your information and record.

Thanking you,

Yours faithfully,
For Power Finance Corporation Limited

Manish Kumar Agarwal
Digitally signed by Manish Kumar Agarwal
Date: 2024.08.06 14:59:20 +05'30'

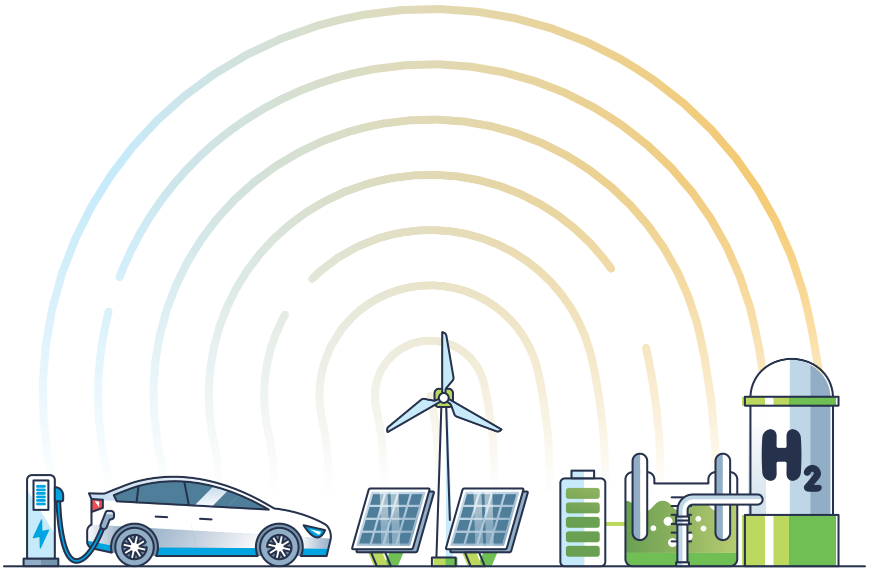
(Manish Kumar Agarwal)
Company Secretary & Compliance Officer
mk_agarwal@pfcindia.com

Power Finance Corporation Limited

(A Maharatna Company)

Committed to
India's Energy Transition

38th Annual Report 2023-24



Committed to
India's Energy Transition

The Indian power sector is undergoing a significant transformation as the nation takes confident strides into the future, aligned with its vision of a 'Viksit Bharat'. The increasing demand for reliable and affordable power to fuel India's rapid economic growth, along with its commitment to decarbonise this growth, is propelling a green energy transition.

As India's leading financial institution dedicated to the power sector, Power Finance Corporation (PFC) has been at the forefront of this transformation. We have not only facilitated the development of critical power infrastructure projects across the country but have also supported one-fourth of its renewable energy installed capacity.

Given the India government's ambitious targets for renewable energy capacity additions and ensuring access to electricity for all, we remain committed to powering India's sustainable development journey where economic progress and and environmental stewardship advance in perfect sync.

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CORPORATE OVERVIEW

Board of Directors

Sitting *(left to right)*

Parminder Chopra Chairman & Managing Director
Bhaskar Bhattacharya Independent Director
Usha Sajeev Nair Independent Director

Standing *(left to right)*

Manoj Sharma Director (Commercial)
Prasanna Tantri Independent Director
Shashank Mishra Director (Govt. Nominee)
Sandeep Kumar Director (Finance)
Rajiv Ranjan Jha Director (Projects)

Senior Management*

Simmi R. Nakra
CVO

P. K. Sinha
Executive Director

Saurav Kumar Shah
Executive Director

Manoj Kumar Rana
Executive Director

Dr. G. Jawahar
Executive Director

Raj Kumar Malhotra
Executive Director

R. K. Chaturvedi
Executive Director

V. Packirisamy
Executive Director

Rajesh Kumar Shahi
Executive Director

Ali Shah
Executive Director

Sanjay Sharma
Executive Director

Hemant Kumar Das
Executive Director

Pawan Kumar
Executive Director

P. Shanmuga Sundaram
Executive Director

Manish Kumar Agarwal
Company Secretary

** As on 30th July, 2024*

Empowering Progress for India

Power Finance Corporation Limited is proud to be recognised as India's largest government-owned NBFC, specialising in offering financial support to the country's power and infrastructure sectors. We are the nodal agency for the Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Projects (UMPPs), and Integrated Power Development Scheme (IPDS), and act as the Bid Process Coordinator for Independent Transmission Projects (ITPs).

Incorporated in 1986, Power Finance Corporation Ltd. (PFC) is a Schedule-A Maharatna Central Public Sector Enterprise (CPSE). We offer a range of products and services that meet the needs of the power sector, such as rupee-term loans, short-term loans, equipment lease financing, and transitional financing services for various power projects in the generation, transmission, and distribution sectors.

Our continued focus on expansion and diversification has led us to foray into the infrastructure and logistics sectors. We cater to e-vehicle fleets, charging infrastructure, roads, ports, metro rail, smart cities, and other significant infrastructure projects. Our clients encompass central and state power utilities, power equipment manufacturers, state government departments, and developers involved in large-scale infrastructure projects.

Vision

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

Mission

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

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

PFC Group Structure

Subsidiaries

PFC Consulting Limited

Shareholding: ***100%***

PFC Consulting, a wholly owned subsidiary, offers consultancy services, including transaction advisory and project development, specifically tailored to meet the needs of India's power sector.

REC Limited

Shareholding: ***52.63%***

REC is an NBFC with infrastructure loan status, specialising in financing and promoting power sector projects throughout India.

PFC Projects

Shareholding: ***100%***

PFC Projects Ltd (PPL) is an equal joint venture between Power Finance Corporation (PFC) and REC Ltd. It was established to manage and revive stressed or non-performing assets within the power sector. PPL actively seeks technical and strategic investor partners to operate and maintain these acquired assets, ensuring their optimal performance and contribution to the energy infrastructure.

PFC Infra Finance IFSC

Shareholding: ***100%***

PFC Infra Finance IFSC Ltd, a wholly owned subsidiary, was established on February 11, 2024. With this, PFC became the first government NBFC to launch a finance company in the International Financial Services Centre (IFSC) at GIFT City, Gujarat. The subsidiary focuses on providing financial solutions for infrastructure projects, particularly in renewable energy, leveraging global capital and expertise available at IFSC. PFC aims to expand its financing capabilities and enhance its global presence, offering innovative and efficient financial solutions to its clients through the subsidiary.

Associates

Ultra Mega Power Projects

UMPP is a Government of India initiative aimed at establishing large-scale power projects. Under UMPP, we have formed a Special Purpose Vehicle (SPV) tasked with securing clearances, acquiring land and water, and ensuring coal commitments to expedite UMPPs for private companies.

Key Facts

Majority owned by the Government of India

Highest profit-making NBFC in India

Key financial partner of the Government for driving reforms and developments in the power sector

FORTUNE 500

#37
in Fortune 500 India 2023

1st
Government NBFC to establish a Finance Company in IFSC Gift City

Highest long-term domestic rating of 'AAA'

Evolving
with Purpose

Expert Solutions that Power Growth

We provide a comprehensive suite of financial solutions tailored to the unique needs of the power sector and allied infrastructure projects. As a leading NBFC and trusted government partner, we utilise our expertise to deliver customised and expansive financial services to our clients.

We offer a comprehensive range of financial solutions that cater to the entire power value chain, from generation to transmission and distribution, aligned with India's ambitious power infrastructure goals. Our clients get access to the best-in-class financial products to drive their projects forward and deliver sustainable growth. From traditional loan options to innovative financing alternatives, we are committed to supporting the energy and infrastructure sectors with reliable and competitive solutions.

Product Spectrum

Fund-based Products

Project Term Loans
(Indian Rupee and foreign currency)

Corporate Loans

Debt Refinancing

Lease Financing
for the purchase of equipment

Line of Credit for Import of Coal

Credit Facility
for the purchase of power through power exchanges

Short/Medium-Term Loan
to equipment manufacturers

Buyer's Line of Credit

Grants/Interest-free Loans
for studies/consultancies

Lease Financing
for wind power projects

Non-Fund-based Products

Guarantee for Performance of Contract/Obligations in Power Purchase Agreements *(PPAs)*

Letter of Comfort *(LoC)*

Sources of Funds

54 EC Bonds

Term Loans/Bonds

Milestones

Inception...

Since our incorporation in 1986, we have been consistently achieving milestones marking a path of growth, innovation, and leadership in India's power sector. From our early lending activities to groundbreaking financial initiatives, each milestone is a step forward in our journey towards becoming the largest power sector financier in India.

This timeline showcases the key achievements that have shaped our legacy, showcasing our dedication to advancing India's power and infrastructure development.

1986
Established as a fully Government-owned enterprise

1988
Initiated lending operations

1998
Secured registration as an NBFC with the Reserve Bank of India

2007
Launched IPO, listed on BSE and NSE.
Attained Navratna Status

2024
Established a foreign subsidiary in IFSC, GIFT City

2023
Exceeded ₹4 trillion in loan assets. Diversified into Infrastructure and Logistics

2010
Recognised by RBI as an infrastructure finance company. Conducted FPO, reducing GOI shareholding to 56%

2017
Issued the first green bond, raising $400 million

2014
Achieved ₹2 trillion in loan assets

2019
Acquired REC, became India's largest power sector financier

..to Impact

JOURNEY THROUGH IFSC GIFT CITY

Gateway to Ambition

Our entry into IFSC GIFT City heralds a strategic leap into the global financial arena. Positioned at the crossroads of ambition and opportunity, this move underscores PFC's commitment to expanding its influence beyond borders. Anchored in GIFT City's robust ecosystem, we navigate towards international growth to shape the future of global finance.

Vision

PFC aims to expand its business and sustain long-term growth by establishing a foreign subsidiary in the IFSC GIFT City.

The incorporation of PFC's IFSC entity signifies a strategic leap towards globalising its operations, opening up new avenues in the international lending arena and significantly expanding its influence. This move aligns with India's vision to establish IFSC GIFT City as a leading global financial hub, and our commitment to support national infrastructure goals with our enhanced financial capabilities.

By facilitating foreign currency lending, particularly in the power and infrastructure sectors, we aim to accelerate sectoral growth and leverage international capital for funding large-scale projects within India.

The recent infusion of ₹100 crore in April 2024 has strengthened our presence within the IFSC at GIFT City, leveraging the city's state-of-the-art infrastructure and favourable regulatory environment to solidify our position in the global financial landscape.

Leveraging the Benefits

1

GIFT City offers state-of-the-art facilities tailored for global financial activities

2

100% Tax Exemption: Enjoy complete exemption from taxes for the first 10 consecutive years

3

No GST on Services Services provided within the IFSC are exempt from Goods and Services Tax

4

Various exemptions under the Companies Act and other regulations enhance **operational efficiency and competitiveness**

OUR PERFORMANCE

Profit After Tax

₹14,367 crore
in FY 2023-24 vs.
₹11,605 crore in FY 2022-23

24% ↑
in Profit After Tax

Loan Asset Book

₹4,81,462 crore
in FY 2023-24 vs.
₹4,22,498 crore in FY 2022-23

14% ↑
in Loan Asset Book

Net Worth

₹60,208 crore
in FY 2023-24 vs.
₹48,198 crore in FY 2022-23

25% ↑
y-o-y in renewable loan book

54EC Bonds Portfolio

₹8,994 crore
in FY 2023-24 vs.
₹6,600 crore in FY 2022-23

36% ↑
y-o-y in 54EC bonds portfolio

Pursuing Excellence

Performance at a Glance

PARTICULARS	2019-20	2020-21	2021-22	2022-23	2023-24
RESOURCES (At the end of the year) *(₹ crore)*					
Equity Capital	2,640	2,640	2,640	2,640	**3,300.10**
Reserves and Surplus	42,524	49,753	56,710	65,562	**75,903.39**
BORROWINGS (Principal outstanding) *(₹ crore)*					
(i) Domestic Borrowings	2,55,751	2,75,259	2,63,839.76	2,98,084	**3,34,547**
(ii) Foreign Currency Borrowings	47,701	49,836	56,288.37	64,554	**72,836**
FINANCING OPERATIONS (during the year) *(₹ crore)*					
Sanctions	1,11,089	1,66,370	51,616	2,31,625	**2,82,269**
Disbursements	67,997	88,302	51,242	85,756	**1,27,656**
WORKING RESULTS (for the year) *(₹ crore)*					
Total Income	33,371	37,767	38,591	39,666	**46,034.10**
Total Expenses	25,179	27,559	26,364	25,495	**28,408.41**
Profit Before Tax	8,193	10,207	12,228	14,171	**17,625.69**
Tax Expense	2,537	1,763	2,206	2,565	**3,258.67**
Profit After Tax	5,655	8,444	10,022	11,605	**14,367.02**
NO. OF EMPLOYEES					
No. of Employees	484	483	501	519	**545**

Note: 1. Sanctions and Disbursements are excluding R-APDRP/IPDS/RDSS.

STATEMENT OF VALUE ADDED AND KEY RATIOS

Measuring Our Efficiency

Statement of Value Added

PARTICULARS	2022-23	2023-24
VALUE ADDED		
Net interest income	14,363	**15,627**
Non-interest income	2,020	**2,393**
Operating expenses excluding staff cost, depreciation, amortisation, and CSR expenses	(2,045)	**(87)**
Impairment and write-off	296	**171**
Value added available for distribution	14,634	**18,104**
DISTRIBUTION OF VALUE ADDED		
For equity shareholders as dividend	2,640	**4,818**
For employees as remuneration and other benefits	219	**243**
For society as CSR expense	225	**218**
For the government as an income tax	2,565	**3,259**
For reinvestment, expansion, and growth: Depreciation, Amortisation, Retained Earnings, Reserves	8,984	**9,566**
Distribution of value added	14,634	**18,104**

Key Ratios

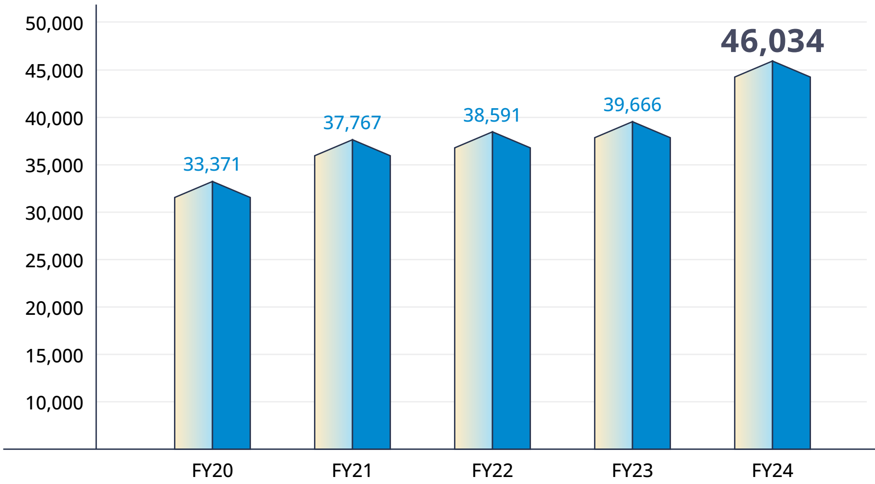
Financial Year	2022-23	2023-24
P/E Ratio	3.45	8.96
Capital Risk-Weighted Assets Ratio (%)	24.37	25.41
Net Profit Margin (%)	29.26	31.21
Net NPA (%)	1.07	0.85
Net Debt to Equity Ratio (x)	5.32	5.14
EPS (₹)	35.17	43.53
Book Value Per Share (₹)	258.33	240.00

KEY PERFORMANCE INDICATORS

Financial Performance

Total Income

(₹ crore)

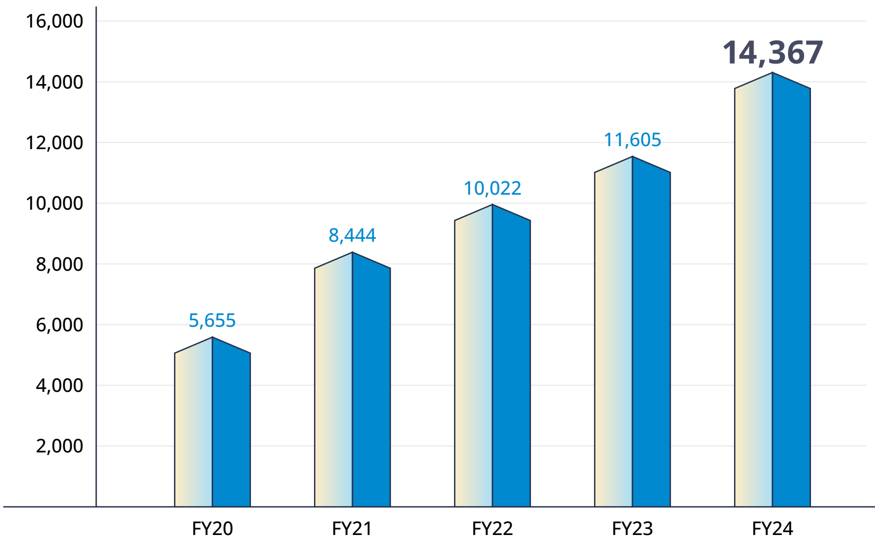


16%
Y-o-Y Growth

9.86%
5-year CAGR Growth

Profit After Tax (PAT)

(₹ crore)



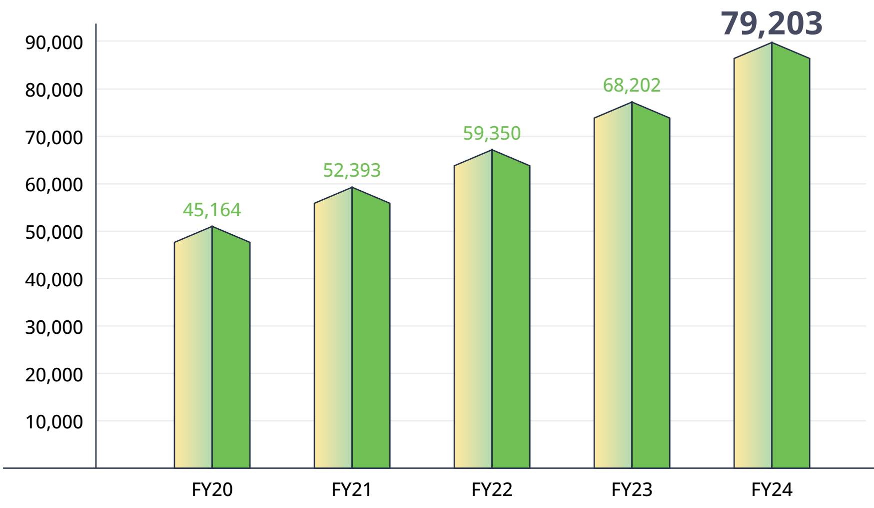
24%
Y-o-Y Growth

15.62%
5-year CAGR Growth

Operational Performance

Net Worth

(₹ crore)

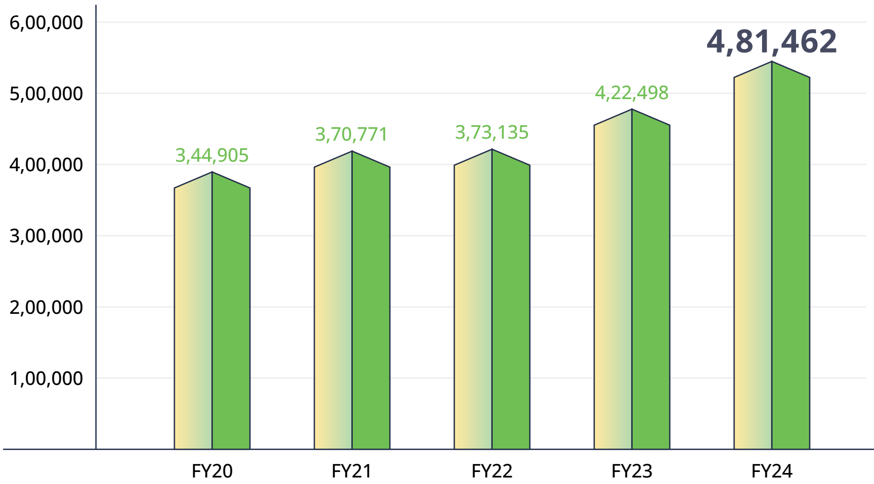


16%
Y-o-Y Growth

12.84%
5-year CAGR Growth

Loan Asset Book

(₹ crore)



14%
Y-o-Y Growth

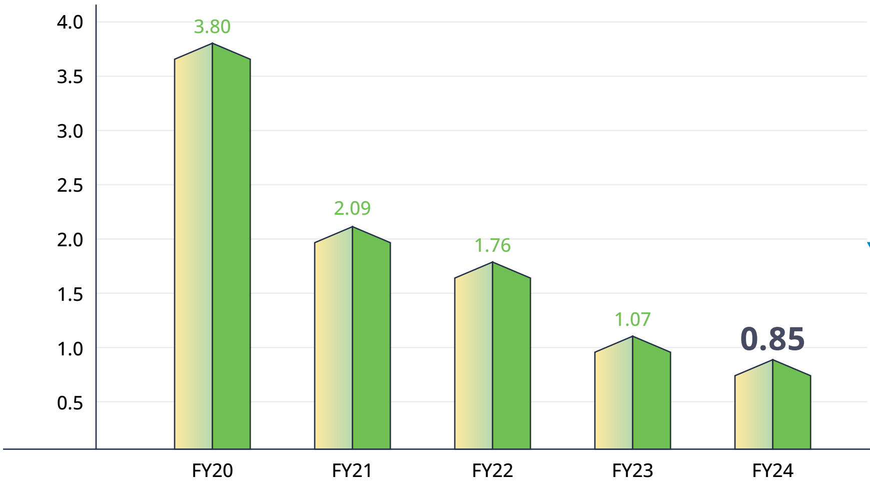
8.88%
5-year CAGR Growth

KEY PERFORMANCE INDICATORS

Operational Performance

Net NPA Ratio

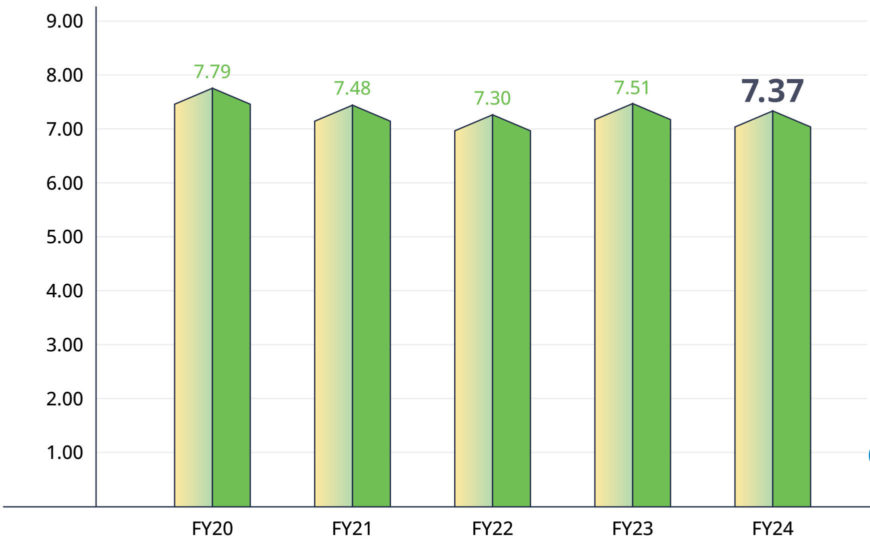
(%)



22 bps
Y-o-Y Decline

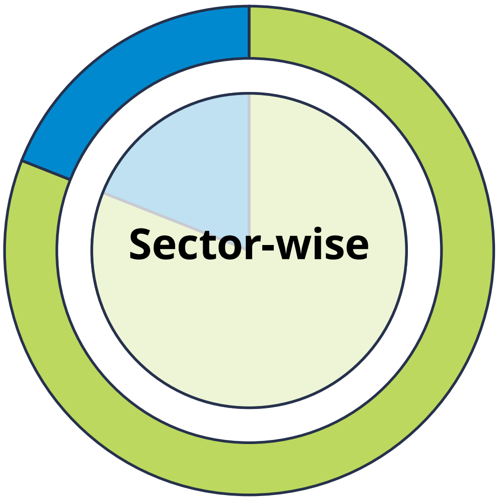
Cost of Funds

(%)

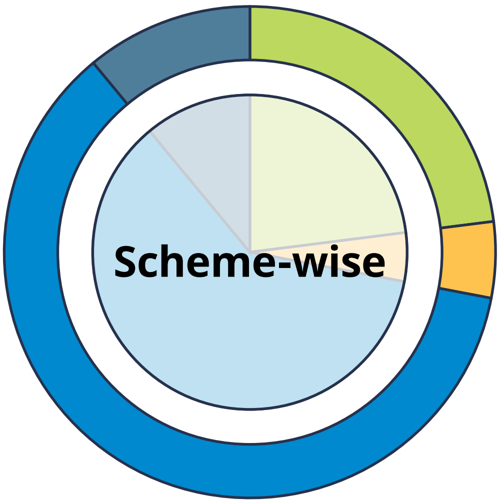


Consistent
Over the years

Disbursements



Government	81%
Private Sector	19%



Generation	23%
Transmission	5%
Distribution	61%
Others	11%

Asset Synopsis FY 2023-24

Zero
NPA added in more than 1 year

74%
Provisioning maintained on NPA assets (Stage III)

₹1,27,656 crore
Disbursements

A GREENER VISION

Embracing ESG for a Sustainable and a Greener Tomorrow

In an era where environmental, social, and governance (ESG) factors are becoming paramount for business success, our Company is at the forefront of adopting a comprehensive approach to sustainability. Our dedication to sustainable development is reflected in our strategic initiatives and collaborations.

Dedicated ESG Focal Point

ESG Unit

A dedicated unit established to steer ESG initiatives.

Training Programmes

Capacity development programmes to foster a culture of sustainability within PFC.

Enabling Low-Cost Funding for Energy Transition

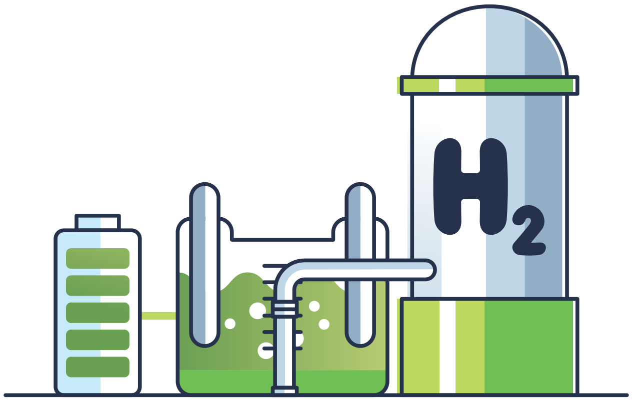
Foreign Subsidiary

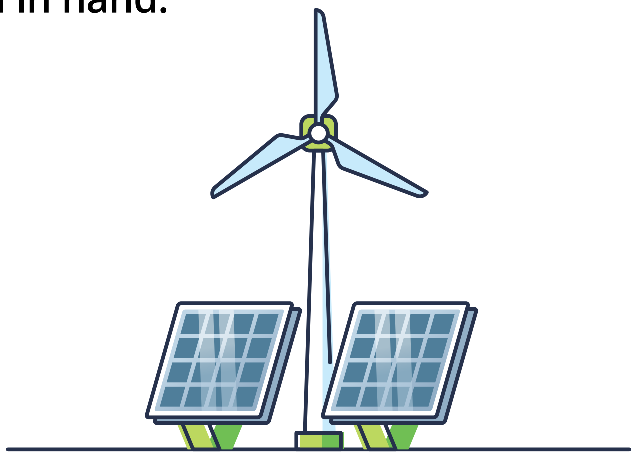
Established in IFSC GIFT City to mobilise competitive funding.

Energy Transition

Supporting the nation's growth through low-cost funding for energy projects.

With our endeavour to integrate ESG principles into decision making, PFC will pave the way for a future where economic development and environmental stewardship go hand in hand.





Expanding Green Portfolio

Diverse Financing

Supporting the entire green spectrum from traditional renewable energy to emerging technologies.

Innovative Projects

Investments in e-mobility, waste-to-energy, biofuels, and desalination.

Strengthening Green Partnerships

Asia Transition Finance Study Group

PFC becomes the first Indian member to join.

Collaborations

Partnering with the Council on Energy, Environment, and Water (CEEW) to advance India's Net Zero goals.

Strategic Tie-Up

Collaboration with Japan's NEDO to promote environment-friendly power supplies.

PARTNERING FOR PROGRESS

Strategic Support for National Reforms

In line with the government's vision to create a cleaner, more sustainable India, we play an active role in driving the transformation forward. Committed to financing clean and secure energy solutions, we drive the nation's progress through innovative and strategic initiatives.

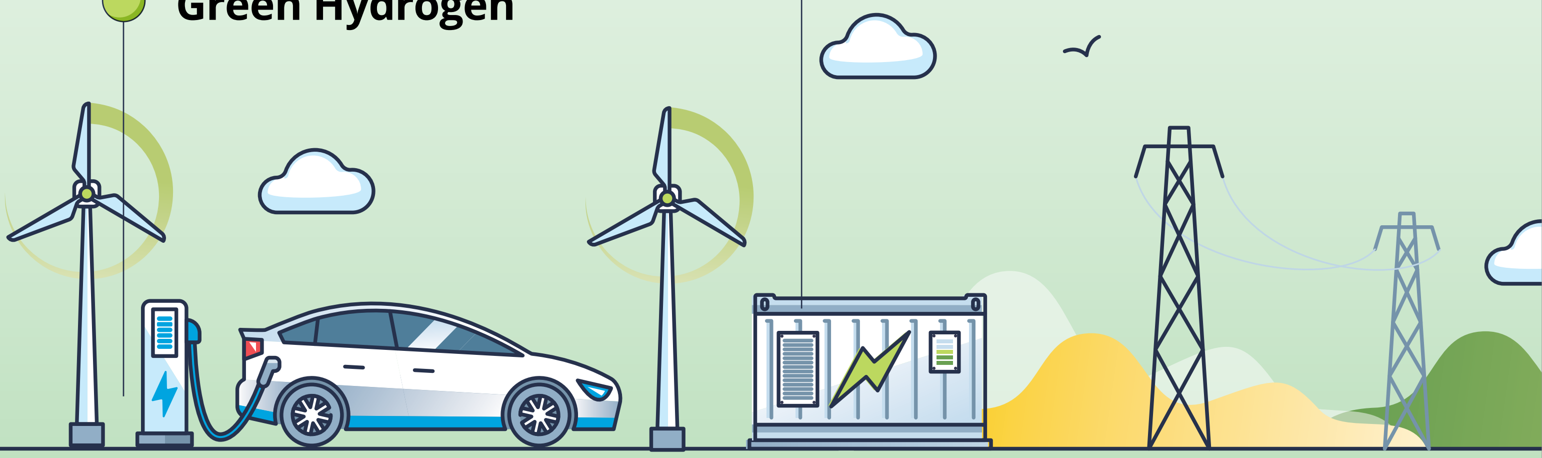
Here is how we are shaping the future of India's energy and infrastructure landscape.

Supporting Clean Technologies

- Solar
- Wind
- Energy Storage
- E-mobility
- Green Hydrogen

Ensuring Energy Security

- Conventional Generation
- Renovation and Modernisation of Existing Infrastructure



The Motto Guiding us towards a New Direction

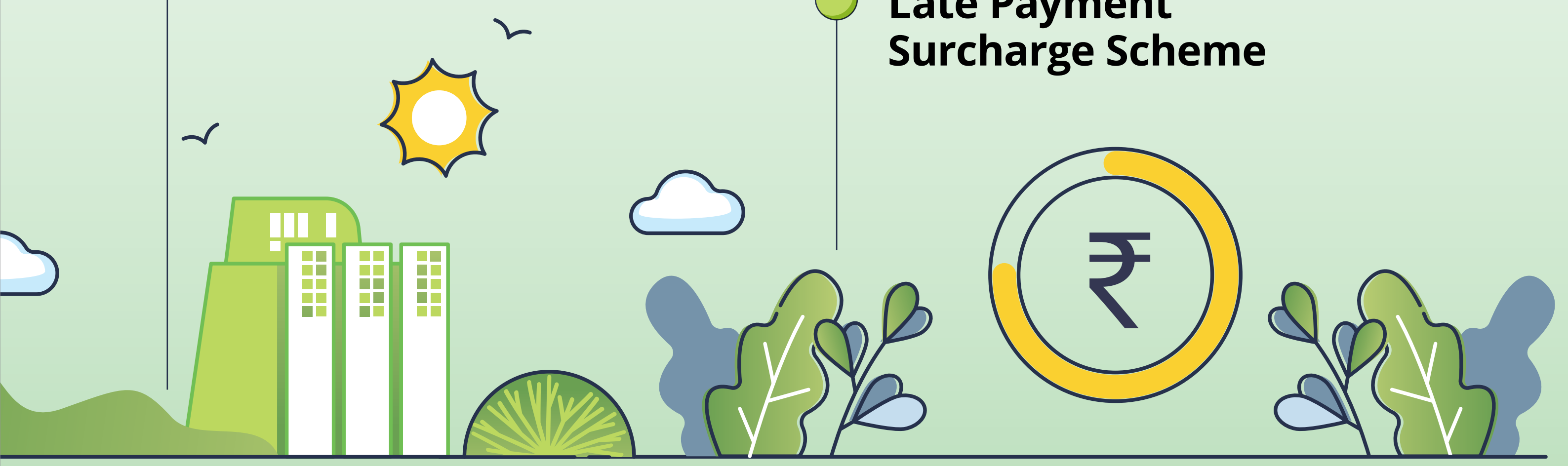
By focusing on clean and emerging technologies, bolstering energy security, and driving infrastructure growth, we are committed to the nation's advancement. As a trusted partner to the government, we continue to support crucial reforms, ensuring a resilient and efficient power sector. Guided by the philosophy of 'Nayi Soch Nayi Raahein' and innovative approaches, we are moving in a new direction, shaping a brighter and greener future for India.

Driving India's Infrastructure and Logistics Growth

- **Accelerating Projects Critical to National Progress**
- **Supporting Large-scale Greenfield Projects**

Facilitating Power Sector Reforms

- **Financing Reform Measures**
- **Revamped Distribution Sector Scheme**
- **Late Payment Surcharge Scheme**



Letter to Shareholders

Ladies and Gentlemen,

It is with immense pride and joy that I place before you at the 38th Annual General Meeting our extraordinary achievements over the past year.

Setting Records: Thriving Profits and Unprecedented Growth

During the year, we have achieved unprecedented levels of business growth and profitability. I am delighted to share that we have achieved our highest-ever annual profit of ₹14,367 crore, marking a remarkable 24% increase from FY 22-23. Our loan sanctions soared to a record ₹2.82 lakh crore, while disbursements reached an all-time high of ₹1,27,656 crore, a staggering 49% increase from the previous year. For the first time in PFC's history, our disbursements have crossed the ₹1 lakh crore mark.

Our market capitalisation soared past ₹1 trillion and currently stands at an impressive ₹1.8 trillion. Our loan asset book has grown by 14%, now standing at an impressive ₹4.8 lakh crore. The renewable portfolio has surpassed ₹60,000 crore over the last year, highlighting our commitment to sustainable growth. PFC's net worth has surged by 16% to ₹79,203 crore, showcasing our robust financial health. We have maintained a strong CRAR of 25.41%, underscoring our financial resilience. We declared the highest-ever dividend of ₹13.50 per share for FY 23-24, which, when adjusted for bonus shares, stands at ₹16.88 per share. Furthermore, our shareholders have witnessed a more than 2.5 times increase in share price this fiscal year. These achievements reflect our unwavering commitment to excellence and set a solid foundation for continued success.

Macroeconomic Scenario and Power Sector Outlook

The global economic scenario in 2023-24 presented unique challenges, with geopolitical tensions, supply chain disruptions, and inflationary pressures impacting economies worldwide. However, amidst these challenges, India emerged as a beacon of resilience and growth, proving its mettle as a global economic powerhouse.

India's economy continued its robust growth trajectory in 2023-24, fueled by strong domestic demand, prudent fiscal policies, and a vibrant digital ecosystem. The government's unwavering commitment to infrastructure development, coupled with targeted reforms and initiatives, has created a conducive environment for sustained economic expansion.

The power sector, in particular, has witnessed significant progress and transformation in recent years, with the government introducing various policy measures aiming to address the Energy Trilemma of balancing the three dimensions of Energy Security, Energy Equity and Environmental Sustainability of Energy Systems. As a result of these interventions, India has been steadily improving its ranking in World Energy Trilemma Index published by the World Energy Council. The government's ambitious targets for renewable energy capacity addition, along with the rapid adoption of electric vehicles and energy-efficient technologies, have propelled India's energy transition towards a cleaner and greener future.

Looking ahead, we believe that the Indian power sector holds immense growth potential. The government's focus on expanding access to electricity for all, coupled with the increasing demand for reliable and affordable power, presents a unique opportunity for the sector to thrive.

However, we also recognise the challenges that lie ahead. The transition to a cleaner energy mix, the need for robust transmission and distribution infrastructure, and the imperative of ensuring affordable electricity for all are some of the key issues that need to be addressed.

At PFC, we are committed to working collaboratively with all stakeholders to overcome these challenges and realise the full potential of India's power sector. We will continue to leverage our expertise, financial resources, and technological capabilities to support the development of sustainable and resilient power infrastructure across the country.

> Our market capitalisation soared past ₹1 trillion and currently stands at an impressive ₹1.8 trillion. Our loan asset book has grown by 14%, now standing at an impressive ₹4.8 lakh crore. The renewable portfolio has surpassed ₹60,000 crore over the last year, highlighting our commitment to sustainable growth.

Parminder Chopra
Chairman and Managing Director

LETTER TO SHAREHOLDERS

Smt. Parminder Chopra, CMD, along with His Excellency Vincenzo De Luca, Ambassador of Italy and Shri Ajay Sharma, MD & Head Commercial Banking, HSBC India exchanging agreement with HSBC and SACE, the Export Credit Agency of Italy for EUR 200 Million Loan.

Beyond Boundaries: Financing Tomorrow's Innovations

Our journey of growth and innovation continued with our strategic diversification of lending. We have played a pivotal role in accelerating the country's infrastructure development by supporting large-scale greenfield projects. Our commitment to progress is evident in our financial assistance to pioneering projects in emerging areas such as e-mobility, desalination plants, ports, and bio ethanol plants etc. This year, we sanctioned a total of ₹82,327 crore towards these groundbreaking projects. These efforts not only diversify our portfolio but also contribute significantly to the nation's sustainable and futuristic development.

Driving Efficiency: Lowest NPAs in 8 Years

We took significant strides in reducing our Non-Performing Assets (NPAs) in 2023-24 through effective stress resolution. We have achieved the lowest NPA levels in the last eight years, with net NPAs now at a commendable 0.85%. This is a testament to our diligent efforts and strategic approach to managing our assets. We successfully resolved two stressed assets with an exposure of ₹1,063 crore, recovering over 90% of the principal amount. These accomplishments underscore our commitment to maintaining a healthy and resilient financial portfolio, ensuring sustainable growth for PFC.

Smart Finance: Innovating Debt Structures for Stability

Our borrowing strategy this year has been both dynamic and innovative, ensuring robust financial stability and growth. We successfully raised about ₹1 lakh crore, maintaining a strategic mix of 82% domestic and 18% foreign currency borrowing, along with a balanced approach between short-term and long-term funding. We ventured into debt markets with new structures like Zero Coupon Bonds (ZCB) and Perpetual Debt Instruments (PDI). These measures have allowed us to strategically balance market factors such as liquidity, prevailing and future interest rate scenarios, and our substantial funding needs.

Our second issue of public taxable bonds was met with overwhelming enthusiasm, raising ₹2,824 crore and receiving over five times oversubscription. We also increased our 54 EC Capital Gain Bond mobilisation by 36% compared to the previous fiscal year. PFC's inclusion in the MSCI Global Standard Index is a significant milestone, enhancing our visibility among global investors. Through active liability management, we focused on replacing high-cost debt whenever opportunities arose, further solidifying our financial resilience and strategic growth.

Empowering India: Transforming Infrastructure Nationwide

Our commitment to supporting Government of India schemes has yielded remarkable results this fiscal year. Under the Revamped Distribution Sector Scheme (RDSS), we have made significant strides in reducing losses, with tenders floated for 96% of sanctioned works and awards placed for 79% of these works. In the realm of smart metering, we awarded works for 5.08 crore meters, which is 57% of the total sanctioned meters. We also electrified 30,000 Particularly Vulnerable Tribal Households out of the 71,000 sanctioned, ensuring that progress reaches even the most remote corners of our nation. Additionally, we have trained over 1,600 DISCOM personnel, enhancing their skills and capacity.

In order to effectively administer the Late Payment Surcharge (LPS) Rules, we have revamped the PRAAPTI portal, ensuring efficient processing and transparency. We disbursed loans worth ₹21,500 crore to clear legacy dues, leading to a 70% decline in these dues from their peak level of ₹1.40 lakh crore. Notably, current dues are now being paid within the stipulated time frame, reflecting improved financial discipline and operational efficiency apart from providing the required liquidity into the power sector value chain. These efforts highlight our unwavering dedication to advancing national schemes and driving financial sustainability of the distribution sector across India.

Leading Innovation: Pioneering Ventures Globally

Talking of new initiatives, I am delighted to announce that we have become the first government Non-Banking Financial Company (NBFC) to establish a foreign subsidiary in the International Financial Services Centre (IFSC) at GIFT City. This subsidiary has been setup as a Finance Company in IFSC. This strategic move not only elevates PFC's brand to a global level but also brings a

Smt. Parminder Chopra, CMD welcoming Shri Manohar Lal, Hon'ble Union Minister (Power and Housing & Urban Affairs) at PFC 39th Foundation Day Celebrations held in New Delhi

LETTER TO SHAREHOLDERS

host of regulatory advantages. Our IFSC entity enjoys a 100% tax exemption on income for 10 consecutive years, no GST on services, and benefits on withholding tax, among other incentives. This initiative positions us to leverage global opportunities and drive our growth trajectory forward, ensuring PFC remains at the forefront of innovation and excellence in the financial sector.

Further, we have signed an MoU with the Government of Goa and the World Bank to establish the first Blended Finance Facility, funding climate projects and setting a precedent for innovative financing. Additionally, PFC is the first government firm to collaborate with SACE, an Italian export credit agency, under its 'Push Strategy' initiative, enhancing Indo-Italian cooperation with an innovative ECA-backed financing facility.

Sustainable Future: Leading ESG Practices and Partnerships

Our dedication to Environmental, Social, and Governance (ESG) initiatives is stronger than ever.

We had committed last year on gradually integrating ESG into our operations. I am happy to share that this year, we have taken a step forward in our ESG journey. PFC on July 16, 2024 has released its first ever ESG Report on the occasion of PFC's Foundation Day. The report was released by the Hon'ble Cabinet Minister of Power and Housing & Urban Affairs, Shri Manohar Lal. The report highlights our ESG practices and our commitment in advancing India's clean energy goals and creating a more greener & sustainable future. This detailed ESG Report is now available as part of our Annual Report.

We are proud to be the first Indian member of the Asia Transition Finance Study Group, where we will represent India's perspective and facilitate efficient energy transition financing across Asian nations. Our collaboration with the Council on Energy, Environment and Water (CEEW) underscores our commitment to advancing India's Net Zero goal. Furthermore, our strategic tie-up with Japan's New Energy and Industrial Technology Development Organization (NEDO) aims to promote the creation of environment-friendly power supplies.

It is heartening to note that our CSR initiatives are making a substantial impact. Apart from our focus on areas of health & nutrition and fulfillment of power and energy needs of the society, PFC has also been promoting cutting edge scientific research as part of its CSR initiative. We are setting up a state-of-the-art Anatomy Lab at IIT Madras and establishing the Interdisciplinary Centre for Energy Research (ICER) at the

Smt. Parminder Chopra, CMD, Shri Rajiv Ranjan Jha, Director (Projects) and Shri Manoj Sharma, Director (Commercial) and along with Shri Arunabha Ghosh, CEO, Council on Energy, Environment and Water (CEEW) during the MoU signing ceremony. PFC & CEEW have announced a strategic collaboration to advance PFC's commitment to becoming a leading net-zero financier, aligning with India's ambitious 2070 Net Zero target.

Smt. Parminder Chopra, CMD welcoming Shri Shripad Yesso Naik, Hon'ble Minister of State (Power and New & Renewable Energy) at PFC 39th Foundation Day Celebrations held in New Delhi

Indian Institute of Science (IISc) to advance research in green hydrogen and net-zero technologies. We are also launching Artificial Intelligence (AI) Labs in schools and government polytechnic colleges to foster innovation from the ground up.

At PFC, we are committed to upholding the highest standards of transparency, accountability, and disclosure. As a publicly listed company, we adhere to a comprehensive framework of corporate governance frameworks and policies such as the Companies Act, 2013, SEBI's Listing Obligations & Disclosure Requirements Regulations, DPE Guidelines etc. We also have various risk management Committees at Board level & senior management levels which oversees the key functions of our company and provide strategic directions in each area.

This ensures that every aspect of our work is guided by principles that promote integrity, fairness, and responsible conduct.

Awards and Accolades

Our unwavering commitment to excellence, innovation, and sustainable growth has been recognised with several prestigious awards. PFC received SCOPE's Meritorious Award for "Best Managed Financial Institution" in the Maharatna/Navratna PSEs category. Additionally, we were honoured with the South Asian Federation of Accountants' award for Best Presented Accounts/Annual Report for the second consecutive year. Our CSR efforts have been honoured with the CSR Champion Award during the Outlook Planet Sustainability Summit & Awards, 2024. Furthermore, PFC was ranked 37th among the largest 500 Indian companies by Fortune India 2023.

These accolades highlight our dedication to setting high standards and achieving remarkable milestones. Together, we will continue to illuminate every corner of India, driving progress and building a brighter, more sustainable future.

Concluding Remarks

In conclusion, I extend my heartfelt gratitude to our esteemed stakeholders — the Hon'ble Union Minister of Power, Hon'ble Minister of State for Power, officials from the Power Ministry, our dedicated Board of Directors, client utilities, employees, various ministries, investors, auditors, regulators, and all other stakeholders of PFC. Your unwavering support and collaborative efforts have been pivotal in our journey to success. We remain committed to our mission of powering India's growth and contributing to a brighter and more sustainable future for all.

Parminder Chopra
Chairman & Managing Director

NOTICE

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.com

Notice is hereby given that the Thirty Eighth Annual General Meeting of the members of Power Finance Corporation Limited will be held on **Wednesday, the August 21, 2024 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, 2024 including the Audited Balance Sheet as on March 31, 2024 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, 2024 including the Audited Balance Sheet as on March 31, 2024 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 2023-24.

3. To appoint a Director in place of Shri Manoj Sharma (DIN: 06822395), 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 Shashank Misra, (DIN: 08364288) as Director (Government Nominee).

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

   "**RESOLVED THAT** pursuant to Section 161 and other 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 Shashank Misra (DIN: 08364288), Joint Secretary, who was appointed by the Board on recommendation of the Nomination & Remuneration Committee as Director (Government Nominee) on the Board of PFC w.e.f. June 25, 2024 pursuant to Ministry of Power Government of India order No. 8 /1/2007- PFC Desk dated June 25, 2024 issued in exercise of powers conferred by the Articles of Association of the Company 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 the Director (Government Nominee) on the Board of Directors of Power Finance Corporation Limited w.e.f. June 25, 2024 liable to retire by rotation, on terms & conditions determined by the Govt. of India from time to time."

6. Appointment of Shri Sandeep Kumar, (DIN: 08529035) as Director (Finance).

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **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 Sandeep Kumar, (DIN: 08529035), who was appointed by the Board on recommendation of the Nomination & Remuneration Committee as Director (Finance) on the Board of PFC w.e.f. July 11, 2024 pursuant to Ministry of Power, Government of India Order No. 24-8/1/2023-PFC (MoP)-Part-I dated July 11, 2024 issued in exercise of powers conferred by the Articles of Association of the Company 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 the Director

(Finance) on the Board of Directors of Power Finance Corporation Limited w.e.f. July 11, 2024 liable to retire by rotation, on terms & conditions determined by the Govt. of India from time to time."

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: July 30, 2024

NOTES:-

1. In view of the recent MCA Circular dated September 25, 2023 and SEBI Circular dated October 07, 2023 and other notifications in force, the 38th 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 38th AGM shall be the Registered office of the Company.

2. The Company has enabled the Members to participate at the 38th 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 38th 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 18, 2024 and will end at 5.00 p.m. on August 20, 2024. The e-voting module shall be disabled by KFintech at 5.00 p.m. on August 20, 2024. 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 38th 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 Thursday, August 15, 2024 as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 38th AGM.

   A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. The voting rights shall be as per the number of equity share held by the Member(s) as on cut-off date. Members are eligible to cast vote only if they are holding shares as on that date. Kindly note that a person who is not a member of the Company as on the Cut-off date should treat this Notice for Information Purposes Only.

7. The Company has appointed Smt. Nayan Handa, Partner, M/s Mehta & Mehta, Company Secretaries (FCS No.:11993,C.P No.:18686) to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

8. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 38th AGM is being held through VC as per the MCA Circulars, accordingly the facility for appointment of proxies by the Members will not be made available for the 38th AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

9. Corporate Members are required to send a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to nayan@mehta-mehta.in with a copy marked to evoting@kfintech.com.

10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

11. The Register of Members and Share Transfer books will remain closed from Friday, August 16, 2024 to Wednesday, August 21, 2024 (both days inclusive).

12. In line with the MCA Circulars, the notice of the 38th AGM along with the Annual Report 2023-24 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2023-24 will also be available on the Company's website at https://pfcindia.com/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. 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 and 6 respectively of the notice in accordance with applicable provisions of the Companies Act, 2013 is forming part of the notice.

14. The Board of Directors of Power Finance Corporation Ltd. recommended final dividend @ ₹2.5/- (Rupee two and paisa fifty only) per equity share (subject to deduction of TDS) on the face value of the paid-up equity shares of ₹10/- per share for the FY 2023-24 subject to approval of shareholders in the ensuing Annual General Meeting. This is in addition to the interim dividend of ₹11.00/- (Rupee eleven only) per equity share (subject to deduction of TDS) for the FY 2023-24 already declared and paid during the year. The final dividend, if declared, will be paid within the statutory period of 30 days from the date of approval at AGM.

15. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Acts, 2020 and 2021 dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders. The Company is required to deduct the tax at source on the distribution of dividend income to its shareholders at the applicable rates. The rate for deducting TDS may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Income Tax Act 1961. Certain category of shareholders such as Mutual Funds and Insurance Companies are exempted while for other category like Foreign Portfolio Investor tax has to be deducted at 20% (plus surcharge and cess) or at a beneficial tax rate applicable under Double Taxation Avoidance Agreement (DTAA).

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

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

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

16. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Comptroller and Auditor General of India shall appoint the Statutory Auditors of the Company for the FY 2024-25 under section 139 of the Companies Act, 2013. The members may authorize the Board of Directors to fix an appropriate remuneration of Auditors for the FY 2024-25 as may be deemed fit by the Board.

17. 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 dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

18. 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 advise 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/default.aspx

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

19. 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.

20. 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.

21. 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.

22. 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-14 as the case may be. The said form can be downloaded from the RTA website-Investor Support Center (ISC) webpage at https://ris.kfintech.com/clientservices/isc/default.aspx.

23. 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 agm2024@pfcindia.com at least fifteen days prior to the date of the meeting. The same will be replied by the Company suitably.

24. 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.com up to the date of AGM i.e. August 21, 2024.

25. 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 Scrutinizer's Report(s) will be available on the website of the Company (www.pfcindia.com) 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 18, 2024 and will end at 5.00 p.m. on August 20, 2024. The e-voting module shall be disabled by KFintech at 5.00 p.m. on August 20, 2024.

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

Procedure and Instructions for remote e-voting

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1
	3. Alternatively by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will 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) II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. 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 Shareholders holding securities in demat mode with CDSL 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.: 1800 1020 990
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 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) 8212, 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 15, 2024 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 Scrutinizer 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 18 of Notes.

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 Ms. Swati Reddy (Unit: POWER FINANCE CORPORATION LIMITED), at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. Members who have acquired shares after the dispatch of the Annual Report and on or before the cut-off date i.e. August 15, 2024, 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> POW1234567

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 18, 2024 and August 19, 2024.

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 18, 2024 and August 19, 2024. 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:

To Appoint of Shri Shashank Misra, (DIN: 08364288) as a Director (Government Nominee).

Pursuant to the Ministry of Power, Government of India, Order No.8 /1/2007- PFC Desk dated June 25, 2024, has appointed Shri Shashank Misra, Joint Secretary, Ministry of Power as Director (Government Nominee) on the Board of Directors of Power Finance Corporation Limited w.e.f. June 25, 2024.

The above appointment of Shri Shashank Misra as Director, (Government Nominee) 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. The terms and conditions regulating the appointment of Shri Shashank Misra 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 Shashank Misra, is concerned and interested, in the resolution. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

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. 6

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

To Appoint Shri Sandeep Kumar, (DIN: 8529035) as Director (Finance).

Pursuant to the Ministry of Power, Government of India, Order No. 24-8/1/2023-PFC (MoP)-Part-I dated July 11, 2024, the Board of Directors on recommendation of the Nomination & Remuneration Committee appointed Shri Sandeep Kumar as Additional Director and Director (Finance) on the Board of Directors of Power Finance Corporation Limited w.e.f. July 11, 2024.

The above appointment of Shri Sandeep Kumar as Director (Finance) 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. The terms and conditions regulating the appointment of Shri Sandeep Kumar 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 Sandeep Kumar, is concerned and interested, in the resolution. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

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 an Ordinary Resolution.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT 38TH AGM UNDER ITEM NO. 3, 5 and 6

Name	Shri Manoj Sharma	Shri Shashank Misra	Shri Sandeep Kumar
Date of Birth and Age	March 10, 1966 (58 years)	March 16,1983 (41 years)	March 20, 1966 (58 years)
Qualification	• Qualified Chartered Accountant • Degree in Law (LLB).	• IAS Officer (Madhya Pradesh: 2007). • B. Tech degree in Electrical Engineering from IIT Delhi.	• Qualified Chartered Accountant. • Bachelor's degree in Commerce (Honours) • Post Graduate Diploma in Computer Application.
Date of Appointment	August 29, 2022	June 25, 2024	July 11, 2024
Terms and Conditions of Appointment	Appointed as Director (Commercial) by President of India through Ministry of Power for a period from the date of his assumption of charge of the post till the date of his superannuation or until further orders, whichever is the earlier.	Terms & conditions of appointment will be governed by Order No.8/1/2007-PFC Desk of Ministry of Power, Government of India dated June 25, 2024.	Appointed as Director (Finance) by President of India through Ministry of Power for a period from the date of his assumption of charge of the post till the date of his superannuation or until further orders, whichever is the earlier.
Remuneration	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment.	As per standard terms of appointment issued by President of India through Ministry of Power.
Expertise in Functional Areas	He is a chartered accountant with a degree in law (LLB). He joined PFC in 1990 and was working as Executive Director (In charge) of Commercial Division before assuming charge as Director (Commercial), PFC. He has more than 32 years of experience in power sector. In PFC, he has handled multiple areas & domains including institutional appraisal & development, entity appraisal, legal & documentation, taxation, budget, audit, preparation of financial statements & audit reports, financial analysis, resource mobilization, debt syndication and consultancy assignments on financial/ commercial aspects in power sector.	He is posted as Joint Secretary in the Ministry of Power, Government of India. He has been 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 a distinguished career spanning over 34 years in the power and financial sectors. Before his appointment as Director (Finance), he was Executive Director (Finance) since January 1, 2020 and is holding the position of Chief Financial Officer (CFO) PFC. Throughout his tenure at PFC, he has held various positions within the finance function, consistently demonstrating his expertise and contributing significantly to the company's success and profitability. He is a proven leader with a strong track record of managing cross-functional teams, fostering innovation to enhance customer and employee experiences, and solidifying PFC's market position. His diversified experience encompasses fund mobilisation, cash management, asset-liability management, lending operations, stressed asset management, policy formulation, tax planning, financial accounting and management control system.

Name	Shri Manoj Sharma	Shri Shashank Misra	Shri Sandeep Kumar
	He is overall in-charge of Commercial Division which is responsible for Appraisal of State Sector Utilities, Promoter Appraisal in Private Sector, Integrated Rating & Ranking of Distribution Utilities, Legal matters, Capacity Building, Administration, Public Relations, CSR and Rajbhasha. He is guiding the RDSS function in performing the nodal agency's role, thus enabling the implementation of RDSS scheme in States/UTs allocated to PFC, with an objective to improve operational efficiencies and financial sustainability of the power distribution sector. He is engaged with various MoP assignments aimed at institutional development of power sector. During the last 3 decades, he has been associated with entire spectrum of PFC's loan assets, covering formulation of lending policies, putting in place a policy framework to guide appraisal with a structured format for financial analysis, compliance with applicable regulatory and statutory frameworks, monitoring conditions, facilitating disbursement, resolution mechanism for stressed accounts, etc. He is Chairman of PFC Projects Ltd., a subsidiary of PFC, an SPV for submission of lenders' backed resolution plan by PFC for resolution of stressed assets. He is also representing PFC as Nominee Director on the Board of REC Ltd.		He has been pivotal in implementing systemic improvements such as IT transformation, loan disbursement procedures, Ind-AS implementation and loan recovery guidelines & has also been instrumental in managing the non-capex loan portfolio, executing Government Schemes like LIS & LPS and advancing PFC's Environmental, Social and Governance (ESG) initiatives.
Number of Meetings of the Board held during the tenure and number of Board Meetings attended	15/16	NA	NA
Relationship with any other Director, Manager and other KMP of the Company	NIL	NIL	NIL
Number of shares held in the company	NIL	NIL	15,575
Directorship in other companies	• REC Limited • PFC Projects Limited • Jharkhand Infrapower Limited • PFC Consulting Limited • Bihar Mega Power Limited • Deoghar Mega Power Limited • PFC Infra Finance IFSC Limited	REC Limited	• Kanpur Electricity Supply Company Limited • Purvanchal Vidyut Vitran Nigam Limited • Dakshinanchal Vidyut Vitran Nigam Limited • Pashcimananchal Vidyut Vitran Nigam Limited • U.P Power Corporation Limited • Madhyanchal Vidyut Vitran Nigam Limited • Northern Power Distribution Company of Telangana Limited • Orissa Integrated Power Limited • Odisha Infrapower Limited
Chairman/Membership of committees* across all public companies (as on the date of Notice)	**REC Limited** • Audit Committee • Stakeholders' Relationship Committee	NIL	**Power Finance Corporation Ltd** • Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee
Details of listed entities from which resigned in the past three years	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, was appointed as Chairman and Managing Director, Power Finance Corporation Limited (PFC) w.e.f. August 14, 2023 and was holding additional charge of Director (Finance) till July 10, 2024. Previously, she was holding the additional charge of Chairman and Managing Director (CMD) w.e.f June 01, 2023.

She has over 36 years of varied experience in Power and Financial Sectors. As the Chairman and Managing Director, she is providing impetus to PFC's crucial role of 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 funding of Electric Vehicles, Bio fuels, hybrid renewables, renewable equipment manufacturing etc. and has emerged as the principal financier of clean energy projects. She is also playing a critical role in implementation of key power sector initiatives of the Government of India including Revamped Distribution Sector Scheme (RDSS) and Late Payment Surcharge (LPS) rules.

Prior to being appointed as Chairman and Managing Director, Smt. Chopra held the post of Director (Finance) since July 07, 2020, where she facilitated robust financial performance of PFC. 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 rolled out 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 is in a unique position to leverage the rare blend of experience in Power and Financial Sectors and lead PFC's transformational journey.

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

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

Shri Rajiv Ranjan Jha
Director (Projects)
DIN: 03523954

Shri Rajiv Ranjan Jha, aged 58 years has been working with Power Finance Corporation Limited (PFC) since March 1997. He has been holding Charge of Director (Projects) since October 28, 2021.

He holds a Bachelor Degree in Science (Mechanical Engg.) from NIT Jamshedpur of Ranchi University and a Diploma in Management from IGNOU. He has overall 36 years of experience and had been holding the position as Executive Director (Projects), PFC since May 27, 2019. Previously, he has been handling the PFC's loan portfolio in Western Region including State Sector Coordination Work in the States of Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh and Goa. He has earlier handled the entire loan portfolio in Consortium Lending with PFC as lead FI. He has also handled the entire Renewable Energy loan portfolio of PFC. He has also worked on Project Appraisal (especially for Independent Private Power Projects) & Ultra Mega Power Projects in PFC. He has also been instrumental in resolution of stressed assets which led to reduction in net NPA of PFC over the years.

He is overall in-charge of Projects Division which is responsible for Business Development & Project Finance functions entailing Appraisal & Structuring, Risk Analysis, Disbursement & Credit Monitoring, Policy, and handling of Stressed Assets. Also spearheaded PFC efforts in supporting MoP for Implementation of LPS & system driven data compilation via Praapti Portal, Consultant Empanelment for Third Party Sampling of Coal, Shakti B (v) (member of Steering Committee and Bid Evaluation Committee), Strategy Preparation for Import of Coal, Pan India Stressed Asset Monitoring, amongst others.

Before joining PFC, he has worked with Visakhapatnam Steel Plant from November 1988 to February 1997 and dealt with Operation and Maintenance of their coal based Captive Power Plant and also in Material Planning.

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

Shri Manoj Sharma
Director (Commercial)
DIN: 06822395

Shri Manoj Sharma, 58 years, is a chartered accountant with a degree in law (LLB). He joined PFC in 1990 and was working as Executive Director (In charge) of Commercial Division before assuming charge as Director (Commercial), PFC. He has more than 33 years of experience in power sector. In PFC, he has handled multiple areas & domains including institutional appraisal & development, entity appraisal, legal & documentation, taxation, budget, audit, preparation of financial statements & audit reports, financial analysis, resource mobilization, debt syndication and consultancy assignments on financial/commercial aspects in power sector.

He is overall in-charge of Commercial Division which is responsible for Appraisal of State Sector Utilities, Promoter Appraisal in Private Sector, Integrated Rating & Ranking of Distribution Utilities, Legal matters, Capacity Building, Administration, Public Relations, CSR and Rajbhasha. He is guiding the RDSS function in performing the nodal agency's role, thus enabling the implementation of RDSS scheme in States/UTs allocated to PFC, with an objective to improve operational efficiencies and financial sustainability of the power distribution sector. He is engaged with various MoP assignments aimed at institutional development of power sector.

During the last 3 decades, he has been associated with entire spectrum of PFC's loan assets, covering formulation of lending policies, putting in place a policy framework to guide appraisal with a structured format for financial analysis, compliance with applicable regulatory and statutory frameworks, monitoring conditions, facilitating disbursement, resolution mechanism for stressed accounts, etc. He is Chairman of PFC Projects Ltd., a subsidiary of PFC, an SPV for submission of lenders' backed resolution plan by PFC for resolution of stressed assets. He is also representing PFC as Nominee Director on the Board of REC Ltd.

Shri Manoj Sharma holds nil equity shares in the Company.

Shri Sandeep Kumar
Director (Finance)
DIN: 08529035

Shri Sandeep Kumar has assumed the charge of Director (Finance) at Power Finance Corporation Limited (PFC) w.e.f. 11 July 2024 on appointment by Govt. of India. Before this appointment, he was Executive Director (Finance) at PFC since 01.01.2020 and is holding the position of Chief Financial Officer (CFO), PFC.

Shri Sandeep Kumar has a distinguished career spanning over 34 years in the power and financial sectors. He holds a Bachelor's degree in Commerce (Honours) and is a Fellow Member of the Institute of Chartered Accountants of India. Throughout his tenure at PFC, he has held various positions within the finance function, consistently demonstrating his expertise and contributing significantly to the company's success and profitability.

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

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

Shri Shashank Misra
Government Nominee Director
DIN:08364288

Shri Shashank Misra is an IAS Officer (Madhya Pradesh: 2007) and holds B. Tech degree in Electrical Engineering from IIT Delhi. Presently, he is posted as Joint Secretary in the Ministry of Power, Government of India. He was appointed as Government Nominee Director on the Board of Power Finance Corporation Limited (PFC) by Ministry of Power, Government of India w.e.f. 25.06.2024. He is also a Government Nominee Director on the Board of REC Limited. Prior to joining in Ministry of Power, he has served in Department of Revenue, Ministry of Finance, Government of India.

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

Shri Shashank Misra holds nil equity shares in the Company.

Shri Bhaskar Bhattacharya
Independent Director
DIN: 09406292

Shri Bhaskar Bhattacharya, 66 years, is an Honours Graduate in Commerce and Bachelor degree in Law. He also holds a Post Graduate Diploma in Business Management. He has been acting as an Advocate for more than 29 years. He is the Ex- Chairman of Hooghly Tax Advocates Bar Association and Member of West Bengal Taxation Tribunal. He has also worked as a Gen-Secretary in a NGO named Nibedan.

Shri Bhaskar Bhattacharya holds nil equity shares in the Company.

Smt. Usha Sajeev Nair
Independent Director
DIN: 09408454

Smt. Usha Sajeev Nair, 47 years, holds a graduation degree in Bachelors of Arts. She is a female entrepreneur engaged in her own business in Dadra and Nagar Haveli and Daman and Diu providing employment and support to a number of families for quite some time now. Besides this, she is actively engaged in social work for upliftment of needy people. In the period of COVID pandemic, She together with her support team provided food, medical supplies, masks, sanitizers, gloves etc to people in distress. She is also engaged in raising women issues, support to old and homeless people and orphans.

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

Shri Prasanna Tantri
Independent Director
DIN: 06471864

Shri Prasanna Tantri, 42 years, holds a B.Com degree from Mangalore University and is a qualified Cost Accountant. He has also done Fellow Programme Management and Post Graduate Programme in Management from Indian School of Business and also holds a Ph.D from Deakin University. At present, he is an Associate Professor in the Finance area at the Indian School of Business and Executive Director of the Centre for Analytical Finance at ISB. His research areas include- banking, financial inclusion, financial contagion, regulation, and the relationship between politics and finance.

Shri Prasanna Tantri holds nil equity shares in the Company.

Report of the Board of Directors' FY 2023-24

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the 38th Annual Report of your Company for the Financial Year ended March 31, 2024, along with the Audited Standalone and Consolidated Financial Statements and Auditor's Report thereon.

The year 2023-24 was excellent for your Company as it demonstrated remarkable resilience to achieve significant milestones in operational and financial performance. Your Company has played an important part in accelerating the progress of the Indian economy, which was amongst the fastest growing economies in 2023-24. The performance highlights of your Company for the financial year 2023-24 are briefly mentioned here to give an overview of accomplishments on all fronts:

1. PFC'S DYNAMIC GROWTH AND FINANCIAL ROBUSTNESS: DRIVING FORCE FOR SUSTAINABLE FUTURE

i. FINANCIAL EXCELLENCE (STANDALONE) - OPTIMISING SHAREHOLDER GAINS

- Highest Profit making NBFC in India in FY2023-24 with 24% increase registered in Profit After Tax from ₹11,605 crore in FY2022-23 to ₹14,367 crore in FY2023-24.
- Networth increased by 16% on account of increasing profits i.e. ₹79,203 crore as at March 31, 2024 vs. ₹68,202 crore as at March 31, 2023.
- The Board of Directors of the Company has recommended final dividend (₹825.03 crore) @ 25% on the paid up equity share capital i.e. ₹2.50 /- per equity share of ₹10/- each for the FY2023-24, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company had also paid interim dividend (₹3,630.11 crore) of ₹11.00 /- per equity share of ₹ 10 /- each during FY2023-24. Thus, the total dividend declared for the FY2023-24 is (₹4455.14 crore) i.e. ₹13.50/- per equity share of ₹10 each.
- In September 2023, the Company issued bonus equity shares in the ratio of 1:4, i.e. 1 new equity share of ₹10/- each for every 4 equity shares and consequently issued 66,00,20,352 new equity shares of ₹10/- each.
- 36% year on year increase in 54EC bonds portfolio with 54EC bonds-a low-cost fund avenue available to PFC of ₹8,994 crore as on March 31, 2024 vs. ₹6,600 crore as on March 31, 2023

ii. PERSISTENT AND CONTINUOUS OPERATIONAL ADVANCEMENT

- 14% double digit growth recorded in loan asset book with ₹4,81,462 crore as on March 31, 2024 vs. ₹4,22,498 crore as on March 31, 2023 and 49% increase in disbursement, from ₹85,756 crore in FY2022-23 to ₹1,27,656 crore in FY2023-24
- Renewable loan asset portfolio crossed ₹60,000 crore with 25% year on year growth in renewable loan book with ₹60,208 crore as on March 31, 2024 vs. ₹48,198 crore as on March 31, 2023.
- Stressed asset book reduced by more than 45% in the last 5 years with ₹16,073 crore as on March 31, 2024 vs. ₹29,540 crore as on March 31, 2019 i.e. decrease of 46% Net NPA Levels at 0.85% for FY2023-24.

iii. EXPANDING PFC'S BUSINESS AND MAINTAINING LONG-TERM GROWTH TRAJECTORY

- First Govt. NBFC to establish a foreign subsidiary 'PFC Infra Finance IFSC Limited' in IFSC GIFT City. This subsidiary has been setup as a Finance Company in IFSC. A landmark milestone which will open avenues in international lending space for PFC.
- Conducive regulatory environment: 100% tax exemption for 10 consecutive years; no GST applicable on services; exemptions in provisions of Companies Act, etc.
- IFSC entity will contribute to the growth of power and infrastructure sector by lending in foreign currency
- 37th in Fortune 500 India'2023

iv. STRONG CONSOLIDATED PERFORMANCE YEAR ON YEAR

- Highest ever PAT with an increase 25% i.e. ₹26,461 crore in FY2023-24 vs. ₹21,179 crore in FY2022-23.
- Growth of 16% in consolidated loan asset book. ₹9,90,824 crore as on March 31, 2024 vs. ₹8,57,500 crore as on March 31, 2023.
- Increase of 20% in consolidated net worth (Including Non-controlling interest) ₹1,34,289 crore as on March 31, 2024 vs. ₹1,11,981 crore as on March 31, 2023.
- The consolidated net NPA ratio at below 1%. The Net NPA ratio of 0.85% in FY2023-24 vs. 1.03% in FY2022-23. Gross NPA ratio of 3.02% in FY2023-24 vs. 3.66% in FY2022-23.
- PFC Group is the nodal agency for implementation of LPS Rules and has been instrumental in reduction of legacy dues of DISCOMs by more than 70%.

v. SOUND ASSET HEALTH

- Total provision of ₹11,963 crore towards Stage- III Loan Assets as at the end of FY2023-24 against ₹4,81,462 crore Total Gross Loan Assets. The Net Stage-III Assets stands at ₹4,110.70 crore as on March 31, 2024, which is 0.85% to the Total Gross Loan Assets.

- In addition to above, provision of ₹3,732.95 crore and ₹175.83 crore on Stage-I Loan Assets and Stage-II Loan Assets respectively is available as on March 31, 2024.
- The details of resolution plans implemented during FY2023-24:

Sr. No.	Name of Borrower	Principal O/s prior to date of Resolution (₹ in crore)
1	Mytrah Vayu Tungbhadra Private Limited	650.51
2	Dans Energy Private Limited	412.99

vi. ENHANCING SUSTAINABLE COLLABORATIONS

- First member from India to join Asia transition Finance Study Group.
- Collaborated with Council on Energy, Environment and Water (CEEW) to advance India's Net Zero Goal.
- Strategic tie up with Japan's New Energy and Industrial Technology Development Organisation (NEDO) to promote creation of environment friendly power supplies.

2. FINANCIAL SYNOPSIS

i. PROFITABILITY

(₹ in crore)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total Income	**46,034.10**	**39,665.63**	**91,174.87**	**77,625.19**
Profit Before Tax	**17,625.69**	**14,170.62**	**33,588.12**	**26,496.07**
Tax expenses	3,258.67	2,565.15	7,126.94	5,317.48
Profit After Tax	**14,367.02**	**11,605.47**	**26,461.18**	**21,178.59**
Owners of the Company			19,761.16	15,889.33
Non-Controlling Interests			6,700.02	5,289.36
Total Comprehensive Income	**15,755.48**	**11,445.80**	**28,893.91**	**20,047.88**
Owners of the Company			21,699.27	15,218.55
Non-Controlling Interests			7,194.64	4,829.33

ii. RESERVE & SURPLUS

(₹ in crore)

Particulars	Standalone		Consolidated*	
	2023-24	2022-23	2023-24	2022-23
Opening Balance of Surplus	12,648.64	8,863.49	18,236.28	12,757.10
Profit after tax for the year	14,367.02	11,605.47	19,761.16	15,889.33
Re-Measurement of Defined Benefit Plans	(4.27)	(2.68)	(4.66)	(5.04)
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	(712.12)	(529.39)	(1,074.12)	(529.39)
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	(2,804.90)	(2,372.31)	(4,419.18)	(3,780.27)
Transfer to Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	(2,873.40)	(2,321.09)	(4,349.20)	(3,484.93)
Transfer to Debenture Redemption Reserve	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Interest Differential Reserve - KFW Loan (net)	(2.18)	(0.90)	(2.18)	(0.90)
Dividends	(4,818.15)	(2,640.08)	(4,818.16)	(2,640.08)
Dividend Distribution Tax	-	-	-	-
Transfer from Debenture Redemption Reserve on account of utilisation	-	-	-	-
Transfer from OCI – Equity Instruments	-	-	-	-
Other Comprehensive Income / (Expense)	-	-	-	-
Reclassification of gain/loss on sale of equity instrument measured at OCI	164.76	46.13	190.02	48.77
Pooling of interest accounting for common control business combination	-	-	-	-
Impairment Reserve	(89.18)	-	(89.18)	-
Adjustments	-	-	(17.45)	(18.30)
Closing Balance of Surplus	**15,876.21**	**12,648.64**	**23,413.33**	**18,236.28**

* Attributable to owners of the Company (PFC)

3. OPERATIONAL SYNOPSIS

i. ASSET QUALITY

(₹ in crore)

Particulars	2023-24	2022-23
Gross Loan Assets	4,81,462	422498
Stage III Assets	16,073	16502
Provision on Stage III Assets	11,963	11999
Gross Stage III as % of Gross Loan Assets	3.34%	3.91%
Net Stage III as % of Gross Loan Assets	0.85%	1.07%

In addition to above, provision of ₹3,732.95 crore and ₹175.83 crore on Stage-I Loan Assets and Stage-II Loan Assets respectively is available as on March 31, 2024.

ii. KEY FINANCIAL RATIOS OF THE COMPANY FOR FY2023-24 VIS-À-VIS FY2022-23 ARE GIVEN BELOW:

Ratio	As at March 31, 2024	As at March 31, 2023	Remarks
Net Debt Equity Ratio	5.14	5.32	No significant change
Operating Margin %	38.27%	35.70%	
Net Profit Margin %	31.21%	29.26%	
CRAR %	25.41%	24.37%	
Return on Net Worth (%)	19.49%	18.20%	

iii. SANCTION / DISBURSEMENT (EXCLUDING RDSS/ IPDS/ R-APDRP)

During FY2023-24, your Company sanctioned loans to the tune of ₹2,82,269 crore, thereby registering an increase of 21% over the previous year's sanctioned amount of ₹2,31,625 crore. Loans disbursed during FY2023-24 were ₹1,27,656 crore, showing an increase of 48.86% over the previous year's disbursed amount of ₹85,756 crore.

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

(₹ in crore)

Sr. No.	SECTOR	FY2023-24		FY2022-23	
	Category	Sanctions	Disbursement	Sanctions	Disbursements
1	State sector	2,16,167	96,349	1,49,300	57,963
2	Central sector	14,648	1,459	26,704	3,063
3	Joint sector	8,804	5,855	19,418	2,300
4	Private sector	42,650	23,993	36,203	22,430
	Total	**2,82,269**	**1,27,656**	**2,31,625**	**85,756**

4. AWARDS & RECOGNITION

Environmental:

1. PFC secured the 3rd position in the "Swachhta Ranking" for offices in the NDMC area under Swachh Bharat Mission led by Hon'ble Prime Minister emphasising PFC's dedication to cleanliness and vision for a garbage free India.

2. PFC was conferred with the prestigious "Swachhta Pakhwada Award 2023" for its exemplary performance under Swachh Bharat Abhiyan.

Social & Governance

3. PFC was ranked 2nd among Central Public Sector Enterprises for procuring goods and services from MSME Businesses in the ₹10 crore to ₹100 crore range in the FY2022-23. This achievement highlights PFC's commitment to diversity and empowerment in procurement practices.

4. PFC secured SCOPE's Meritorious Award for "Best Managed Financial Institution" in the Institutional Category-I (Maharatna/Navratna PSEs). The award was presented by Shri Jagdeep Dhankar, Hon'ble Vice President of India.

5. PFC won the prestigious "South Asian Federation of Accountants (SAFA) Gold Award in Best Presented Accounts/Annual Report Awards (BPA) for the Financial Year 2021-22 in the 'Public Sector Entities' category.

6. PFC was conferred with the prestigious Indian Chamber of Commerce Award in the category of "Operational Excellence" at the 12th PSE excellence Awards.

Others

7. PFC was selected as India's "Leading Infrastructure Finance Company" at the BFSI & FinTech Summit 2024 by Dun & Bradstreet.

8. 'Rajbhasha Kirti' Puruskar for Best performance in Official Language - PFC won the prestigious 'Rajbhasha Kirti' third prize for the year 2022-23 in the category of Public Sector Undertakings in Region 'A' for best performance in the implementation of Official Language Policy.

5. BORROWINGS

i. BORROWINGS FROM DOMESTIC MARKET

During the FY2023-24, an amount of ₹84,846.19 crore was mobilized through domestic market as per the details given below:-

(₹ in crore)

Source	Amount
Private Placement of Unsecured Taxable Bonds	42,851.89
Term Loan from Banks & FIs	34,462.69
Commercial Paper	1966.13
Public Issue of Secured Taxable Bonds	2,824.48
54EC Capital Gain Tax Exemption Bonds	2741.00
Total	**84,846.19**

Further, for maintaining adequate liquidity, credit lines to the tune of ₹14,250 crore were sanctioned as on March 31, 2024 by various scheduled commercial banks to the Company for short-term funding generally without any commitment charges.

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

ii. EXTERNAL BORROWINGS

The foreign currency denominated borrowings during FY2023-24 are as follows:

(₹ in crore)

Sr. No.	Source	Amount
1.	Foreign Currency Term Loans	13,246.68
2.	Short-Term Loans in Foreign Currency	4,221.31
	Total	**17,467.99**

GREEN BONDS

PFC established its Green Bond Framework in October, 2017 as approved by Climate Bonds Initiative (CBI), London, UK. The Green Bond framework for funding renewable projects (viz. Solar and Wind) has been updated in August, 2021 to align with the latest set of guidelines namely Climate Bonds Standard version 3.0, the Green Bond Principles (GBP), 2021 issued by the International Capital Markets Association (ICMA). In this context, an agreement was executed between PFC & Climate Bonds Initiative.

PFC has issued its first USD Green bond in December, 2017 and raised US $400 million (₹2,575 crore) at a coupon of 3.75% and these bonds are listed on the London Stock Exchange's new International Securities Market (ISM) and Singapore Stock Exchange. Further, in September, 2021 PFC issued its first ever Euro Green Bonds amounting to EUR 300 million (₹2,597 crore) at a coupon of 1.841% and these bonds are listed on the 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 March 31, 2024, outstanding loan balances of Solar & Wind energy projects funded by PFC are ₹19,610 crore & ₹16,551 crore respectively. The total capacity of Solar & Wind energy projects funded by PFC and which are outstanding as on March 31, 2024 is 13,492 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, 2024 is as follows:

Source	Amount
KFW	EUR 80,815,756.91*
Credit National	EUR 1,114,888.62
ADB	USD 4,814,004.45

* Includes EUR 58,747,000.56 disbursed by KFW in FY2022-23 and EUR 17,763,829.26 in FY2023-24 under Discom Investment Facility (ODA Loan- Without Govt. Guarantee).

6. CREDIT RATING

Your Company has been assigned the highest ratings by Domestic Credit Rating Agencies and Sovereign Rating by International Credit Rating Agencies as at March 31, 2024:

Sr. No.	Rating Agency	Long-Term Rating	Short-Term Rating
Domestic Credit Rating Agencies (Borrowing Programme)			
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+
International Credit Rating Agencies (Issuer Rating)			
1.	Fitch Ratings	BBB-	
2.	Moody's	Baa3	

Your Company believes that these credit ratings enables us to develop strong relationship with our lenders and borrow funds at competitive rates.

7. MEMORANDUM OF UNDERSTANDING WITH GOVT. OF INDIA

Your Company has been consistently accorded 'Excellent' Rating by Government of India since FY 1993-94 except for two financial years. For the FY2022-23, your Company was accorded 'Excellent' rating. The rating for FY2023-24 is still awaited.

In FY2023-24, the achievement of your Company on some of the key MoU parameters (on standalone basis) has been: Revenue from Operations ₹46,022.46 crore, Loans Disbursed to Total Funds Available 99.98%, Overdue loans to Total Loans 0.05%, NPA to Total Loans 0.87%, and Cost of raising funds through Bonds as compared to similarly rated CPSEs (-)16.42 bps.

8. SUBSIDIARIES

A. REC LIMITED

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

During the FY2023-24, the total income of REC was ₹47,571 crore and the net profit was ₹14,145 crore on consolidated basis.

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, 2024 are also subsidiaries of PFC:

i. REC Power Development & Consultancy Ltd.
ii. Chandil Transmission Limited
iii. Dumka Transmission Limited
iv. Koderma Transmission Limited
v. Mandar Transmission Limited
vi. Meerut Shamli Power Transmission Limited
vii. Luhri Power Transmission Limited
viii. Neres XVI Power Transmission Limited
ix. Khavda II-D Transmission Limited
x. Jalpura Khurja Power Transmission Limited
xi. Kallam Transco Limited
xii. Rajasthan Part I Power Transmission Limited
xiii. Shongtong Power Transmission Limited
xiv. Khavda IV C Power Transmission Limited
xv. Khavda IV-E2 Power Transmission Limited
xvi. Khavda IV A Power Transmission Limited
xvii. Khavda V-A Power Transmission Limited
xviii. Rajasthan IV A Power Transmission Limited
xix. Rajasthan IV C Power Transmission Limited
xx. Rajasthan IV HI Power Transmission Limited
xxi. Rajasthan IV E Power Transmission Limited
xxii. Tumkur-II REZ Power Transmission Limited
xxiii. NERGS-I Power Transmission Limited
xxiv. Kankani Power Transmission Limited
xxv. ERES-XXXIX Power Transmission Limited

B. PFC CONSULTING LIMITED

Your Company had been offering consultancy support to the Power Sector through PFC Consulting Limited, its wholly-owned subsidiary. The Services offered by PFCCL are broadly in the following areas:

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

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

Further, during the FY2023-24, the total income of PFCCL is ₹267.07 crore and the net profit earned is ₹158.67 crore. The net worth of PFCCL as on March 31, 2024 is ₹239.49 crore.

Your Company is designated by Ministry of Power (MoP) as the 'Nodal Agency' for facilitating development of Ultra Mega Power Projects and its wholly-owned subsidiary i.e.

PFC Consulting Limited is the 'Bid Process Coordinator' for Independent Transmission Projects.

As on March 31, 2024, the subsidiaries of PFCCL incorporated as Special Purpose Vehicles (SPVs) are as follows:

1. Chhatarpur Transmission Limited
2. Siot Transmission Limited
3. Joda Barbil Transmission Limited
4. Ramakanali B -Panagarh Transmission Limited
5. Paradeep Transmission Limited
6. Gola B -Ramgarh B Transmission Limited
7. Khavda PS1 and 3 Transmission Limited
8. Pune- III Transmission Limited
9. Barmer I Transmission Limited
10. KPS III HVDC Transmission Limited
11. Sirohi Transmission Limited
12. Beawar - Mandsaur Transmission Limited
13. South Olpad Transmission Limited
14. Bhadla-III & Bikaner-III Transmission Limited
15. Jamnagar Transmission Limited
16. Bhuj II Transmission Limited
17. Angul Sundargarh Transmission Limited

C. PFC INFRA FINANCE IFSC LIMITED

PFC Infra Finance IFSC Limited was incorporated on February 11, 2024 as wholly-owned subsidiary of Power Finance Corporation Limited. Your Company is the first Govt. NBFC which has established a subsidiary in the International Financial Services Centre (IFSC) at GIFT City, Gujarat. This subsidiary has been setup as a Finance Company in IFSC. IFSC provides a unique platform to access global capital and expertise, which will enable your Company to provide even more efficient and innovative financing solutions to the clients. PFC's entry into the IFSC shall open up new business opportunities and establish its global presence. This Company will focus on providing financial solutions for infrastructure projects across various sectors, including renewable energy. It will unlock avenues in international lending space and help in taking PFC's brand global.

D. PFC PROJECTS LIMITED

Coastal Karnataka Power Limited (CKPL), a wholly-owned company of PFC Ltd. was set up for developing the UMPPs in the State of Karnataka as per the mandate from GoI. Accordingly, CKPL's MoA was amended to enable Bidding in lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL).

E. OTHER SUBSIDIARIES ESTABLISHED FOR DEVELOPMENT OF UMPP'S

i. Coastal Tamil Nadu Power Limited
ii. Orissa Integrated Power Limited
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

9. PROACTIVE RISK MANAGEMENT THROUGH A MULTI LAYERED RISK FRAMEWORK

i. ASSET LIABILITY MANAGEMENT

Your Company has put in place a sound and robust Asset Liability Management Policy formulated in line with the RBI's guidelines to establish focus on liquidity and interest rate risk management process in PFC. Measurement and monitoring of Liquidity risk is done through cash flow approach; and for Interest rate risk, it is done through traditional gap analysis technique as detailed in RBI guidelines. Such analysis is made on periodical basis in various time buckets and is used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates. The details of the asset liability management maturity pattern are given at Note No. 53.1 of the Notes to Accounts of the Standalone Financial statements forming part of this Annual Report.

ii. FOREIGN CURRENCY RISK MANAGEMENT

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

As on March 31, 2024, the total o/s foreign currency liabilities stand at USD eqv 8,736 mn, and the borrowings denominated in different currencies are USD 6,940 mn, JPY 2,09,309 mn & EUR 382 mn. Out of the total foreign currency borrowing portfolio 88% is hedged i.e. USD eqv 7,694 mn. Also, 93% of the FC portfolio with residual maturity up to 5 years is hedged.

iii. INFORMATION SECURITY RISK MANAGEMENT

Your Company has in place an IT Strategy Committee in compliance with the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance

Practices for the NBFC sector, The Committee reviews the IT strategies in sync with the corporate strategy & Board policy, and monitors the IT risks, controls, cyber security arrangements and other matters related to IT Governance ensuring an effective and robust system in place. In line with the RBI Master Direction for NBFCs, your Company has implemented its IT policy and other policies on Change Management, Information Security, Business Continuity Management and Cyber Security.

iv. INTEGRATED ENTERPRISE WIDE RISK MANAGEMENT

In order to manage risks faced by your Company, it has put in place an Integrated Enterprise Wide Risk Management Policy (IRM policy). For implementation of the policy, your Company has constituted the Risk Management Committee. Under the IRM policy, the Company has to identify the principal risks which may have an impact on its profitability/revenues. In this regard, the Company has identified 11 significant risk parameters which arise from the Company's business model and from its use of financial instruments. These risk parameters cover the major operational risks, financial risks, market risks, regulatory risks etc. faced by the Company and are regularly assessed as per the Risk Assessment Criteria. Further, the Company also maintains a risk register which serves as repository of relevant information related to various risks.

10. PFC A STRATEGIC PARTNER OF GOVT. OF INDIA IN BRINGING POWER SECTOR REFORMS

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 vide OM dated 20.07.2021 has conveyed sanction of President of India for implementation of "Revamped Distribution Sector Scheme (RDSS) – A Reforms-based and Results-linked, Distribution Sector Scheme" 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 REC (PFC's subsidiary) 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 implementation period of the Scheme is 5 Years (FY2021-22 to FY2025-26). The Scheme has an outlay of ₹3,03,758 crore with an estimated gross budgetary support of ₹97,631 crore from the GoI.

Financial Assistance under RDSS:

For States allocated to PFC, projects for loss reduction and metering have been sanctioned for 24 Distribution Utilities across 13 States. Details as on March 31,2024 are tabulated below:

(₹ in crore)

Project	Approved Cost	GoI Component (GBS)	GoI Grant Disbursement^
Metering	56,691	10,401	5
Loss Reduction	56,183	34,903	3,304
Total	**1,12,874**	**45,304**	**3,308**

^In addition, MoP has also disbursed ₹158 crore for other than the Project activities e.g. nodal agency fee (₹ 38 crore), training & capacity building etc.

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

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

Core Activities

- Overall facilitation and Programme management including appraisal of projects, quality monitoring, monitoring compliance of scheme guidelines, resolving queries of DISCOMs 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.

Supporting Activities for allied programmes of GoI

- Co-ordinating with DISCOMs/ CEA/ MoP for State Sector Distribution Projects covered under National Infrastructure Pipeline (NIP)
- Sanction and monitoring of electrification of over 70,000 Particularly Vulnerable Tribal Groups (PVTG) households under PM JANMAN Programme being funded under RDSS.
- Facilitation with DISCOMs for Ease of Living (EoL) parameters; PM-KUSUM; Border area electrification; left-out household electrification; supply to BSNL Telecom towers in remote areas etc.

Other Concurrent Activities

- PFC is supporting the States by preparing Model Bidding Documents for Automation and ERP projects under RDSS; monitoring of implementation of SCADA systems; development of Integrated web portal for various government Schemes including RDSS; tie-up with multi-lateral agencies viz. ADB, KfW for funding under RDSS and USAID, GiZ etc. for training & capacity building of DISCOM personnel

Impact of RDSS in Power Distribution Sector

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

- Tariff orders are being issued regularly.
- Reduction in Average AT&C loss of distribution utilities in country from 22.3% in FY 21 to 15.4% in FY 23.
- For FY 22 and FY 23, there has been an improvement in the average revenue realisation by the DISCOMs.
- Quarterly accounts are now being submitted regularly.
- Timely payments of subsidy and Govt. department dues by State Governments have also contributed to increased revenue.
- Over 100% receipt of Subsidy by DISCOMs for the 2nd consecutive year.
- Scheme also places strong emphasis on enhancing consumer satisfaction with improvement in service quality, leading to increased consumer trust and loyalty.

Integrated Power Development Scheme (IPDS) (including R-APDRP subsumed)

The erstwhile Scheme of IPDS (including R-APDRP subsumed) launched by Ministry of Power, Government of India in order to provide impetus to strengthening of power distribution sector, consumer/system metering, IT enablement of distribution sector, Digital technology initiatives, new & innovative technologies etc. in urban areas were subsumed in RDSS Scheme. The Schemes have been Sunset in March, 2022.

Achievements of IPDS (including R-APDRP subsumed)

- The Schemes have helped in making a difference in the lives of around 10 crore urban electricity consumers living in 3,600 towns across the country where the Power Distribution infrastructure has been upgraded.
- IT and Technical interventions coupled with administrative and other measures undertaken under the Schemes have helped in improvement of Billing/Collection efficiency for reduction in Aggregate Technical and Commercial (AT&C) losses.
- There has been an increase in transparency by way of capturing of data from ~36,000 urban feeders (11 kV) in IT enabled towns on Urban Distribution Monitoring System under National Power Portal.
- Real Time Data Acquisition System has been set up covering around 15,000 feeders for capturing data w.r.t. reliability indices at feeder level.
- 92 Gas Insulated Substations (GIS) & Hybrid PSS have been commissioned/upgraded. Such substations have been set up for the first time in Bihar, Karnataka, UP and NER States.
- Around 10 lakh Smart/Prepaid Meters have been installed in the country under IPDS.
- '1912' – Short-code for 'Complaints on Electricity' was made operational in all DISCOMs.
- Capacity building/training of Utility personnel has also been carried out using Digital means under IPDS/ R-APDRP to enhance their skill through workshops/ webinars on AT&C loss reduction, smart metering, project management, guidelines, best practices etc.

Thus, your Company is contributing towards improving operational efficiency and financial health of Power Distribution Sector of the Country.

ii. LATE PAYMENT SURCHARGE RULE, 2022

Ministry of Power (MoP) vide Gazette Notification dated June 03, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

Your Company has been designated by MoP as the Nodal Agency for implementation of LPS Rules, 2022. PFC shall be responsible for all the activities related to implementation of the said Rules including regular review and monitoring.

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

With the implementation of Electricity (LPS and Related Matters) Rules, 2022, remarkable improvement has been seen in recovery of outstanding dues of suppliers including Generating Companies, Transmission Companies and Traders. Against legacy dues of ₹1,39,947 crore as on June 3, 2022, 13 States/UTs have paid instalment of ₹1,00,724 crore (22 EMIs) up to May 2024 i.e. 72% 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 ₹39,223 crore and as on date there is no default in payment of instalments for legacy dues by States.

In view of provision of regulation under LPS Rules, 2022, the Distribution companies are paying their current dues in time. Since implementation of the rule, as on May 07, 2024, total bills amounting to ₹8,47,611 crore have been settled against total billed amount of ₹9,21,183 crore from May 2022 (excluding EMI Payments against legacy dues and including Disputed Invoices).

iii. INDEPENDENT TRANSMISSION PROJECTS (ITPs)

MoP has initiated Tariff Based Competitive Bidding Process (TBCB) for development and strengthening of transmission system through private sector participation. Mop designated PFC Consulting Ltd. as Bid Process Coordinator (BPC)

The objective is to develop transmission capacities in India and to bring in the potential investors after preliminary works like survey, route identification, etc.

As on March 31, 2024, 77 SPVs (69 are related to inter-state transmission scheme and 8 are related to intra-state transmission scheme), 2 by your Company and other 75 by its wholly-owned subsidiary (PFC Consulting Ltd.) have been established for ITPs.

Further, during the FY23-24, following SPVs established for development of transmission projects has been transferred to the successful bidders selected through TBCB:

i. Ananthpuram Kurnool Transmission Limited

ii. Fatehgarh III Beawar Transmission Limited

iii. Beawar Dausa Transmission Limited

iv. Fatehgarh III Transmission Limited

v. Bhadla III Transmission Limited

vi. Fatehgarh IV Transmission Limited

vii. Bikaner III Neemrana Transmission Limited

viii. Bikaner III Neemrana II Transmission Limited

ix. Neemrana II Kotputli Transmission Limited

x. Neemrana II Bareilly Transmission Limited

xi. Koppal II Gadag II Transmission Limited

xii. Halvad Transmission Limited

xiii. Vataman Transmission Limited

xiv. Tirwa Transmission Limited

xv. Jewar Transmission Limited

xvi. Solapur Transmission Limited

As on March 31, 2024, out of 77 SPVs, 55 SPVs (50 are related to inter-state transmission scheme and 5 are related to intra-state transmission scheme) were transferred to the successful bidders. Further, due to de-notification of schemes by MoP, 5 SPVs were closed.

iv. ULTRA MEGA POWER PROJECT (UMPP)

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

PFC Consulting Limited (a wholly-owned subsidiary of PFC) along with MoP and CEA undertake preliminary site investigation activities, land acquisition activities, site specific studies to obtain appropriate regulatory and other approvals for land, water, coal block, environment etc. necessary to conduct catalyst of the bidding process. The successful bidder is then expected to develop and implement these projects.

Your Company incorporated a total of 19 Special Purpose Vehicles (SPVs) as its wholly-owned subsidiaries for 14 UMPPs. Out of these, 4 UMPPs are awarded and 4 UMPPs are closed.

In reference to closed UMPPs, SPVs namely Tatiya Andhra Mega Power Ltd. (2nd Andhra UMPP), Coastal Maharashtra Mega Power Ltd. (Munge UMPP) and Chhattisgarh Surguja Power Ltd. (Chhattisgarh UMPP) are striked-off from the records of RoC in FY22-23. Further, SPV namely Coastal Karnataka Power Ltd. (Karnataka UMPP) is being utilised by PFC for bidding reg. stressed projects (name of the SPV changed to PFC Projects Ltd.).

It was deliberated in MoP that UMPPs may be closed in view of the country making energy transition. Further, MoP directed PFC to take necessary action for closure of 6 UMPPs. Accordingly, PFC/PFCCL has initiated the process.

11. INITIATIVES FOR MONITORING DISCOM'S PERFORMANCE

i. ANNUAL INTEGRATED RATING OF STATE DISTRIBUTION UTILITIES

Ministry of Power has taken various reform initiatives, to bring about improvements in the Distribution Sector and has put in place an Integrated Rating Methodology for an objective evaluation of performance of Distribution Utilities. The objective of the Integrated Rating is to rate all utilities in the power distribution sector based on their financial performance and their ability to sustain the performance level. Private Distribution Utilities and Power Departments are also being included to provide complete sectoral coverage.

The methodology adopted attempts to objectively adjudge the performance of distribution utilities against various parameters broadly classified under i) Financial Sustainability parameters ii) Performance Excellence parameters and iii) External Environment parameters. For the introduction of Power Departments in the rating exercise, a subset of metrics with modified weightages from the overall methodology have been utilised for rating.

These ratings were carried out by the reputed consultant M/s. McKinsey & Company and co-ordinated by your Company. These ratings are immensely beneficial as a diagnostic tool in the hands of the State Governments as well as Utilities to build on their strengths and work on areas requiring improvements so as to improve their operational efficiency and financial sustainability. Twelfth Integrated Ratings for FY2022-23, covering 72 Utilities/ departments across the country and *inter se* ranking of the Utilities was released by the Hon'ble Minister of Power, New & Renewable Energy on March 11, 2024.

ii. ANNUAL PERFORMANCE REPORT OF POWER UTILITIES

PFC publishes the Report on Performance of State Power Utilities on an annual basis. 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 covers distribution utilities in all the States and UTs of India including major private distribution utilities and all State Gencos/ Transcos/ Trading utilities, offering a comprehensive insight into the performance of the Indian Power Sector.

The report for the period 2020-21 to 2022-23 with inputs received from the state power utilities up to April 2024 has been published.

iii. CATEGORISATION OF UTILITIES

For purposes of funding, your Company classifies State Power Generation and Transmission entities into A++, A+, A, B and C 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/gradings 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 on the basis of recommendations of the Internal Committee 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.

12. OTHER MAJOR INVESTMENTS

i. POWER EXCHANGE INDIA LIMITED

Power Exchange India Limited (PXIL) is India's first institutionally promoted Power Exchange that provides innovative and credible solutions to transform the Indian Power Markets. PXIL, provides nation-wide, electronic exchange for trading of power and handles power trading and transmission clearance, simultaneously, it provides transparent, neutral and efficient electronic platform. PXIL offers various products such as Day Ahead, Day Ahead Contingency, Any Day, Intra Day and Weekly Contracts. PXIL provides trading platform for Renewable Energy Certificates. PFC's investment in equity shares of PXIL as on March 31, 2024 is ₹3.22 crore. PFC's investment value as on March 31, 2024 is ₹4.78 crore.

ii. ENERGY EFFICIENCY SERVICES LIMITED

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. The shareholding of your Company (along with its subsidiary REC) as on March 31, 2024 is 21.49%.

iii. 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.

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 ₹567.46 crore in April 2016 during disinvestment by GoI through offer for sale route. PFC has sold 14,28,62,859 number of equities shares till March 31, 2024. As on March 31, 2024 PFC holds 11,76,79,192 shares of NHPC Limited valued at ₹1,055.58 crore. NHPC has reported profit after tax of ₹3,745 crore for the financial year 2023-24 as compared to Profit after Tax of ₹ 3,834 crore for Financial year 2022-23.

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, 2023, PFC holds 1,39,64,530 equity shares of Coal India Limited valued at ₹606.20 crore. CIL has reported profit after tax of ₹15,766.83 crore for the financial year 2023-24 as compared to Profit after Tax of ₹14,802 crore for Financial year 2022-23.

13. PRESIDENTIAL DIRECTIVES

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

14. RIGHT TO INFORMATION: EMPOWERING CITIZENS THROUGH TRANSPARENT COMMUNICATION

The Right to Information is a fundamental right under the Constitution of India. The basic object of the Right to Information Act is to empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense. It goes without saying that an informed citizen is better equipped to keep necessary vigil on the instruments of governance and make the government more accountable to the governed. The Act is a big step towards making the citizens informed about the activities of the Government. 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.

An elaborate mechanism has been set up in PFC to deal with requests received under the RTI Act, 2005. PFC has implemented the Right to Information Act, 2005 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) 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.com) of the Company. During the period from April 01, 2023 to March 31, 2024, all 120 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.

15. CORPORATE SOCIAL RESPONSIBILITY

The aim of PFC's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Corporation becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.

PFC has implemented its CSR and Sustainability Policy with all its earnest and zeal. To oversee the activities of CSR, PFC has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

PFC has implemented wide range of activities in the field of Environment Sustainability, Rehabilitation and Reconstruction Activities, Healthcare, Education, Sports, Sanitation & Drinking water and Skill development & Livelihood, Rural Development etc. Further, as per DPE's mandate, PFC has also been contributed to thematic areas i.e. 'Health & Nutrition'.

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

16. HR INITIATIVES

CAPACITY BUILDING:

Investing in employee capacity building is crucial for achieving our strategic objectives and maintaining a competitive edge. During FY2023-24, the focus on conducting customised programmes was maintained to ensure specific skill development aligned with the corporate goals.

The programmes on critical areas including Environmental, Social and Governance (ESG), AML, KYC, CFT, General Management Programmes, Stressed Asset Resolution under the Insolvency & Bankruptcy Code, 2016, Public Procurement through GeM Portal, Advanced Excel, Conduct, Discipline & Appeal (CDA) Rules of PFC, etc. were organised along with other need-based programmes.

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

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

Your Company nominates senior executives in Leadership development programmes of premier management institutes like IIMs to equip them with skills to take on leadership roles.

During the year a total of 2484 man-days training were achieved through conducting various in- house programmes and sponsoring PFC employees to the programmes organised by other external training agencies.

EMPLOYEE ENGAGEMENT ACTIVITIES

A dedicated employee engagement Portal viz. Portal for Enhancing Engagement, Promote Awareness & Learning (PEEPAL) has been created for all employees to increase Information/Knowledge sharing within the organisation and increase employee engagement and inclusiveness.

The Knowledge Sharing Platform initiative was commenced in the year 2023 with the aim of fostering a culture of continuous learning and collaboration within PFC. This initiative aims to develop employees' communication skills, subject matter expertise, facilitate cross-functional knowledge exchange and enhance overall organisational performance. The sessions conducted on this platform are readily available in form of presentations/recordings on the PEEPAL portal for wider dissemination of knowledge.

PFC is a founding member of Power Sports Control Board (PSCB). PFC employees participated with full vigour and enthusiasm in various Inter-CPSU sports tournaments like Badminton, Chess, Carrom, Table Tennis & Cricket organised by the PSCB member organisations during the FY2023-24. PFC Men's team has won 1st prize in Carrom tournament and PFC Women's team has won 3rd prize in Table Tennis tournament.

PFC also celebrated its Foundation Day for its employees & their family member on July 16, 2023 at JLN Stadium, New Delhi.

TALENT MANAGEMENT

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

The Industrial Relations within the Company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the Company. There were no man-days lost during the year under review. Your Company recruited 57 executives in FY2023-24 and the attrition during the period from April 01, 2023 to March 31, 2024 was 0.75%.

EMPLOYEE WELFARE MEASURES

Your Company is committed to strive towards adopting the best management practices of the industry and take up new initiatives for enhancing the productivity of employees.

An effective package of employee welfare measures which include comprehensive insurance, medical facilities and other amenities lead to a healthy and productive workforce. During the period, several employee related policies and facilities like TA rules, Promotion policy, Service rule etc. were reviewed and revised.

EMBRACING DIVERSITY & FOSTERING INLCUSION

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

i. Status of Reservation of Posts for various categories (as on March 31, 2024)

Group	Total Employees	SC[1]	SC%	ST[2]	ST%	OBC[3]	OBC%	EWS[4]	EWS%
A	529	97	18.33%	36	6.80%	109	20.60%	8	1.51%
B	11	1	9.09%	1	9.09%	0	0.00%	0	0.00%
C	5	1	20.00%	1	20.00%	3	60.00%	0	0.00%
D	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**545**	**99**	**18.16%**	**38**	**6.97%**	**112**	**20.55%**	**8**	**1.46%**

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[5]/ PwBD[6] employees. The steps taken include due reservations and relaxation as applicable under the various directives for direct recruitment as well as for promotions. Separate Liaison officers have been appointed to look into the matter of reservations. PFC has uploaded dashboard about the details of backlog of any reserved post on career page of PFC website. During the year there was no backlog reserved post.

* Grievance redressal cell as per the statutory requirements are in place in the corporation.

[1]Scheduled Caste [3]Economically Weaker Section [5]Persons with Benchmark Disabilities

[2]Scheduled Tribe [4]Other Backward Classes [6]Ex-Servicemen

ii. Empowering diversity: Women's representation in workforce

Your Company has women in important and critical functional areas. Women representations have gone up across hierarchical levels. The Company provides equal growth opportunities for the women in line with Govt. of India philosophy on the subject. Women constitute 21.46% of the total work force.

Group	Total Employees as on March 31, 2024	Number of Women Employees	Percentage of overall staff strength
A	529	115	21.73%
B	11	1	9.09%
C	5	1	20.00%
D	0	0	0.00%
Total	**545**	**117**	**21.46%**

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. Ensuring a Secure Work Environment: Compliance With Sexual Harassment Prevention

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

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

a) Number of complaints filed during the financial year 2023-24-NIL

b) Number of complaints disposed of during the financial year 2023-24-NIL

c) Number of complaints pending as on end of the financial year 2023-24-NIL

17. VIGILANCE – ENHANCING TRUST AND ACCOUNTABILITY

The function of PFC's Vigilance Unit is to perform as an effective tool of the Corporation. During the Financial Year 2023-24, the Vigilance Unit has done preventive vigilance, by constantly emphasising on periodic & surprise inspections of various units. During the period, the Vigilance Unit has also issued instructions/operative guidelines to rationalise systems and procedures in order to eliminate gaps and confirming transparency in day to day operations. As a new initiative, the PFC has organised various outreach meetings for the vendors of the PFC, Regional office (South) and (West) and PFCCL to educate them about PIDPI, public procurement, latest trends in public procurement, integrity, ongoing changes etc. The vendors were sensitised about PIDPI by Vigilance Officials.

The Vigilance Unit carried out detailed investigation in respect of complaints registered during this period.

Power Finance Corporation Limited observed Vigilance Awareness Week from 30.10.2023 to 05.11.2023. On the occasion, banners showing observance of the Vigilance Awareness Week were displayed at the prime locations in and outside the office premises. Theme of Vigilance Awareness Week -2023 i.e. "Say no to Corruption; Commit to the Nation" was also displayed on desktops of all the employees of the corporation. Publicity of the event was also done through social media such as Facebook, Twitter (X) and Instagram. Vigilance Unit also provided link on intranet and PFC website for varied administration of e-pledge on Integrity.

During the week-long celebrations, the Vigilance Unit organised various competitions/events for employees such as Slogan writing competition, Poem Writing competition and Pictorial Competition on the subjects related to Vigilance. These competitions were open to all regular employees of this Corporation including those posted in the regional offices. The aim of these competitions was to stimulate the creativity, imagination and originality of the employees to enable them to come out with innovative ideas about dealing with Good Governance. As a part of sequence of events being held during 3 months VAW-2023 campaign, a training programme on Conduct, Discipline and Appeal Rules, workshop on "Ethics and Governance" and talk session on the topic "Vigilance Awareness" and "Say no to Corruption; Commit to the Nation was organised for the employees of the Corporation. The talk session was taken by Shri P. Daniel, Secretary, CVC, and Shri Pankaj Agarwal, Secretary Power in presence of senior officials of the Corporation. In addition to this, a workshop on PIDPI, Preventive Vigilance and PFC CDA Rules were organised by PFCCL for its employees on the subject of Preventive Vigilance. Shri R.N. Nayak, Ex-Director, CVC has taken the sessions. All the employees of PFCCL have actively participated in the event.

In compliance of the instructions of CVC, the sensitive posts in the Corporation have been identified and the concerned officers were rotated on a regular basis. Agreed lists and List of officers of Doubtful Integrity for the year 2024 were prepared in respect of corporate office at Delhi and regional offices at Mumbai and Chennai in consultation with the CBI. Prescribed periodical statistical returns were sent to CVC, CBI, MOP on time.

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

18. OFFICIAL LANGUAGE

PFC always gives utmost priority to Official Language Hindi in all its official working. It is a matter of great pride that PFC has been awarded the prestigious 'Rajbhasha

Kirti Puraskaar' 3rd Prize for the year 2022-23 (in Public Sector Category in Region 'A') by the Department of Official Language, Ministry of Home Affairs for its concerted efforts made towards implementation of Official Language Policy. The Prize has been received by PFC for consecutively 10th time.

PFC celebrated Hindi Day on September 14, 2023 and Hindi Month from September 14, 2023 to October 13, 2023 successfully. Six (6) competitions, viz. 'Hindi Tippan evam Aalekhan', 'Chitra Kuchh Bolte Hain', 'Rajbhasha Niti, Niyam Pratiyogita', 'Samanya Gyan Prashnottari Pratiyogita', Smaran Shakti Pratiyogita and 'Special Competition for Senior Executives' were conducted during the Hindi Month to encourage and motivate employees to continue working in Hindi. During Hindi Month, a Kavi Sammelan along with employee's performances was also organised on October 10, 2023 for PFC employees at Kamani Auditorium.

During the year, Seven (7) Hindi workshops were organised on various topics in which 364 employees participated. A Rajbhasha Sammelan was organised at Puri, Odisha for the Executive Directors and HoUs of the Corporation from May 05, 2003 to May 07, 2023. A Hindi Seminar was also organised on October 09, 2023 on the subject "Pracheen Bharat Aur Hindi" in which 55 employees participated. Apart from the competitions held during the Hindi month, Five (5) Hindi competitions, viz. 'Shabd Vyuh Bhedan Pratiyogita', 'Mera Desh, Meri Bhasha, Meri Pahchan', 'Shabd Manthan Pratiyogita', 'Samanya Gyan Hindi Pratiyogita' and a special competition on the occasion of World Hindi Day on January 10, 2024 were also conducted during the year in order to promote the usage of Official Language in which 266 entries were received from the employees. Review meetings with various units, internal inspections and Personal contact programme were conducted for the purpose of reviewing the Rajbhasha related work being done by these units and employees. To motivate the employees towards Hindi, the book "Kurukshetra" written by renowned poet and writer Ramdhari Singh Dinkar was distributed to all the employees.

The meeting of Hindi Advisory Committee, Ministry of Power was held on August 17, 2023. The meeting was presided over by Shri R. K. Singh, Hon'ble Minister of Power and New & Renewable Energy. During the meeting, the Corporation was honoured with "Rajbhasha Samman" for the year 2022-23 by the Hon'ble Power Minister for its significant contribution towards the implementation of the Official Language Policy and organising the meeting of Hindi Advisory Committee.

Inspections were carried out by the Northern Regional Implementation Office-1, (Delhi), Department of Official Language, Ministry of Home Affairs and the Ministry of Power on May 02, 2023 and May 18, 2023, respectively; regarding implementation of Official Language in the Corporation and they appreciated the efforts being made by PFC towards the same.

Four (4) issues of the house journal, "Urja Deepti", were published and uploaded on the PFC website as well as the website of the Department of Official Language, Ministry of Home Affairs. The house journal, "Urja Deepti", was awarded Second prize for "Shreshth Grih Patrika" among the magazines/journals published by the member undertakings of NARAKAS (Upkram-1) Delhi during January to December 2023 in the meeting held by NARAKAS (Upkram-1) on January 24, 2024.

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

19. 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) the Directors had selected such accounting policies 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) the Directors had taken proper and sufficient care 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 Directors had prepared the annual accounts on a going concern basis; and

(e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. AUDITORS

i. STATUTORY AUDITORS

Prem Gupta & Company, Chartered Accountants and Chokshi & Chokshi LLP, Chartered Accountants were appointed as Joint Statutory Auditors of the Company for FY2023-24 by the Office of the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY2023-24 and have given their report without any qualification, reservation, adverse remark or disclaimer. The copy of the audit report is annexed herewith.

ii. SECRETARIAL AUDIT

Your Company had engaged M/s. Mehta & Mehta, Company Secretaries as Secretarial Auditors for FY2023-24. Secretarial Audit Report is annexed herewith.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY2023-24 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.

21. DIGITISING GOVERNANCE PRACTICES BY LEVERAGING TECHNOLOGY

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

22. STATUTORY DISCLOSURES

i. Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY2023-24. The Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines.

   Further, Perpetual Debt Instruments (PDI) of ₹100.00 crore was issued by your company during FY2023-24.

ii. 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 FY2023-24.

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

vi. 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.

vii. The Company has not issued any stock options to the Directors or any employee of the Company during the FY2023-24.

viii. The Central Government has not prescribed the maintenance of cost records for the products/ services of the Company under the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, cost accounts and records are not required to be maintained by the Company.

ix. 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.

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

xi. The Independent Directors of the Company are nominated/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 nominated/appointed. In the FY2023-24 no new Independent Directors were appointed on the Board of PFC.

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

xiii. The Foreign exchange outgo for the FY2023-24 aggregated to ₹11,409.41 crore. The payments are majorly for the purpose of servicing principal and interest component of foreign currency borrowings. The Foreign exchange earnings for the FY2023-24 were nil.

xiv. Total expenditure for the FY2023-24 amounted to ₹28,408.41 crore as against total expenditure of ₹25,495.01 crore in FY2022-23. Out of it, finance cost amounted to ₹28,013.78 crore in FY2023-24 as compared to ₹23,282.57 crore in FY2022-23. This constituted 98.61 % of total expenses in FY2023-24. During FY2023-24, employee benefit expenses and other expenses were ₹242.72 crore and ₹166.11 crore respectively against ₹219.01 crore and ₹128.55 crore respectively in the previous year.

xv. 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.

xvi. The Annual Return of PFC for FY2022-23 is available on the link The Annual Return of PFC for FY2022-23 is available on the link https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Investors/Annual_Return/Annual_Return_22_23.pdf and for FY2023-24 it shall be made available on your Company's website www.pfcindia.com.

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

xviii. 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.

xix. 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.

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 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 procured products and services from MSEs, which constituted 69.82% of the total annual procurement value, against the mandate of 25% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 338 MSEs were benefited out of which 21 MSEs belonged to SC/ST category and 67 MSEs were owned by women.

PFC is also registered on the Trade Receivables Discounting System (TReDS) platform 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 organised/participated in 03 vendor development programmes in co-ordination with Ministry of Micro, Small and Medium Enterprises, Govt. of India to encourage participation of Micro and Small Enterprises.

The details of the procurements made from Micro, Small and Medium Enterprises (MSEs) during the FY2023-24 and the targets for FY2024-25 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:

(₹ in crore)

Sr. No.	Particulars	FY2023-24	Tentative Target for FY2024-25
I.	Total annual procurement (in value)	**58.54**	202.39
II.	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	**40.87**	50.60
III.	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	**0.19**	8.10
IV.	%age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	**69.82%**	25.00%
V.	%age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	**0.34%**	4.00%
VI.	Total number of vendor development programmes for MSEs	**3**	2
VII.	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	https://pfcindia.com/ensite/Home/VS/125	

23. INFORMATION TECHNOLOGY INITIATIVES

PFC has embarked on several information technology initiatives aimed at gaining strategic advantage through encouraging creative and innovative utilisation of technology to accomplish the Corporation's goals. PFC advocates for responsible management of information access and delivers a secure, dependable technology framework alongside high-quality user services and support, with the aim of addressing the continuously evolving business requirements while ensuring the regulatory compliances.

Compliance to guidelines issued by statutory bodies

The compliance guidelines issued by various statutory & regulatory bodies are being followed and implemented at PFC. As per the guidelines issued by RBI vide Master Directions to NBFCs, the IT Strategy & IT Steering committees have been constituted and regular meetings are conducted. IT policy has been implemented & IT audits are being carried out on annual basis.

Augmentation of Cyber Security arrangements

PFC is committed to work towards aligning itself with the changing threat landscape and has initiated significant measures to enhance its cyber security. PFC has enhanced the following security services.

a) PFC has implemented the SOAR (Security Orchestration, Automation & Response) system which covers the security for Servers, Endpoint systems, Managed Detection and Response solutions to protect PFC's IT infrastructure from Security Threats and Vulnerabilities.

b) Anti-APT Devices, Next Generation Firewall, IPv6 for increased cybersecurity posture.

PFC observes "Cyber Jagrukta Diwas" on the first Wednesday of every month to raise awareness about cyber security among its employees including casual staff.

PFC is ensuring 24x7 real-time monitoring of its IT infrastructure to detect, alert and respond to avert cyber incidents, minimise service disruptions and maintain high availability of critical systems & services.

Digital Transformation & ERP Implementation

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 upgrading to a "Comprehensive Single Stack IT ERP platform" to ensure end-to-end integration and digitisation of the processes and services.

Automation of Business Processes & Paperless Office

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

Remote Work Facility

PFC has provided a facility to its employees to work remotely with secure, remote access to the Company's internal resources, data & networks in order to attend work exigencies when not in office.

Business Continuity arrangement

It is very crucial to safeguard the business operations of PFC in order to ensure business continuity. PFC has established a disaster recovery site on a private cloud to replicate the existing data centre setup in a different seismic zone. With this, PFC can continue its business operation during any disaster.

PFC Website

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

Business Analytics

MIS portal for Business intelligence and Decision Support System are in place and enriched regularly with required metrics for fast and effective decisions.

24. ESTABLISHMENT OF VIGIL MECHANISM

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

25. GRIEVANCE REDRESSAL

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

https://pfcindia.com/ensite/Home/VS/61

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

26. 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 (Environment, Social & Governance)	E
Secretarial Audit Report	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

27. ACKNOWLEDGEMENT

Your Board of Directors acknowledge and place on record their appreciation for the assistance, co-operation and encouragement extended to the Company by the Government of India particularly the Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, State Governments, Reserve Bank of India, Department of Public Enterprises, NITI Aayog, DIPAM, Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Ministry of Micro, Small and Medium Enterprises, and other concerned Government departments/agencies at the Central and State level etc.

The Company is also thankful to the Comptroller & Auditor General of India, the Statutory Auditors, Secretarial Auditor and RBI Auditors and the bankers for their constructive suggestions and co-operation.

Your Directors would also like to convey their gratitude to the shareholders, investors, clients and customers for their unwavering trust and support. Last but not the least the directors would like to thank the employees for their continuing support and contribution in ensuring an excellent all round performance.

(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Place: New Delhi
Dated: July 30, 2024

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 FY2023-24.

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian power sector is one of the most diversified in the world. The entire electricity supply chain has undergone a phase of transformation in the process of advancing reforms in the sector.

The power sector in India is a crucial component of the country's infrastructure and economic development. It plays a pivotal role in supporting various industries, sustaining livelihoods, and powering the nation's growth trajectory, providing fuel to power the rest of the economy.

India is the third-largest producer and consumer of electricity worldwide, after China, USA.

The Government of India plays a pivotal role in shaping and improving the power sector through policy formulation, regulatory oversight, infrastructure development, and financial support. Some initiatives by the Government to boost the Indian power sector are as below:

- The Union Cabinet has sanctioned the PM-Surya Ghar: Muft Bijli Yojana. This initiative, with a total budget of ₹75,021 crore (US $9 billion) aims to install rooftop solar systems and offer complimentary electricity of up to 300 units per month to one crore households.
- In the Budget for 2024, the government's power sector initiatives have been allocated funds that are 50% higher. Increased funds have been allocated to green hydrogen, solar power, and green-energy corridors in line with the renewable energy target for 2030.
- In the Union Budget 2022-23, the government allocated ₹7,327 crore (US $885 million) for the solar power sector including grid, off-grid, and PM-KUSUM projects.
- Under the Union Budget 2022-23, the government announced the issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems.
- Production Linked Incentive Scheme (Tranche II) on 'National Programme on High Efficiency Solar PV Modules,' with an outlay of ₹19,500 crore (US $2.47 billion) was approved and launched.
- In 2023, the Government introduced the "Scheme for Viability Gap Funding (VGF) for development of Battery Energy Storage System (BESS)", with an initial outlay of ₹9,400 crore including a budgetary support of ₹3,760 crore. The scheme envisages development of 4,000 MWh of BESS projects by 2030-31, with a financial support of up to 40% of the capital cost as budgetary support in the form of Viability Gap Funding (VGF). The implementation of the scheme is expected to bring down the cost of battery storage systems increasing their viability.
- In FY 23, the Government announced the National Green Hydrogen Mission. The initial outlay for the Mission will be ₹19,744 crore, including an outlay of ₹17,490 crore for the SIGHT programme, ₹1,466 crore for pilot projects, ₹400 crore for R&D and ₹388 crore towards other Mission components. The mission among other objectives will support in development of green hydrogen production capacity of at least five MMT (Million Metric Tonne) per annum with an associated renewable energy capacity addition of about 125 GW in the country.
- In order to meet India's 500 GW renewable energy target and tackle the annual issue of coal demand supply mismatch, the Ministry of Power has identified 81 thermal units which will replace coal with renewable energy generation by 2026.

Generation

Installed Capacity

India has made substantial strides in increasing its power generation capacity over the years. It has a diverse energy mix comprising coal, natural gas, hydroelectric, nuclear, and renewable sources like solar and wind. Coal-based power plants still dominate the sector, but there's a growing emphasis on renewables to address environmental concerns and energy security.

India's power sector continues to witness significant growth in installed capacity across various energy sources. The total installed capacity as on March 31, 2024 was 4,41,970 MW.

Thermal is a major source of electricity generation in India, contributing around 55% (2,43,217 MW), followed by renewable energy sources (RES) around 33% (1,43,645 MW), hydro around 11% (46,928 MW) and nuclear around 2% (8,180 MW). The installed capacity stood at around 24% (1,07,669 MW) in state sector, around 52% (2,29,847 MW) in private sector and around 24% (1,04,453MW) in central sector.

India's power installed capacity reflects a dynamic landscape. Continued efforts to diversify the energy mix, enhance efficiency, and address key challenges will be essential to meet the country's growing energy needs while advancing towards a cleaner and more sustainable energy future.

India has emerged as one of the world's leading renewable energy markets, with ambitious targets for capacity addition in solar, wind, and other renewable sources. Government initiatives such as the National Solar Mission and various state policies have incentivised renewable energy development, attracting investments and driving technological advancements.

The total fund requirement for generation capacity addition for the period 2022-2027 is estimated to be ₹14,54,188 crore and for the period 2027-2032 has been estimated to be ₹19,06,406 crore. The estimate of fund requirement for 2027-32 does not include advance action for the projects which may get commissioned after March 31, 2032.

RE-Bundling

MoP, GoI notified the scheme for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable energy and storage power, for bundling of cheaper Renewable Energy (RE) with costlier Thermal Power, to promote Energy Transition and enable the beneficiary DISCOM achieve RPO at least costs while working towards NET Zero Emissions goal of 2070 by achieving target generation of 500 GW from non-Fossil fuels based sources. Our subsidiary, PFCCL has been nominated as Bid Process Coordinator by Ministry of Power for implementation of the scheme.

Transmission

Transmission plays a crucial role in the power sector, serving as the backbone of electricity delivery from generation sources to distribution networks and end consumers.

Transmission infrastructure comprises high-voltage transmission lines, substations, transformers, and associated equipment used to transmit electricity over long distances. India has an extensive transmission network spanning thousands of kilometers, connecting power generation facilities to load centres and ensuring the smooth flow of electricity across regions.

During FY2023-24, 14,203 Ckms (Circuit km) of transmission lines have been added comprising of 2,119 Ckm of 765 kV, 6,088 Ckm of 400 kV and 5,996 Ckm of 220 kV.

MoP has initiated Tariff Based Competitive Bidding Process (TBCB) for development and strengthening of transmission system through private sector participation. MoP designated PFC Consulting Limited (A wholly-owned subsidiary of PFC Ltd.) as Bid Process Coordinator (BPC).

The objective is to develop transmission capacities in India and to bring in the potential investors after preliminary works like survey, route identification, etc.

During the FY 2023-24, 16 SPVs established for development of transmission projects, has been transferred to the successful bidders selected through TBCB.

India's transmission infrastructure is undergoing expansion and modernisation to cater to growing electricity demand, integrate renewable energy sources, and enhance grid reliability and resilience. Investments are being made in upgrading existing transmission lines, constructing new transmission corridors, and deploying smart grid technologies to enable real-time monitoring, remote operation, and predictive maintenance.

Distribution

The distribution sector is a critical component of India's power industry, responsible for delivering electricity to homes, businesses, industries, and other consumers, efficiently, reliably, and affordably. It involves the operation of distribution networks, substations, transformers, and meters to manage the flow of electricity.

Distribution operations are primarily managed by distribution companies (DISCOMs) at the state level. DISCOMs procure electricity from various sources, including power generators and traders, and distribute it to consumers within their respective jurisdictions. Some states have multiple DISCOMs, while others operate as single entities.

Distribution losses, comprising technical losses (due to resistance in wires and equipment) and commercial losses (resulting from theft, billing errors, and non-payment), are a significant concern in the distribution sector. High distribution losses reduce the financial viability of DISCOMs and contribute to financial distress in the power sector. Improving distribution efficiency through infrastructure upgrades, loss reduction measures, and revenue management strategies is critical for DISCOMs' sustainability.

To improve the operational and financial health of DISCOMs, the Government has been implementing various schemes like the Revamped Distribution Sector Scheme (RDSS), Late Payment Surcharge (LPS) scheme, Smart metering etc.

Revamped Distribution Sector Scheme (RDSS)

A Reforms-based and Results-linked, Distribution Sector Scheme has been formulated by Ministry of Power to improve the operational efficiencies and financial sustainability of DISCOMs.

The objectives of the Scheme are:

- to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector;
- Reduce AT&C losses to pan-India levels of 12-15% by 2024-25 and Reduce ACS-ARR gap to zero by 2024-25.

PFC and its subsidiary REC Limited are the designated nodal agencies for operationalisation of the said scheme. The implementation period of the Scheme is 5 years (FY2021-22 to FY2025-26).

RDSS has an outlay of ₹3,03,758 crore with an estimated gross budgetary support from Central Government of ₹97,631 crore.

Late Payment Surcharge Rule, 2022

Ministry of Power (MoP) vide Gazette Notification dated June 03, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

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

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

With the implementation of Electricity (LPS and Related Matters) Rules, 2022, remarkable improvement has been seen in recovery of outstanding dues of Suppliers including 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 ₹1,00,724 crore (22 EMIs) up to May 2024 i.e. 72% 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 ₹39,223 crore and as on date there is no default in payment of instalments for legacy dues by States.

In view of provision of regulation under LPS Rules, 2022, the Distribution companies are paying their current dues in time. Since implementation of the rule, as on May 07, 2024, total bills amounting to ₹8,47,611 crore have been settled against total billed amount of ₹9,21,183 crore from May 2022 (excluding EMI Payments against legacy dues and including Disputed Invoices).

Smart Metering

Our subsidiary, PFC Consulting Limited is handling projects on implementation of Advanced Metering Infrastructure (AMI) for State Discoms which includes procurement of Smart Meters, AMI Communication System, Back-End IT System, Meter Data Management System (MDMS), integration of Head End System (HES) with MDMS and MDMS with existing Discom applications, data analytics, capacity building of Discoms, Manpower, O&M of the complete system and handover of the System to Discoms. PFCCL is undertaking implementation of Smart Metering for about 6.58 lakh consumers in the following State/UT:

i. 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.

ii. UT of Puducherry for about 4.07 lakh consumers under RDSS Scheme of Govt. of India

(B) OPPORTUNITIES & THREATS

Opportunities

Last year, PFC added funding to Logistics and Infrastructure sectors to its business line, and is now a part of India's accelerated infrastructure development by supporting projects critical to nation's progress and large scale green field projects. Since receiving approval, PFC has already sanctioned ₹82,327 crore and disbursed ₹7,008 crore.

Your Company is the first Govt. NBFC which has established a wholly-owned subsidiary, PFC Infra Finance IFSC Limited, in the International Financial Services Centre (IFSC) at GIFT City, Gujarat. This subsidiary has been setup as a Finance Company in IFSC. IFSC provides a unique platform to access global capital and expertise, which will enable your Company to provide even more efficient and innovative financing solutions to the clients. PFC's entry into the IFSC shall open up new business opportunities and establish its global presence. This Company will focus on providing financial solutions for infrastructure projects across various sectors, including renewable energy. It will unlock avenues in international lending space and help in taking PFC's brand global.

The long-term business strategy of PFC

- Grow lending by maintaining share in conventional sectors and expanding portfolio to emerging power sectors as well as infrastructure sectors.
- Adapt a paradigm shift in account management and customer experience principles by providing differentiated services, innovative products and re-imagining existing processes to cater to the changing customer mix.
- 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 resource mobilisation process.
- Position to become the nodal agency for Net-Zero, to pursue immediate dispensations in the interim to lower the cost of funds.
- Re-purpose PFCCL to become a thought leader in the Net-Zero/new energy sectors and support PFC in the go-to-market activities in these sectors.
- Re-align organisation as per the key objectives of PFC.
- Tap new talent resources and revamp performance management system.

Threats, Risks & Concerns

Inspite of the fact that PFC is a very sound financial player in power sector, its business is not free from risks.

Keeping in view its nature of operations, the Company regularly identifies emerging risks and takes timely action to address and manage the same. The following are some of the risks and concerns faced by your Company:

Credit risk

Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower will default on contractual repayments under a loan or an advance. Your Company follows a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring, of credit risk mitigation measures.

Liquidity risk

Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the Company. Liquidity risk involves the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and to meet obligations when required. It could require us to raise funds or liquidate assets on unfavourable terms. We manage liquidity risk through a mix of strategies, including forward-looking resource mobilisation based on projected disbursements and maturing obligations.

Foreign currency exchange risk

Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. Our foreign currency borrowings could expose us to foreign currency exchange rate risk. The foreign currency risk is managed by lending in foreign currency and through derivative products (such as currency forwards, options, principal only swaps, interest rate swaps and forward rate agreements) offered by banks who are authorised dealers.

Legal risk

Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of contractual obligations. We seek to minimise legal risk through legal documentation that is drafted to protect our interests to the greatest extent possible.

Interest rate risk

Interest rates are dynamic and dependent on various internal and external factors including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks such as AAA bond/GSEC yields and RBI policy changes. Changes in market interest rates will adversely affect the Company's financial condition. The primary interest rate-related risks that the Company faces are from timing differences. 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.

Changes in legislation

PFC is a listed Government company and a public financial institution under the Companies Act. It is registered with the RBI as a non-deposit taking systemically important NBFC and was classified as an IFC in July 2010. As a result, various legislations are applicable to PFC like Companies Act, 2013, Securities and Exchange Board of India Regulations, DPE's Guidelines for CPSEs, RBI act and guidelines, Tax regulations etc. Changes in these legislations could affect our Company's results/ operations.

(C) SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

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

(D) OUTLOOK

Your Company is a leading Non-Banking Financial Company (NBFC) and Maharatna Central Public Sector Enterprise (CPSE). Established in 1986, it has played a critical role in developing core power related infrastructure in India. It has strong expertise in power sector as well as managing a large loan portfolio and large-scale resource mobilisation.

PFC is a critical vehicle for government to drive policy/ scheme implementation in the power sector and has been the nodal agency for various government schemes (e.g. UMPP, RDSS/ IPDS/ (RAPDRP subsumed in it), Liquidity Infusion Scheme (LIS) and Late Payment Surcharge Scheme (LPS) and as a bid process coordinator through its wholly-owned subsidiary PFC Consulting Limited for the ITP scheme.

PFC provides a comprehensive range of financial products and related advisory and other services from project conceptualisation to the post-commissioning stage to our clients in the power sector, including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernisation projects. PFC provides various fund based financial assistance, including long-term project finance, short-term loans, buyer's line of credit, underwriting of debt and debt refinancing schemes as well as non-fund based assistance including credit enhancement guarantees and letters of comfort. Your Company also provide various fee-based technical advisory and consultancy services for power sector projects through our wholly-owned subsidiary.

Over the years, PFC has always been on the forefront of innovation, be it funding emerging areas such as Solar, Wind, EV etc. or tapping international markets through green bond. It has now added Logistics and Infrastructure funding also to its line of business which will form part of our future lending business going forward. PFC has also expanded its global footprint with presence in IFSC

GIFT City by establishing a wholly-owned subsidiary, PFC Infra Finance IFSC Limited in India's first International Financial Services Centre (IFSC) in GIFT City Gujarat. This subsidiary has been setup as a Finance Company in IFSC. The subsidiary has been setup to support the energy transition journey and facilitate low cost funding for India's power sector.

(E) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Statutory Auditors of the Company i.e. Prem Gupta & Company, Chartered Accountants and Chokshi & Chokshi LLP, Chartered Accountants have given their Report on the Internal Financial Controls stating that 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, 2024 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

PFC is an ISO certified Company. These stringent internal control processes and credit review mechanisms reduce the number of defaults and ultimately contribute in gaining the faith of all the stakeholders.

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

Your Company continued to accomplish a healthy growth during the FY2023-24. The total income stood at ₹46,034 crore and the net profit earned was ₹14,367 crore.

Further, Net Worth (share capital plus all reserves) of the Company grew by 16% in FY2023-24 to ₹79,203 crore as compared to ₹68,202 crore in FY2022-23. The gross loan assets recorded a growth of 14%, ₹4,81,462 crore as at March 31, 2024 from ₹4,22,498 crore as at March 31, 2023.

The net Debt Equity Ratio was 5.14 times in FY2023-24 as compared to 5.32 times in FY2022-23. The Operating Margin % has increased from 35.70% in FY2022-23 to 38.27% in FY2023-24 and the Net Profit Margin% has increased from 29.26% in FY2022-23 to 31.21% in FY2023-24.

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.

(G) ESG AT PFC

In FY 23, the Company outlined its vision for integrating ESG principles into its core business operations. To achieve this, we established a dedicated ESG Department. Building on this commitment, this year's annual report includes the first-ever, in-depth ESG section, detailing our initiatives across Environmental, Social and Governance factors.

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

Your Company focuses on capability building and takes various initiatives to significantly contribute in enhancing the skills and knowledge of our workforce in alignment with our organisational goals. An effective package of employee welfare measures which include comprehensive insurance, medical facilities and other amenities lead to a healthy and productive workforce. During the period, several employee related policies and facilities like TA rules, Promotion policy, Service rule etc. were reviewed and revised.

Your Company has put in place effective talent acquisition and retention practices, which are benchmarked with best corporate practices designed to meet the organisational needs. This apart from other strategic interventions leads to an effective management of Human Resources thereby ensuring high level of productivity. The Industrial Relations within the Company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the Company. There were no man-days lost during the year under review. The attrition during the period from April 01, 2023 to March 31, 2024 was 0.75%. Total Number of employees on the rolls of the Company as on March 31, 2024 was 545.

For more details on the HR related practices, kindly refer the ESG section.

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

Your Company, through its Corporate Social Responsibility and Sustainable Development initiatives, aims to become a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.

PFC has been implemented wide range of activities in the field of Environment Sustainability, Rural Development, Rehabilitation and Reconstruction Activities, Healthcare, Education, Sports, Sanitation & Drinking water and Skill development & Livelihood etc. Further, as per DPE's mandate, PFC has also been contributed to thematic areas i.e. 'Health & Nutrition'.

For more details on the CSR related practices, kindly refer the ESG section.

(J) RENEWABLE AND CLEAN DEVELOPMENT MECHANISM

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

The Ministries of Power and New & Renewable Energy have rolled out a slew of reforms to push mainstreaming of energy from green and sustainable sources and achieve the 500 GW target.

PFC has strategically increased its focus on renewable energy projects, including solar, wind, biomass and small hydro projects, to capitalise on the GoI's various renewable energy initiatives. Your Company is the largest Renewable energy financer in India, supporting 50 GW renewable capacity in the country amounting to 25% of India's total non-fossil fuel based installed capacity.

As on March 31, 2024, PFC's Gross Loan assets comprised of ₹60,208 crore in Renewable energy as compared to ₹48,198 crore as on March 31, 2023 registering a growth of 25%.

During FY2023-24, with an aim to position itself as the focal funding agency for energy transition, PFC executed various Memorandum of Understanding (MoU) amounting to more than 2.37 lakh crore with 20 companies both in public and private sector. These MoUs were signed with Solar, Wind Power, Green Hydrogen, Battery Storage, Electric Vehicle companies as well as the manufacturers of green energy equipment among others in the clean energy space.

Cautionary Note

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

Annexure B of Board's Report

Integrated Reporting

Integrated Reporting (IR) provides a comprehensive picture of an organisation's performance, integrating financial and non-financial metrics. This approach aims to provide a holistic view of an organisation's performance, strategy, and impact on various capitals, such as financial, manufactured, intellectual, human, social, and natural.

This disclosure is prepared voluntarily and is structured using the capitals model of value creation, adopted by the International Integrated Reporting Council (IIRC) in the International Framework and explains our dependence and impact on the forms of capital that are fundamental to our ability to create value over the long-term.

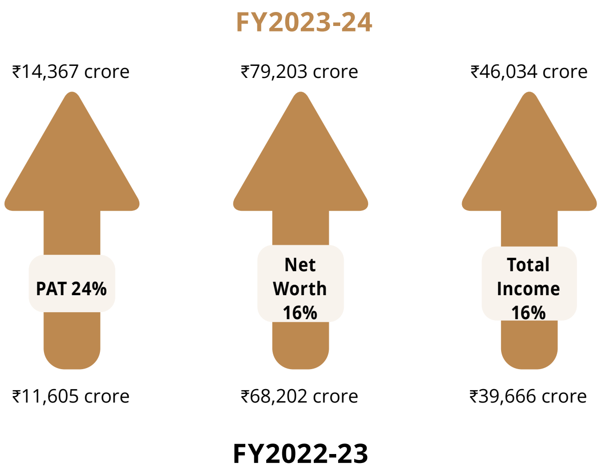
The capitals are categorised in the above said framework as financial, manufactured, intellectual, human, social & relationship and natural.

THE SIX CAPITALS

Financial capital

Financial capital encompasses the funds available to an organisation for use in the production of goods or the provision of services. This includes equity, debt, grants, and any other forms of financial instruments. It is essential for operational activities, investment in new projects, and overall sustainability. Managing financial capital effectively impacts an organisation's ability to generate future economic benefits. This is a very important capital because it also serves as a medium of exchange that can obtain value through conversion into other forms of capital like manufactured, natural, human, social, & intellectual capitals.

The accrued financial capital is given to shareholders as dividend and interest on debt instruments. Different taxes are paid to the government thereby promoting the overall growth of our country. Main financials of your Company are as below:



The above volumes speak for themselves. PFC through its financial capital is contributing in creating superior value for its stakeholders especially by playing the role of a pioneer in power sector funding and as a result contributing to the development of power sector of the country.

Manufactured capital

Manufactured Capital encompasses physical infrastructure or technology pertaining to it, including buildings, equipment, infrastructure etc. PFC is not a Manufacturing Company and offers financial assistance mainly to Power Sector projects. Further, it has also started financing in the Infrastructure and Logistics sector. However, PFC contributes to manufactured capital by way of its tangible and intangible infrastructure. Power being a critical input into industrial activity, services sector as well as in the day-to-day life of common man, PFC's contribution lies in significant creation of power infrastructure across the country.

PFC is headquartered in New Delhi also maintains regional offices to facilitate its business operations.

PFC has implemented state-of-the-art data centre providing various IT services and housing ERP application system to integrate all the business functions. PFC invests in physical assets, which includes physical infrastructure, IT systems & infrastructure to improve efficiency and delivery mechanism, which ultimately leads to better services to all the associated stakeholders.

Existing manufactured capital enables PFC to be able to be responsive to market needs, enabling the employees to work remotely, efficiently and seamlessly to enhance productivity and operational effectiveness.

Manufactured capital is also helping PFC in focusing on creating other forms of capital more particularly Human Capital and Intellectual capital.

Intellectual capital

Intellectual capital consists of organisational knowledge-based intangibles and is associated with brand and reputation of the Company. This includes patents, copyrights, software, organisational systems, procedures that an organisation has developed and intellectual property. It drives innovation, competitive advantage, and organisational learning. Intellectual capital enables organisations to improve processes, develop new products, and enhance the market position.

Your Company plays a strategic role in the initiatives of the Government of India for the development of the power sector in India and works with Government of India agencies, state governments, power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and for structural and procedural reforms in the power sector in India. It is involved in various GoI programmes relating to the power sector, including acting as the nodal agency for Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Projects (UMPPs), Integrated Power Development Scheme (IPDS), bid process coordinator for Independent Transmission Projects (ITPs), DISCOM Liquidity Package under Atmanirbhar Bharat and Late Payment Surcharge (LPS) Rules, 2022.

Keeping in view the role of PFC in development of Indian power sector, PFC has developed sound organisational systems, procedures, software and protocols which are proving PFC a competitive edge and helping it in developing brand and reputation in the market.

Since Intellectual capital mainly relates to human resource, PFC has put in place effective human resource acquisition and maintenance system, which is benchmarked with best corporate practices designed to meet the organisational needs.

Through these organisational systems, procedures and protocols i.e. Intellectual Capital, PFC has acquired the knowledge and intellect necessary for its operation and processes. In order to sustain in this dynamic business environment, PFC continues to prepare its talent pool and create Intellectual capital to embrace disruptions, to innovate, to be able to adapt to the changes brought by transformed business models.

Human Capital

Human capital refers to the skills, experience, and competencies of the people within the organisation. This also includes their motivation, engagement, and overall well-being. Human capital is crucial for the development and execution of strategy, operational efficiency, and organisational culture. Investing in human capital leads to higher productivity, innovation, and customer satisfaction.

PFC is having highly skilled, professionally qualified and experienced workforce. PFC follows the best management practices of the industry. Commitment of the workforce is ensured through an effective package of welfare measures which include comprehensive insurance, medical facilities and other amenities which lead to a healthy workforce.

During FY2023-24, the focus on conducting customised programmes was maintained to ensure specific skill development aligned with the corporate goals. The programmes on critical areas including Environmental, Social and Governance (ESG), AML, KYC, CFT, General Management Programmes, Stressed Asset Resolution under the Insolvency & Bankruptcy Code, 2016, Public Procurement through GeM Portal, Advanced Excel, Conduct, Discipline & Appeal (CDA) Rules of PFC, etc. were organised along with other need-based programmes.

By doing so PFC has been able to create a strong Human Capital and as a result of this highly motivated workforce, PFC could achieve the outstanding growth year by year. The growth of PFC is contributing in the growth of country and creating value to its stakeholders. This highly motivated workforce is bringing change in the society at large.

Social and Relationship Capital

Social and relationship capital encompasses the relationships and networks that organisations have with stakeholders such as clients, investors, suppliers, communities, government and regulators. This also includes social cohesion, shared values, and institutional arrangements. Strong social and relationship capital builds trust and loyalty, facilitating smoother operations and collaborative opportunities. It enhances the organisation's reputation and ability to create value collectively with stakeholders.

PFC has a CSR and Sustainability policy in place. The aim of the policy is to ensure that the Company becomes socially responsible corporate entity committed to improving the quality of life of the society at large. PFC has implemented wide range of activities in the field of Environment Sustainability, Rural Development, Rehabilitation and Reconstruction Activities, Healthcare, Education, Sports, Sanitation & Drinking water and Skill development & Livelihood etc. Further, as per DPE's mandate, PFC has also been contributed to thematic areas i.e. 'Health & Nutrition'.

PFC as a 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 SC/ ST/ OBC/ PwD employees. The steps taken include due reservations and relaxation as applicable under the various directives for direct recruitment as well as for promotions.

PFC always wants to bring change in the lives of the people and the society at large. PFC consistently strives towards meeting the expectations of the society so as to help in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. PFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.

Natural Capital

Natural capital includes all environmental resources and ecosystem services that an organisation depends on or impacts. This includes air, water, land, minerals, forests, biodiversity, and ecosystem health. Sustainable management of natural capital ensures long-term viability and regulatory compliance. It helps in mitigating environmental risks and aligning business practices with ecological sustainability goals.

PFC always endeavours to protect environment by minimising consumption of natural resources and also by minimising wastage of the same. PFC endeavours to reduce its paper consumption through IT solutions by digitalising processes, wherever possible. PFC, being a Financial Institution, has limited applicability of mechanism to recycle products and waste, however, the Company has installed an Organic Composting machine in the office premises for recycling organic waste generated on routine basis in the office building kitchen/pantry etc.

PFC has gone paperless, wherever possible, thereby empowering its employees to work with lesser carbon footprint.

With a vision of accelerating India's net-zero goal, PFC is funding renewables in a big way. The renewable loan asset portfolio has shown a growth of 25%, i.e. ₹ 60,208 crores as on March 31, 2024 against ₹ 48,198 crores as on March 31, 2023.

During FY2023-24, your Company secured the 3rd position in the "Swachhta Ranking" for offices in the NDMC area under Swachh Bharat Mission led by Hon'ble Prime Minister emphasising PFC's dedication to cleanliness and vision for a garbage free India. It was conferred with the prestigious "Swachhta Pakhwada Award 2023" for its exemplary performance under Swachh Bharat Abhiyan. PFC was also conferred with the prestigious Indian Chamber of Commerce Gold Award as the "Top Financing Institution" in the Renewable Energy and Energy Efficiency (RE & EE) category at the 11TH Green Energy Summit.

Your Company through such measures contributes in preservation and enhancing natural capital. Through investment in renewable products, promoting renewable energy and works towards integrating positive environmental action in business, PFC is committed to create Natural Capital.

Annexure C of Board's Report

Report on Corporate Governance

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At PFC, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. PFC is adhering to the best recognised Corporate Governance practices and continuously benchmarking itself against each such practice in our endeavour to meet the expectations of the stakeholders. Corporate Governance at PFC is managing the business in an ethical and responsible manner geared to sustainable value creation for stakeholders within the prevalent regulatory framework.

The Company believes in adopting the best practices that are followed in the area of Corporate Governance across the globe and has a strong legacy of fair, transparent and ethical governance practices.

A report in line with all mandatory requirements for corporate governance as outlined by the Companies Act, 2013, ("the Act"), SEBI's Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI LODR Regulations"), the Department of Public Enterprises' Guidelines on Corporate Governance for Central Public Sector Enterprises ("DPE Guidelines") and the Institute of Company Secretaries of India's Secretarial Standards ("Secretarial Standards") is given below as a part of the Director's Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance.

CORPORATE GOVERNANCE PHILOSOPHY OF PFC:

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.

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

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

1. BOARD OF DIRECTORS

The Board of Directors of your Company provides leadership, objective judgement and strategic guidance to the Company. It reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board Charter can be said to be governed within the framework set out in the Companies Act, Memorandum of Association, Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and internal codes/procedures of the Company etc.

It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance. Your Company's Board consists of eminent individuals with diverse experience and expertise.

Composition

PFC is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India as on March 31, 2024 holds 55.99% of the total paid-up share capital of the Company and as per Articles of Association of the Company, the power to appoint Directors vests in the President of India. Further, in terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

During the FY2023-24, the following changes took place in the composition of the Board of Directors of the Company:-

(i) Consequent upon reaching the age of superannuation, Shri Ravinder Singh Dhillon, Chairman and Managing Director, ceased to be a Member of the Board w.e.f. June 01, 2023.

(ii) Smt. Parminder Chopra, Director (Finance) was given the additional charge of Chairman and Managing Director by Ministry of Power, Government of India w.e.f. June 01, 2023.

(iii) Consequent upon appointment by Ministry of Power, Government of India, Smt. Parminder Chopra assumed the charge of Chairman and Managing Director w.e.f. August 14, 2023.

(iv) Smt. Parminder Chopra, Chairman and Managing Director was given the additional charge of Director (Finance) by Ministry of Power, Government of India w.e.f. August 14, 2023.

As on March 31, 2024 the Company's Board comprised of seven Directors which includes three Whole Time Functional Directors, one Part Time Government Nominee Director and three Non-Official Part Time (Independent) Directors, including one Independent Women Director. During the FY2023-24, the composition of the Board of Directors was not in conformity with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been requesting Ministry of Power, Government of India, the appointing authority, to expedite appointment of the requisite number of Independent Directors on the Board of the Company to enable the Company to comply with the applicable provisions.

The composition of Board of Directors as on March 31, 2024 was as follows:

Whole Time Directors		
i)	Smt. Parminder Chopra	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel Additional Charge Director (Finance), Chief Financial Officer#
ii)	Shri Rajiv Ranjan Jha	Director (Projects) and Key Managerial Personnel
iii)	Shri Manoj Sharma	Director (Commercial) and Key Managerial Personnel
Government Nominee Director		
iv)	Shri Ajay Tewari	Director (Government Nominee)
Non-Official Part Time (Independent) Director		
v)	Shri Bhaskar Bhattacharya	Independent Director
vi)	Smt. Usha Sajeev Nair	Independent Director
vii)	Shri Prasanna Tantri	Independent Director

CFO up to 13.08.2023 and again appointed w.e.f. 08.11.2023 up to 14.05.2024.

Subsequently, Shri Shashank Misra, Joint Secretary, Ministry of Power joined as Government Nominee Director on the board of the Company w.e.f June 25, 2024 vice Shri. Ajay Tewari. Additional Secretary, Ministry of Power. Further, Shri. Sandeep Kumar was appointed, as Director (Finance) w.e.f July 11, 2024 by Ministry of Power. He was also appointed the CFO of the Company by the Board of Director of w.e.f May 15, 2024.

Pursuant to RBI's Master Direction, PFC Formulated a Fit and Proper Policy for ascertaining the fit and proper status of the Directors of the Company. The Nomination and Remuneration Committee of the Company has in terms of the said policy ascertained all the Members on the Board of the Company as fit and proper for the FY2023-24.

Further, pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has obtained a certificate from a Practicing Company Secretary 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. A copy of the same is annexed herewith.

Key skills, expertise, competencies and attributes of the Board

Being a Government Company, the power to appoint Functional/Official Part-time Directors/Non-Official Part-time Directors (Independent Directors) vests with the President of India, acting through the administrative ministry. The Ministry of Power ensures that the Directors appointed to the Board of the Company have the requisite skills and expertise in the areas required to conduct the affairs of the Company. Brief profiles of the Directors which include their qualification and experience are mentioned in the Annual Report.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are available with the Board:

- Financial Management
- Power Sector Domain Expertise
- Project Appraisal
- Legal
- Corporate Planning & Strategy
- Risk Management
- Leadership
- Environmental & Social Concern
- Board Practices & Governance
- Business Development

Matrix providing the Skills/ Expertise/ Competence of the members of the Board:

KEY QUALIFICATIONS OF THE BOARD									
	Area of expertise								
Name of the Director	**Financial manage-ment**	**Power sector domain expertise**	**Legal**	**Project appraisal**	**Corporate planning & Strategy**	**Risk Manage-ment**	**Leadership**	**Board practices & Governance**	**Environment & Social**
Smt. Parminder Chopra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajiv Ranjan Jha	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Ajay Tewari	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Bhaskar Bhattacharya	✓		✓		✓	✓	✓	✓	✓
Smt. Usha Sajeev Nair	✓				✓	✓	✓	✓	✓
Shri Prasanna Tantri	✓				✓	✓	✓	✓	✓

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

Board Meetings

The meetings of the Board are generally held at the registered office of the Company and are scheduled well in advance. The Board of PFC meets regularly. The meetings of Board are governed by a structured agenda and any member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Detailed agenda papers including explanatory notes are circulated in advance on all major issues to facilitate the Board to take well-informed and independent decisions. Your Company follows Secretarial Standard-1 on Meetings of the Board of Directors as issued by Institute of Company Secretaries of India in its true letter and spirit.

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

(i) May 09, 2023 (ii) May 27, 2023 (iii) May 30, 2023 (iv) July 03, 2023 (v) August 11, 2023 (vi) August 19, 2023 (vii) September 12, 2023 (viii) September 28, 2023 (ix) November 08, 2023 (x) January 04, 2024 (xi) January 12, 2024 (xii) February 08, 2024 (xiii) February 06, 2024 (xiv) February 29, 2024 (xv) March 11, 2024 & (xvi) March 22, 2024

Annual General Meeting

The last Annual General Meeting of the Company was held on September 12, 2023.

Directors' attendance (physical presence/through video conferencing) at the Board Meetings held during the FY2023-24 and at the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of other companies of the Members of the Board etc. are as follows:

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2024*	Chairmanship/Membership in the committees of other companies as on March 31, 2024**		Attendance at the last AGM held on September 12, 2023
	Held during the tenure	Attended		Member	Chairman	
Smt. Parminder Chopra CMD & Addl. charge Director (Finance) (w.e.f. 14.08.2023)	11	11	2	1$	Nil	Present
Director (Finance) & Addl. charge CMD (w.e.f. 01.06.2023 to 13.08.2023)	2	2	NA			
Director (Finance) (up to 30.05.2023)	3	3	NA			
Shri R. S. Dhillon CMD(up to 30.05.2023)	3	3	Superannuated w.e.f. 01.06.2023			
Shri Rajiv Ranjan Jha Director (Projects)	16	16	6#b	2	Nil	Present
Shri Manoj Sharma Director (Commercial)	16	15	7#a	2	Nil	Present
Shri Ajay Tewari Director (Government Nominee)	16	12	3#c	Nil	Nil	Present
Shri Bhaskar Bhattacharya Independent Director	16	16	Nil	1	Nil	Present
Smt. Usha Sajeev Nair Independent Director	16	16	Nil	Nil	1	Present
Shri Prasanna Tantri Independent Director	16	16	Nil	Nil	1	Present

$ By virtue of holding Additional Charge of Director (Finance).

* 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 Shareholders'/Investors' Grievance Committee.

Details of Directorship in Listed Entities:

#a Nominee Director of PFC in REC Limited

#b Nominee Director of PFC in PTC India Limited

#c Government Nominee Director in SJVN Limited & THDC India Limited

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.

Separate Meeting of Independent Directors

Two Separate Meetings of Independent Directors was held on September 30, 2023 and March 13, 2024 & March 15, 2024 (Adjourned) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. All the Independent Directors attended the said Meeting.

Declaration by Independent Director

The Independent Directors in the first meeting of the Board, of the FY2023-24 held on May 09, 2023, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs.

Further, all the Independent Directors in the first meeting of the Board of the FY2024-25 held on April 15, 2024 gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfill the conditions specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management. No Independent Director has resigned during the FY2023-24.

Familiarisation programme for Independent Directors

The details of familiarisation programmes imparted to Independent Directors are displayed on the Company's website after completion of the programme. The details posted on the website can be accessed by following the web link given hereunder:

https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Investors/Equities/Disclosure/04012024/Disclosure%20under%20Regulation%2046%20(2)%20(i)%20of%20SEBIHR.pdf

2. BOARD LEVEL COMMITTEES

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

As on March 31, 2024, the Board had the following Committees:-

i) Audit Committee of Directors
ii) Nomination and Remuneration Committee
iii) Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee
iv) Board Level Risk Management Committee
v) CSR & Sustainable Development Committee of Directors
vi) HR Committee
vii) Investment Committee of Directors
viii) Board Level IT Strategy Committee
ix) ALM Committee of Functional Directors

2.1 Audit Committee of Directors

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

As on March 31, 2024, the Audit Committee comprised of the following:

Sr. No.	Name of Member	Designation
1.	Shri Prasanna Tantri, Independent Director	Chairman
2.	Shri Bhaskar Bhattacharya, Independent Director	Member
3.	Shri Rajiv Ranjan Jha, Director (Projects)	Member

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

During the FY2023-24, Seven (7) meetings of the Audit Committee were held i.e. (i) May 27, 2023 (ii) August 11, 2023 (iii) September 27, 2023 (iv) November 08, 2023 (v) January 04, 2024 (vi) February 08, 2024 & (vii) February 16, 2024.

The details of the meetings attended (physical presence/ through video conferencing) by members during the FY2023-24 are as follows:

Sr. No.	Name of Member	Designation	No. of Meetings	
			Held during the tenure	Attended
1.	Shri Prasanna Tantri	Chairman	7	7
2.	Shri Bhaskar Bhattacharya	Member	7	7
3.	Shri Rajiv Ranjan Jha	Member	7	7

Director (Finance) and Director (Commercial) are the permanent invitees to the meetings of the said committee. Further, 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 Company Secretary continued to be the Secretary to the Committee.

2.2 Nomination and Remuneration Committee

Your Company is a Central Public Sector Undertaking, and accordingly the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company. However, your Company has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

As on March 31, 2024 the Nomination and Remuneration Committee comprised of the following:

Sr. No.	Name of Member	Designation
1.	Smt. Usha Sajeev Nair, Independent Director	Chairperson
2.	Shri Bhaskar Bhattacharya, Independent Director	Member
3.	Shri Prasanna Tantri, Independent Director	Member

Director (Finance), Director (Projects) and Director (Commercial) are permanent invitees to the meetings of the said 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, 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.

During the FY2023-24, Five (5) meetings of the Nomination and Remuneration Committee were held i.e. (i) May 09, 2023 (ii) May 27, 2023 (iii) August 19, 2023 (iv) November 08, 2023 & (v) February 16, 2024.

The detail of the meeting attended (physical presence/ through video conferencing) by members during the FY2023-24 is as follows:

Sr. No.	Name of Member	Designation	No. of Meetings	
			Held during the tenure	Attended
1.	Smt. Usha Sajeev Nair	Chairperson	5	5
2.	Shri Bhaskar Bhattacharya	Member	5	5
3.	Shri Prasanna Tantri	Member	5	5

Remuneration Policy

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

The Ministry of Corporate Affairs (MCA) vide its notification dated June 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, till the response from Ministry is received, the Independent Directors in their Separate Meeting held on March 13, 2024 & March 15, 2024 (Adjourned) evaluated the performance of Non-Independent Directors including the Chairman for the FY2023-24.

Remuneration of Whole Time Directors

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

Details of remuneration of Whole Time Directors of the Company during FY2023-24 are given below:

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentives (₹)	Stock Options (₹)	Total (₹)	Number of shares held as on March 31, 2024
Smt. Parminder Chopra	47,98,055	20,07,346	0	33,77,949	0	1,01,83,350	2,500
Shri Rajiv Ranjan Jha	50,57,029	17,13,731	0	36,17,890	0	1,03,88,650	20,005
Shri Manoj Sharma	47,89,794	15,20,212	0	33,05,369	0	96,15,375	0
Shri Ravinder Singh Dhillon	65,36,032	7,06,260	0	29,36,644	0	1,01,78,936	NA

Notes:

1. Salary & Allowances have been considered on paid basis for the period working in capacity of Director.
2. Above information does not include Lease Rent, Non-Taxable allowances & Perquisites, Non-Taxable Medical reimbursement, Contribution to Superannuation Benefits except Employer's contribution towards NPS.etc.
3. The performance linked incentives are paid as per the Performance Related Pay (PRP) System of the Company.
4. The appointment of Directors and terms of appointment including remuneration, notice period, severance fees, if any etc. are decided by President of India.
5. Shri Ravinder Singh Dhillon superannuated w.e.f. 01.06.2023.

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

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

Government Nominee Director is not entitled to any remuneration or sitting fee from the Company.

As on March 31, 2024 , Shri Prasanna Tantri, Independent Director, Shri Bhaskar Bhattacharya, Independent Director, Smt. Usha Sajeev Nair, Independent Director and Shri Ajay Tewari, Government Nominee Director held nil shares in the Company.

Senior management

Shri Manish Kumar Agarwal was appointed as Compliance officer & Company Secretary and is designated as Key Managerial Personnel w.e.f. May 01, 2023 vice Shri Manohar Balwani who on attaining the age of superannuation ceased to be the Company Secretary of the Company w.e.f. May 01, 2023.

a) The details of senior management personnel as on March 31, 2024 are as follows:

Sr. No.	Employee Name	Designation
1.	Sandeep Kumar	Executive Director
2.	Pranab Kumar Sinha	Executive Director
3.	Saurav Kumar Shah	Executive Director
4.	Manoj Kumar Rana	Executive Director
5.	Raj Kumar Malhotra	Executive Director
6.	Rajeev Kumar Chaturvedi	Executive Director
7.	Packirisamy V.	Executive Director
8.	Rajesh Kumar Shahi	Executive Director
9.	Ali Shah	Executive Director
10.	Sanjay Sharma	Chief Risk Officer (CRO), Executive Director
11.	Hemant Kumar Das	Executive Director
12.	Pawan Kumar	Chief Compliance Officer (CCO), Executive Director
13.	Shunmuga Sundaram Palanivel	Executive Director
14.	Manish Kumar Agarwal	Compliance Officer and Company Secretary, Key Managerial Personnel

b) The details of changes in senior management personnel during FY2023-24 are as follows:

Sr. No.	Employee Name	Designation	Remarks
1.	Rajesh Kumar Bhardwaj	Executive Director	Superannuated
2.	Virendra Kumar Jain	Executive Director	Superannuated
3.	Samidha Jain	Executive Director	Superannuated
4.	Manohar Balwani	Executive Director	Superannuated
5.	Sanjay Mehrotra	Executive Director	Lien

2.3 Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee

The Company has set up a Stakeholders Relationship and Shareholders'/Investors' Grievance Committee to look into the redressal of the complaints of investors as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to looks 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.

As on March 31, 2024 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following:

Sr. No.	Name of the Members	Designation
1.	Smt. Usha Sajeev Nair, Independent Director	Chairperson
2.	Smt. Parminder Chopra, Additional Charge Director (Finance)	Member
3.	Shri Rajiv Ranjan Jha, Director (Projects)	Member

During the FY2023-24, Four (4) meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held i.e. (i) May 30, 2023 (ii) August 10, 2023 (iii) November 09, 2023 & (iv) February 08, 2024

The detail of the meeting attended (physical presence/ through video conferencing) by members during the FY2023-24 is as follows:

Sr. No.	Name of Member	Designation	No. of Meetings	
			Held during the tenure	Attended
1.	Smt. Usha Sajeev Nair	Chairperson	4	4
2.	Smt Parminder Chopra	Member	4	1*
3.	Shri Rajiv Ranjan Jha	Member	4	3

* Director (Finance) is the member of the sub-committee. Meeting not attended by virtue of holding fulltime/additional charge of CMD along with charge of Director (Finance).

Information on investor complaints for the year ended March 31, 2024 is as follows:

Particulars	Equity	Bonds
Pending at the beginning of the year	8	0
Received during the year	1,897	15
Disposed off during the year	1,900	15
Lying unresolved at the end of the year	5*	0

* Complaints received at the end of quarter, were subsequently resolved by April 05, 2024.

2.4 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.

As on March 31, 2024 the Board Level Risk Management Committee comprised of the following:

Sr. No.	Name of the Members	Designation
1.	Smt. Parminder Chopra, CMD and Additional Charge Director (Finance)	Chairperson
2.	Shri Bhaskar Bhattacharya, Independent Director	Member
3.	Shri Rajiv Ranjan Jha, Director (Projects)	Member
4.	Shri Manoj Sharma, Director (Commercial)	Member

During the FY2023-24, three (3) meetings of the Board Level Risk Management Committee were held on (i) June 09, 2023 (ii) November 09, 2023 & (iii) January 04, 2024.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY2023-24 is as follows:

Sr. No.	Name of Member	Designation	No. of Meetings	
			Held during the tenure	Attended
1.	Smt. Parminder Chopra	Chairperson	3	3
2.	Shri Bhaskar Bhattacharya	Member	3	3
3.	Shri Rajiv Ranjan Jha	Member	3	2
4.	Shri Manoj Sharma	Member	3	3

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

2.5 CSR & Sustainable Development Committee

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

As on March 31, 2024, the CSR & Sustainable Development Committee comprised of the following:

Sr. No.	Name of the Members	Designation
1.	Shri Prasanna Tantri, Independent Director	Chairman
2.	Smt. Usha Sajeev Nair, Independent Director	Member
3.	Smt. Parminder Chopra, Additional Charge Director (Finance)	Member
4.	Shri Rajiv Ranjan Jha, Director (Projects)	Member
5.	Shri Manoj Sharma, Director (Commercial)	Member

During the FY2023-24, Nine (9) meetings of the CSR & Sustainable Development Committee of Directors were held on (i) August 10, 2023 & August 11, 2023 (Adjourned) (ii) September 11, 2023 (iii) October 20, 2023 (iv) November 08, 2023 (v) January 04, 2024 (vi) January 12, 2024 (vii) February 16, 2024 (viii) February 28, 2024 & (ix) March 22, 2024.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY2023-24 is as follows:

Sr. No.	Name of Member	Designation	No. of Meetings	
			Held during the tenure	Attended
1.	Shri Prasanna Tantri	Chairman	9	9
2.	Smt Usha Sajeev Nair	Member	9	9
3.	Smt Parminder Chopra	Member	9	2*
4.	Shri Rajiv Ranjan Jha	Member	9	8
5.	Shri Manoj Sharma	Member	9	9

* Director (Finance) is the member of the sub-committee. Meeting not attended by virtue of holding fulltime/additional charge of CMD along with charge of Director (Finance).

2.6 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, 2024 the Investment Committee of Directors comprised of the following:

Sr. No.	Name of the Members	Designation
1.	Smt. Parminder Chopra, CMD & Additional Charge Director (Finance)	Chairperson
2.	Smt. Usha Sajeev Nair, Independent Director	Member
3.	Shri Rajiv Ranjan Jha, Director (Projects)	Member
4.	Shri Manoj Sharma, Director (Commercial)	Member

During the FY2023-24, one (1) meetings of the Investment Committee of Directors was held on January 04, 2024.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY2023-24 is as follows:

Sr. No.	Name of Member	Designation	No. of Meetings	
			Held during the tenure	Attended
1.	Smt. Parminder Chopra	Chairperson	1	1
2.	Smt. Usha Sajeev Nair	Member	1	1
3.	Shri Rajiv Ranjan Jha	Member	1	Nil
4.	Shri Manoj Sharma	Member	1	1

2.7 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, 2024, the HR Committee comprised of the following:

Name	Designation
Shri Manoj Sharma, Director (Commercial)	Chairman
Smt. Parminder Chopra, Additional Charge Director (Finance)	Member
Shri Rajiv Ranjan Jha, Director (Projects)	Member

During the FY2023-24, two (2) meetings of the HR Committee was held on (i) June 30, 2023 & (ii) November 07, 2023.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY2023-24 is as follows:

Name of Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Manoj Sharma	Chairman	2	2
Smt. Parminder Chopra	Member	2	0*
Shri Rajiv Ranjan Jha	Member	2	2

* Director (Finance) is the member of the sub-committee. Meeting not attended by virtue of holding fulltime/additional charge of CMD along with charge of Director (Finance).

2.8 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 the Board Level IT Strategy Committee w.e.f. March 22, 2024 in place of IT Strategy Committee.

As on March 31, 2024, the Board Level IT Strategy Committee comprised of the following:

Sr. No.	Name of the Members	Designation
1.	Shri Bhaskar Bhattacharya, Independent Director	Chairman
2.	Smt. Parminder Chopra, Additional Charge Director (Finance)	Member
3.	Shri Rajiv Ranjan Jha, Director (Projects)	Member
4.	Shri. Manoj Sharma, Director (Commercial)	Member

During the FY2023-24, nil meetings of the Board Level IT Strategy Committee were held.

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.

2.9 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, 2024 the ALM Committee of Functional Directors comprised of the following:

Name	Designation
Smt. Parminder Chopra, Additional Charge Director (Finance)	Chairperson
Shri Rajiv Ranjan Jha, Director (Projects)	Member

During the FY2023-24, one (1) meeting of the ALM Committee of Functional Directors was held on March 29, 2024.

The detail of the meeting attended by members during the FY2023-24 is as follows:

Name of Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Parminder Chopra	Chairperson	1	1
Shri Rajiv Ranjan Jha	Member	1	1

3. BONUS ISSUE COMMITTEE OF FUNCTIONAL DIRECTORS

The Board in its meeting held on August 11, 2023 had constituted a Bonus Issue Committee for deciding/ approving the allotment of bonus shares and deal with related matters thereto. The Bonus shares were allotted to shareholders on September 22, 2023 and admitted for trading on stock exchanges on October 05, 2023.

4. GENERAL BODY MEETING

a) The details of the last three Annual General Meetings of the Company are as under:

AGM	Date	Day	Time	Venue	Special Resolution Passed
35th	September 21, 2021	Tuesday	12:30 p.m.	At the Registered Office of the Corporation through Video Conferencing	Nil
36th	September 21, 2022	Wednesday	11:30 a.m.	At the Registered Office of the Corporation through Video Conferencing	• To appoint Shri Bhaskar Bhattacharya (DIN: 09406292), as Director of the Company • To appoint Smt. Usha Sajeev Nair (DIN: 09408454), as Director of the Company • To appoint Shri Prasanna Tantri (DIN: 06471864), as Director of the Company • To change Object Clause of the Memorandum of Association of the Company
37th	September 12, 2023	Tuesday	11:30 a.m.	At the Registered Office of the Corporation through Video Conferencing	NIL

b) Postal Ballot:

No Special resolution was passed last year through Postal Ballot. Further, no special resolution is proposed to be conducted through Postal ballot up to the ensuing AGM.

c) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during financial year 2023-24.

5. DISCLOSURES

1. The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interest of the Company. Further, the Company did not enter into any significant related party transactions with board members where they had personal interest. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Related Party Transaction" and on dealing with related party transactions and the same is available at https://pfcindia.com/ensite/Default/ViewFile/?id=1683559406964_POLICY%20ON%20MATERIALITY%20OF%20RPT13012023.pdf&path=Page

2. Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years. However, during FY2023-24, the Company was in receipt of notices of penalty from National Stock Exchange and Bombay Stock Exchange for non-compliance of the requirement of composition of the Board. As the said compliances are beyond the ambit of PFC, the Company is following up with the stock exchanges for waiver of the said fine(s) and has also requested Ministry of Power to expedite the process of appointment of requisite number of Independent Directors on the Board of the Company.

   During the FY2023-24, NSE informed the Company that they have partly waived the penalty under Regulation 17 and 18 of SEBI (LODR) for quarter ended December 31, 2021 and under Regulation 17 of SEBI (LODR) for the quarter ended March 31, 2022.

3. 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.

   Disclosure regarding complaints under the said act during the FY2023-24 is as under:

Particulars	Number of complaints
Number of complaints filed during the FY2023-24	NIL
Number of complaints disposed of during the FY2023-24	NIL
Number of complaints pending as on end of the FY2023-24	NIL

4. 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' for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. As an integral part of such Vigil Mechanism, the Whistle-Blower Policy of PFC has been put in place and it is affirmed that no personnel has been denied access to the Audit Committee. The status of complaints under whistle-blower policy is 'Nil' for calendar year 2023. The same was reported in the quarterly and half yearly report under PFC Whistle-Blower Policy. The same is available at https://www.pfcindia.com/Home/VS/126.

5. PPursuant 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://pfcindia.com/ensite/Default/ViewFile/?id=1561552854274_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page.

No item of expenditure was debited in books of account 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.

6. The Company has not issued any Stock Options/ ESOPs during the financial year 2023-24.

7. 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:

   i. **The Board:** The Company is headed by an executive Chairman.

   ii. **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.

   iii. **Modified opinion(s) in audit report:** It is always Company's endeavour to move towards a regime of financial statements with unmodified audit opinion. The Company has received unmodified report from its statutory auditors in FY2023-24.

   iv. **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.

8. The Company has laid down the procedures to inform the board about the risk assessment and minimisation. The Board of Directors of the Company periodically reviews these procedures to ensure risks are managed through a properly defined framework.

9. The total fee paid by your Company to the Statutory Auditors is ₹1.56 crore. Any of the subsidiary of PFC has not taken any services from Statutory Auditors of PFC (including entities in network firm) and accordingly didn't paid any fees to Statutory Auditors of PFC.

   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.

6. MEANS OF COMMUNICATION

The Company recognises communication as a key element of the overall Corporate Governance framework and therefore emphasises continuous, efficient and relevant communication to public at large. The Company communicates with its shareholders through its annual report, general meeting, newspapers and disclosures through website. The Company also communicates with its institutional shareholders through investor conferences, conference calls etc. While the Quarterly/Annual Financial results are published in national newspapers like The Economic Times, The Navbharat Times, The Hindustan Times, Business Standard, Business Standard (Hindi), The Financial Express, Jansatta (Hindi), Mint, Hindustan (H), etc., the same are also available on the website of the Company, viz. www.pfcindia.com and are also submitted to stock exchanges for wider dissemination.

All important information pertaining to the Company is mentioned in the Annual Report of the Company containing *inter alia* audited accounts, consolidated financial statements, directors' report, auditors' report, report on corporate governance which is circulated to the members and other entitled persons for each financial year.

7. CEO / CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO and CFO was placed before the Board of Directors at its meetings held on May 15, 2024. (Copy enclosed at Annexure I of this Report).

8. COMPLIANCE WITH APPLICABLE LAWS

The Company has a robust Compliance monitoring system in place. The Board periodically reviews the status of compliances to ensure proper compliance of all laws applicable to the Company.

9. CODE OF CONDUCT

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of your Company. It is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code has been made available on the website of the Company i.e. www.pfcindia.com.

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

In pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, 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 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 company website

https://pfcindia.com/ensite/Default/ViewFile/?id=1614952208955_Insider_Trading_Code_Amended05032021.pdf&path=Page

11. SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date	Time	Venue
August 21, 2024	11:00 am	Through Video Conferencing (VC)

The 38th Annual General Meeting shall be held through Video Conferencing/Other Audio Visual Means. 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 38th AGM of the Company.

b) Financial calendar for FY2024-25 (Tentative)

Particulars	Date
Financial year	April 01, 2024 to March 31, 2025
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/September 2025

c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 16, 2024 to August 21, 2024

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://pfcindia.com/ensite/Default/ViewFile/?id=1546009180778_DividendDistribution.pdf&path=Page

- **Dividend details for the FY2023-24**

The Board of Directors of the Company, has recommended payment of final dividend of ₹2.5 per equity share (subject to deduction of TDS) for the financial year ended March 31, 2024 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 ₹11 per share (subject to deduction of TDS) already declared and paid during the year in three tranches on the paid up equity share capital of the Company. Thus, the total dividend for the FY2023-24 amounts to ₹13.5 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, 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 26, 2024 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 26, 2024 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)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2019-20	2,640.08 (Interim)	2,508.07	95	March 12, 2020
	Total	**2,508.07**	**95**	-
2020-21	2,640.08 (Interim)	2,112.06	80	March 31, 2021
	2,640.08 (Final)	528.02	20	October 12, 2021
	Total	**2,640.08**	**100**	
2021-22	2,640.08 (1st Interim)	594.02	22.5	September 10, 2021
	2,640.08 (2nd Interim)	660.00	25	December 10, 2021
	2,640.08 (3rd Interim)	1,584.05	60	March 11, 2022
	2,640.08 (Final)	330.00	12.5	October 11, 2022
	Total	**3,168.00**	**120**	
2022-23	2,640.08 (1st Interim)	594.00	22.5	September 09, 2022
	2,640.08 (2nd Interim)	792.00	30	December 08, 2022
	2,640.08 (3rd Interim)	924.00	35	March 10, 2023
	3,300.10 * (Final)	1,188.00	45	September 27, 2023
	Total	**3,498.00**	**132.50**	
2023-24	3,300.10 (1st Interim)	1,485.00	45	December 07, 2023
	3,300.10 (2nd Interim)	1,155.00	35	February 29, 2024
	3,300.10 (3rd Interim)	990.00	30	March 30, 2024
	3,300.10 (Final)	825.00	25 (Recommended)	Yet to be declared & paid
	Total	**4455.00**	**135.00**	

* Share capital increased to ₹3300.10 crore due to Bonus Issue in the ratio of 1:4.

Status of Unclaimed Amounts and Shares/ Dividend/ Bonds transferred to IEPF Account:

Bonds

The total unclaimed and unpaid amount as on March 31, 2024 was ₹72,77,96,870.52 (principal plus interest). The unpaid/unclaimed amount of bonds transferred to IEPF during FY2023-24 is ₹3,47,497.

Unclaimed Dividend-Equity

The unclaimed balance amount of dividend (equity) as on March 31, 2024 was ₹ 5.48 crore (approx.). The unclaimed dividend of ₹ 26,60,765 became due for transfer during the year ended March 31, 2024 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 IEPF Authority. Accordingly, the Company has transferred 2,117 Equity shares (of ₹10/- each) to the Demat Account of IEPF Authority during 2023-24. As on March 31, 2024, the number of equity shares held in Demat account to IEPF Authority were 1,36,236.

The members who have a claim on the above dividend and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in Form No. IEPF-5. 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	Sh. Manish Kr. Agarwal
Deputy Nodal Officer in respect of bonds/debentures	Sh. Gian Singh, CGM (RMD-II)

e) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

National Stock Exchange of India Limited (NSE)	BSE Limited (BSE)
Exchange Plaza, Bandra–Kurla Complex, Bandra (E), Mumbai – 400 051 Scrip Code: PFC EQ	Floor – 25, PJ Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 532810

Stock Code (ISIN) : INE134E01011

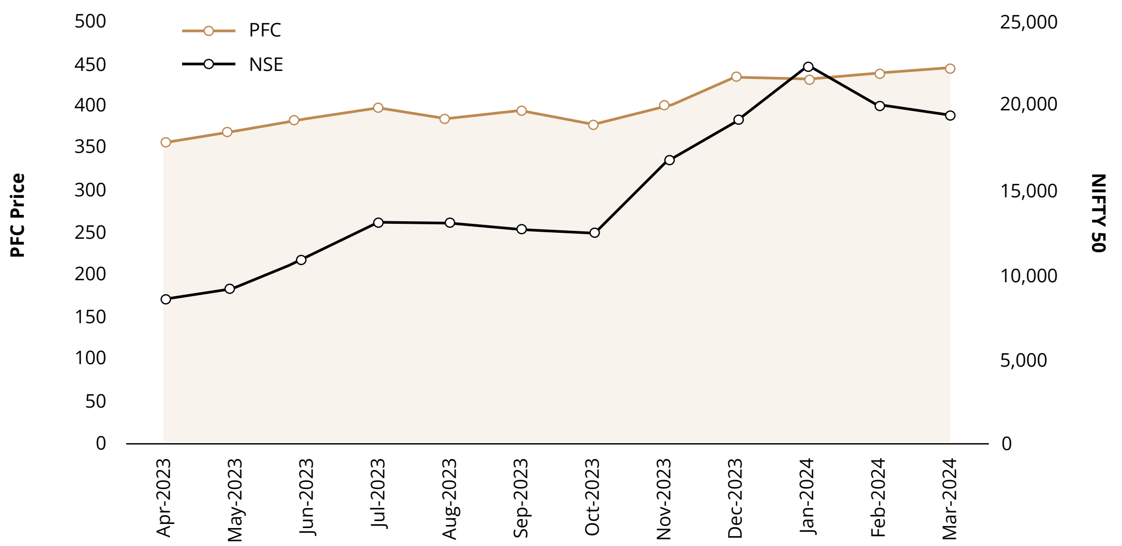
The annual listing fees for the FY2023-24 have been paid to NSE and BSE.

f) Market Price Data

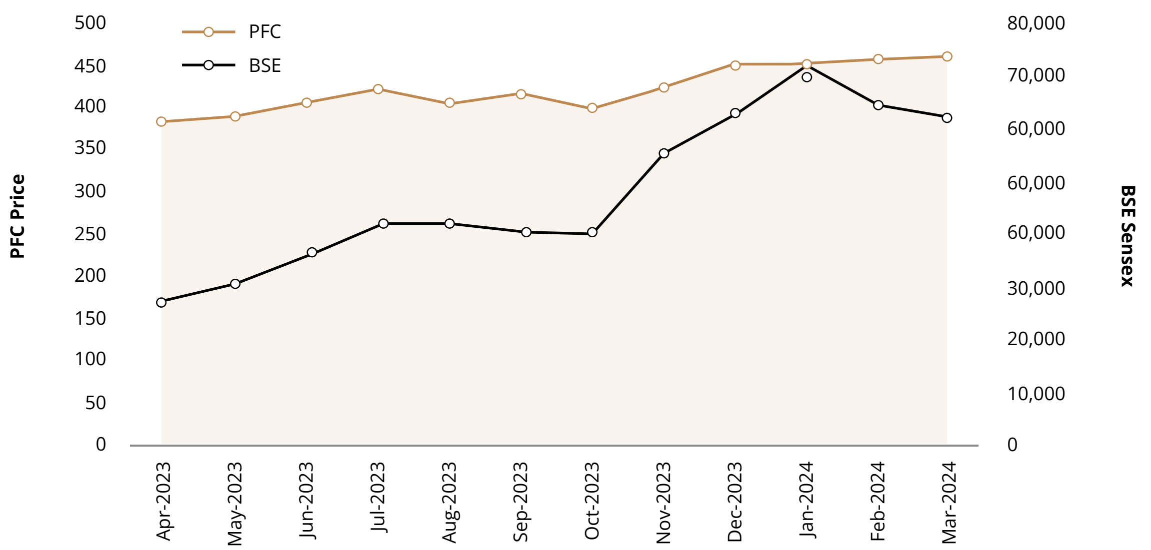
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'23	170.30	170.30	151.65	151.65	169.90	169.90
May'23	183.45	183.35	158.65	159.30	182.40	182.40
June'23	220.25	220.00	181.80	181.65	215.90	215.75
July'23	262.00	261.85	215.50	215.5	261.40	261.35
August'23	277.20	277.20	249.55	249.55	260.20	260.30
September'23	313.90	313.90	225.25	225.25	251.90	251.90
October'23	258.20	258.15	225.50	225.6	246.60	246.70
November'23	338.25	337.50	237.85	238	334.90	334.95
December'23	428.75	428.00	337.00	337	382.60	382.45
January'24	453.70	453.75	379.20	379.15	443.25	443.35
February'24	477.80	477.80	387.40	387.5	400.70	400.65
March'24	435.05	434.80	351.70	351.85	390.25	390.2

g) Performance in comparison to indices NSE NIFTY, BSE Sensex and PFC

PFC Share price and NIFTY 50



PFC share price and BSE Sensex



h) Registrar and Transfer Agent for Equity Shares

Communication Address

KFin Technologies Limited
Selenium Building, Tower-B,
Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana, India - 500 032
Tel: +91 40 67162222
E-mail: 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. However, investors are not barred from holding shares in physical form.

j) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2024 are as follows:

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2023.	3	1432
Bonus allotment of shares on September 22, 2023 (1:4 ratio)	155	9125
Add: Bonus shares issued to shares lying in suspense account as on April 1, 2023.	-	358
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2023-24.	12*	4195
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2023-24.	9	2763
Less: Number of shares which were transferred to IEPF Account during the year 2023-24.	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, 2024.	149	8152

* out of which in 3 cases shares pending for transfer to respective shareholders account due to some formalities at the respective shareholders end.

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

k) Distribution of shareholding

• Distribution of shareholding as on March 31, 2024

Sr. No.	Amount	No. of shareholders	% of shareholders	Amount (₹)	% of shares
1	1-5000	7,01,306	99.11	1,47,17,90,170	4.46
2	5001-10000	2,970	0.42	21,23,78,470	0.64
3	10001-20000	1,405	0.20	19,63,48,340	0.59
4	20001-30000	485	0.07	11,99,94,270	0.36
5	30001-40000	232	0.03	8,07,23,000	0.24
6	40001-50000	147	0.02	6,72,03,710	0.20
7	50001-100000	320	0.05	22,76,35,820	0.69
8	100001 & Above	714	0.10	30,62,49,43,820	92.80
	Total	**7,07,579**	**100**	**33,00,10,17,600**	**100.00**

- **Shareholding pattern as on March 31, 2024:**

Category	Total No. of shares	% to Equity
President of India	1,84,78,64,722	55.99
Foreign Portfolio - CORP	56,73,70,602	17.19
Mutual Funds	41,69,43,279	12.63
Resident Individuals	22,42,76,392	6.80
Qualified Institutional Buyers	15,40,81,499	4.67
Bodies Corporates	3,57,71,034	1.08
Alternative Investment Fund	2,14,51,413	0.65
HUF	1,07,80,305	0.33
Insurance Companies	80,50,696	0.24
Non Resident Indian	48,20,995	0.15
Non Resident Indians non repatriable	37,95,403	0.12
Trusts	14,28,414	0.04
NBFC	14,05,536	0.04
Employees	10,54,325	0.03
Clearing Members	51,777	0.00
IEPF	1,36,236	0.00
Banks	7,94,172	0.02
Key Managerial Personnel	24,905	0.00
Indian Financial Institutions	35	0.00
Foreign Portfolio Investors	20	0.00
Total	**3,30,01,01,760**	**100**

l) Dematerialisation of Shares

Number of shares held in dematerialised form with NSDL, CDSL and physical mode as on March 31, 2024.

Description	No. of Shares	% to total Capital Issued
NSDL	3,17,36,53,184	96.17
CDSL	12,64,28,676	3.83
Physical	19,900	0.00
Total	**3,30,01,01,760**	**100**

m) 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.

n) Commodity price risk or foreign exchange risk and hedging activities

Your Company has put in place Currency Risk Management (CRM) policy 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.

o) Address for correspondence

Registered Office

'Urjanidhi', 1, Barakhamba Lane,
Connaught Place,
New Delhi – 110 001

Company Secretary

Shri Manish Kumar Agarwal
Tel: +91 11 23456020
Fax: +91 11 23456786
E-mail: investorsgrievance@pfcindia.com

p) Credit Ratings

During the FY2023-24, Company's both long-term & short-term domestic borrowing programme (including bank loans) continued to be the highest rating.

- **Domestic Rating assigned by CRISIL, ICRA and CARE**
  - Long-term domestic borrowing programme Rating - CRISIL AAA, ICRA AAA and CARE AAA
  - Short-term domestic borrowing programme Rating - CRISIL A1+, ICRA A1+ and CARE A1+

- **International Rating**
  - The Company's international credit ratings continue to be Baa3 and BBB- assigned by International Credit Rating Agencies Moody's and Fitch respectively.

q) 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 31.03.2024 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee that:-

i) There are no significant changes in internal control over financial reporting during the year;

ii) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and

iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(Parminder Chopra)
Chairman & Managing Director/ CEO and Director (Finance) (addl. charge)/CFO
DIN: 08530587

Date: May 10, 2024

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, 2024."

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,
Power Finance Corporation Limited
'URJANIDHI' 1, Barakhamba Lane,
Connaught Place, New Delhi – 110 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of P**ower Finance Corporation Limited having CIN: L65910DL1986GOI024862** and having registered office at 'URJANIDHI'1, Barakhamba Lane, Connaught Place, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me/us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Smt. Parminder Chopra	08530587	14.08.2023*
2.	Shri Ajay Tewari	09633300	09.06.2022
3.	Shri Bhaskar Bhattacharya	09406292	23.12.2021
4.	Smt. Usha Sajeev Nair	09408454	23.12.2021
5.	Shri Prasanna Tantri	06471864	23.12.2021
6.	Shri Rajiv Ranjan Jha	03523954	28.10.2021
7.	Shri Manoj Sharma	06822395	29.08.2022

* Original date of appointment was July 01, 2020.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code: P1996MH007500)

Sd/-
CS Nayan Handa
Partner
FCS No.: 11993
CP No.: 18686

Place: New Delhi
Date: July 25, 2024
UDIN: FO11993F000824563

Certificate on 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, 2024 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:

i. The company has not complied with the provision of Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015, regarding the requirement of having at least half of the Board of Directors as independent, for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

ii. The company has not complied with the provision of Regulation 17 (10) of SEBI (LODR) Regulations, 2015, w.r.t. the performance evaluation of the director.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the company

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code: P1996MH007500)

Sd/-
Nayan Handa
Partner
FCS No. 11993
CP No.: 18686
UDIN: F011993F000824970

Place: Delhi
Date: July 25, 2024

Annexure D of Board's Report

Business Responsibility and Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65910DL1986GOI024862
2.	Name of the Listed Entity	Power Finance Corporation Limited
3.	Year of incorporation	July 16, 1986
4.	Registered office address	Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001
5.	Corporate address	Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001
6.	E-mail	investorsgrievance@pfcindia.com
7.	Telephone	011-23456000
8.	Website	https://pfcindia.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11.	Paid-up Capital	₹ 3300.10 crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Manish Kumar Agarwal Company Secretary 011-23456740 mk_agarwal@pfcindia.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis
14.	Name of Assurance Provider	M/s Mehta & Mehta
15.	Type of Assurance obtained	Reasonable Assurance

II. Products / Services

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and Insurance Service	Financial and Credit leasing activities	99.97%

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

Sl. No.	Product/ Service	NIC Code	% of total turnover contributed
1.	Other Financial Services and Activities - Other Credit Granting	64920	99.97%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	3	3
International	NA	0	0

19. Market Served by the entity:

a) Number of locations

Location	Number
National (No. of States)	36*
International (No. of Countries)	0

* PFC serves the Indian markets and its business extends throughout the country (28 states and 8 UT's). For resource mobilisation purpose, the Company also taps international capital markets besides domestic markets.

b) What is the contribution of exports as a percentage of the total turnover of the entity?

-

c) A brief on type of customers

Interest-bearing loans to private sector borrowers and Central & State utilities are among PFC's main offerings. Our clients mainly include central power utilities, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers, infrastructure and logistics and activities that have a forward or backward link with power projects. Long-term, medium-term, and short-term loans, among other loans for the whole power industry value chain, are among the company's main offerings. State governments, independent power producers, state & central power utilities are among the company's clients.

IV. Employees

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	529	414	78.26	115	21.73
2	Other than Permanent (E)	0	0	0.00	0	0.00
3	Total employees (D+E)	529	414	78.26	115	21.73
Workers						
4	Permanent (F)	16	14	87.5	2	12.5
5	Other than Permanent (G)	0	0	0.00	0	0.00
6	Total workers (F+G)	16	14	87.5	2	12.5

b) Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	17	16	94.11	1	5.88
2	Other than Permanent (E)	0	0	0.00	0	0.00
3	Total differently abled employees (D+E)	17	16	94.11	1	5.88
Differently abled Workers						
4	Permanent (F)	1	1	100	0	0
5	Other than Permanent (G)	0	0	0.00	0	0.00
6	Total differently abled workers (F+G)	1	1	100	0	0

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	28.57
Key Management Personnel	4	1	25

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022- 23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	**2.24%**	**1.80%**	**2.14%**	2.32%	0.98%	2.04%	4.01%	2.08%	3.62%
Permanent Workers	**17.14%**	**0.00%**	**15.38%**	0.00%	0.00%	0.00%	5.13%	0.00%	4.44%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Name of holding / subsidiary / associate companies / joint venture

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	PFC Consulting Limited	Subsidiary	100	No
2	PFC Projects Ltd	Subsidiary	100	No
3	PFC Infra Finance IFSC Limited	Subsidiary	100	No
4	REC Limited	Subsidiary	52.63	No
5	Coastal Tamil Nadu Power Limited	Subsidiary	100	No
6	Orissa Integrated Power Limited	Subsidiary	100	No
7	Sakhigopal Integrated Power Company Limited	Subsidiary	100	No
8	Ghogarpalli Integrated Power Company Limited	Subsidiary	100	No
9	Deoghar Mega Power Limited	Subsidiary	100	No
10	Cheyyur Infra Limited	Subsidiary	100	No
11	Odisha Infrapower Limited	Subsidiary	100	No
12	Deoghar Infra Limited	Subsidiary	100	No
13	Bihar Infrapower Limited	Subsidiary	100	No
14	Bihar Mega Power Limited	Subsidiary	100	No
15	Jharkhand Infrapower Limited	Subsidiary	100	No
16	Chattarpur Transmission Limited	Subsidiary	Wholly-owned subsidiaries of PFCCL	No
17	Siot Transmission Limited	Subsidiary		No
18	Joda Barbil Transmission Limited	Subsidiary		No
19	Ramakanali B -Panagarh Transmission Limited	Subsidiary		No
20	Paradeep Transmission Limited	Subsidiary		No
21	Gola B -Ramgarh B Transmission Limited	Subsidiary		No
22	Khavda PS1 And 3 Transmission Limited	Subsidiary		No
23	Pune- III Transmission Limited	Subsidiary		No
24	Barmer I Transmission Limited	Subsidiary		No
25	KPS III HVDC Transmission Limited	Subsidiary		No
26	Sirohi Transmission Limited	Subsidiary		No
27	Beawar - Mandsaur Transmission Limited	Subsidiary		No
28	South Olpad Transmission Limited	Subsidiary		No
29	Bhadla-III & Bikaner-III Transmission Limited	Subsidiary		No
30	Jamnagar Transmission Limited	Subsidiary		No
31	Bhuj II Transmission Limited	Subsidiary		No
32	Angul Sundargarh Transmission Limited	Subsidiary		No
33	REC Power Development & Consultancy Ltd.	Subsidiary	Wholly-owned subsidiaries of REC Limited	No
34	Chandil Transmission Limited	Subsidiary		No
35	Dumka Transmission Limited	Subsidiary		No
36	Koderma Transmission Limited	Subsidiary		No
37	Mandar Transmission Limited	Subsidiary		No
38	Meerut Shamli Power Transmission Limited	Subsidiary		No
39	Luhri Power Transmission Limited	Subsidiary		No
40	Neres XVI Power Transmission Limited	Subsidiary		No
41	Khavda II-D Transmission Limited	Subsidiary		No
42	Jalpura Khurja Power Transmission Limited	Subsidiary		No
43	Kallam Transco Limited	Subsidiary		No
44	Rajasthan Part I Power Transmission Limited	Subsidiary		No
45	Shongtong Power Transmission Limited	Subsidiary		No
46	Khavda IV C Power Transmission Limited	Subsidiary		No
47	Khavda IV-E2 Power Transmission Limited	Subsidiary		No
48	Khavda IV A Power Transmission Limited	Subsidiary		No
49	Khavda V-A Power Transmission Limited	Subsidiary		No
50	Rajasthan IV A Power Transmission Limited	Subsidiary		No
51	Rajasthan IV C Power Transmission Limited	Subsidiary		No

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether	% 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)
52	Rajasthan IV HJ Power Transmission Limited	Subsidiary		No
53	Rajasthan IV E Power Transmission Limited	Subsidiary		No
54	Tumkur-II REZ Power Transmission Limited	Subsidiary		No
55	NERGS-I Power Transmission Limited	Subsidiary		No
56	Kankani Power Transmission Limited	Subsidiary		No
57	ERES-XXXIX Power Transmission Limited	Subsidiary		No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹) 4,60,22,46,99,853.87

(iii) Net worth (in ₹) 7,92,03,47,55,257.26

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://pfcindia.com/ensite/Home/VS/45	0	0	-	0	0	NA
Investors (other than shareholders)*	Yes https://www.pfcindia.com/Home/VS/74	15	0	NA	5651	0	NA
Shareholders*	Yes https://www.pfcapps.com/Bondgreivance/bond_complaint.aspx https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf	1897	5	Complaints received during the year, were subsequently resolved by April 5, 2024	2624	8	Complaints received at the end of quarter, were subsequently resolved by April 4, 2023.
Employees and workers	Yes. The Company has a dedicated policy for handling grievances. The policy is available to employees on the Company intranet. It provides a 3-tier system which allows all permanent employees to escalate their grievances at multiple levels. At Stage - I, Grievances are resolved within a week. If grievance is not satisfactorily redressed, the grievance is resolved within 10 days of written representation in Stage II. If not satisfied with the outcome at Stage II, the aggrieved employee may appeal to higher level. Decision is taken at Stage III within 1 month from the date of receipt of written representation.	0	0	NA	0	0	NA
Customers	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/AboutUs/Corporate_Overview/Citizens_Charter/citizen%20Charter%2011062024HR.pdf	20	2	The complaints were resolved subsequently.	0	0	NA
Value Chain Partners	NA	NA	NA	NA	NA	NA	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

* Details of Investors (including Bond Holders) /Shareholder are covered)

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Regulatory and Legal Compliance	Risk	Risk- The risk of non-compliance exposes the organization to legal penalties and financial losses resulting from failure to comply with industry laws and regulations. Failure to adhere to the laws would directly affect the company's revenue, and valuations and could lead to a loss of reputation and business opportunities. More compliant companies tend to have improved performances and better process efficiency. Compliance gives assurance and provides a broader insight to the investors.	Strong oversight over the company's compliance regularly. PFC has a Fair Practice Code, whistle-blower, 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- Non-compliance would lead to loss of reputation and consequently affect the business activities.
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	The risk of a data breach poses a threat to the exposure of our customer's personally identifiable information, which in turn impacts our business relationship with them. This potential breach jeopardizes the confidentiality, integrity and security of sensitive customer data, potentially leading to breaches of trust and damaging our reputation.	PFC has developed a comprehensive cyber security framework to safeguard its IT assets, PFC has taken substantial initiatives to augment the cyber security arrangements. PFC has implemented Anti-APT Devices, Next-Generation Firewall, IPv6 for increased cybersecurity posture and also inducted Managed Detection & Response Services for proactive cyber security protection. As per the guidelines of the Ministry of Power, the "Cyber Jagrukta Diwas" is being conducted every first Wednesday of the month at PFC, contributing to a vigilant cyber-safe environment.	Negative: In the unfortunate case of a data breach, the company would experience adverse effects on its business operations. This could include disruptions to services, financial losses, damage to the company's reputation and erosion of customer trust. Additionally, such incidents would increase the risk of regulatory scrutiny and potential penalties from regulatory authorities.
4	Corporate Governance and Business Ethics	Risk	Adhering to business ethics underscores the company's dedication to promoting ethical behaviour and maintaining integrity in all its dealings. By prioritizing ethical conduct, the company aims to not only retain its existing customer base but also attract new customers to the company. Upholding these values fosters trust, strengthens relationships and reinforces the company's reputation as a responsible and trustworthy financial institution.	At PFC, we are committed to upholding the highest standards of transparency, accountability, and disclosure. As a publicly listed company, we adhere to a comprehensive framework of corporate governance frameworks and policies such as the Companies Act, 2013, SEBI's Listing Obligations & Disclosure Requirements Regulations, DPE Guidelines etc.	Negative: Unethical behaviour could directly impact the reputation of the company. It could also lead to loss of morale and employee productivity thereby affecting the top-line growth. By upholding ethical standards and treating both customers and employees with integrity and respect, the company cultivates a positive work environment and strengthens relationships with stakeholders.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Employee Health and Positive Work Environment	Opportunity	This boosts efficiency, reduces employee attrition, increases capabilities and creativity within the company and enhances diversity which in turn enhances customer experience.		Positive: A strong workforce with higher engagement, retention rate and diversity in the workforce brings new perspectives, experiences and ideas which enable innovation, enhance performance enable a positive culture in the organization and highlight the Company's efforts toward creating a conducive work environment.
6	ESG Governance and Board Oversight	Opportunity	Having an efficacious ESG oversight on the board level will augment the overall ESG performance and reflect the company's commitment to integrating responsible business practices within its growth model. Integrating ESG into the business practices would propel an enhanced risk management, governance, accountability reporting and decision-making. It would build the ability to identify and manage risks and opportunities related to environmental and social impact as well as build trust and transparency amongst investors and stakeholders.	To have a focussed approach towards ESG, a dedicated Environment, Social, and Governance (ESG) unit has been established. This centralised ESG unit will work in close collaboration with various stakeholders to chart the ESG course for PFC.	Positive: Leadership oversight on the ESG strategy, action plan, and performance fosters a positive impact on the environment and community. It also enables the Company to further embed robust monitoring mechanisms across ESG initiatives and business practices.

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1.	**a)**	**Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b)	**Has the policy been approved by the Board? (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c)	**Web-link of the Policies, if available**	Please refer to the note below								
		Name of the Policy	Weblinks								
		CSR and Sustainability Policy	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/CSR/CSR%20Policy.pdf								
		Fair Practice Code	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf								
		Code of Business Conduct and Ethics	https://pfcindia.com/ensite/Default/ViewFile/?id=1472556128687_Code%20of%20Conduct%2017042015.pdf&path=Page&Name=Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20Personnel								
		Anti-Fraud Policy	https://pfcindia.com/ensite/Default/ViewFile/?id=1471520577857_ANTI%20FRAUD%20POLICY%2005_11_2011.pdf&path=Page&Name=Anti%20Fraud%20Policy								
		Whistle-Blower Policy	https://pfcindia.com/ensite/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page								
		Policy on Related Party Transactions	https://pfcindia.com/ensite/Default/ViewFile/?id=1683559406964_POLICY%20ON%20MATERIALITY%20OF%20RPT13012023.pdf&path=Page								
		Policy on Material Subsidiary	https://pfcindia.com/ensite/Default/ViewFile/?id=1561552854274_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
	Dividend Distribution Policy	https://pfcindia.com/ensite/Default/ViewFile/?id=1546009180778_DividendDistribution.pdf&path=Page								
	Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for regulating, monitoring & reporting of trading in the securities of Power Finance Corporation Limited	https://pfcindia.com/ensite/Default/ViewFile/?id=1614952208955_Insider_Trading_Code_Amended05032021.pdf&path=Page								
	Policy for Determination of Materiality of Events	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Policy_for_Determination_of_Materiality_of_Events/Final%20Policy%20for%20Determination%20of%20Materiality%20of%20Events17052019.pdf								
2.	**Whether the entity has translated the policy into procedures. (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Y	Y	-	Y	-	Y	Y	Y	Y
4.	**Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	PFC is an ISO 9001:2015 and ISO 45001: 2018 certified company.								
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	During the year 2023-24, a Materiality Assessment was done to identify our materials topics, following which our current performance and gaps were identified. We are currently in the process of identifying the commitments and targets to be set								
6.	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Once the targets are identified, processes and tasks will be developed to monitor the organization-wise performance. However, PFC has taken several initiatives in ESG, for more details please refer to the ESG Section in our latest Annual Report								
Governance, leadership and oversight										
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**	Please refer to the Chairman & Managing Director's Message in the ESG Section of the Annual Report								
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Board of Directors								
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	At PFC, the Board is at the pinnacle of the governance structure. PFC's Board Committee on CSR & Sustainable Development guides the company's CSR and SD initiatives. The Committee advises the Board of Directors to pursue different CSR and SD initiatives.								

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Quarterly/Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

	P1	P2	P3	P4	P5	P6	P7	P8	P9
	All policies are evaluated internally at regular intervals.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

a) The entity does not consider the Principles material to its business (Yes/No)

b) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)

c) The entity does not have the financial or/human and technical resources available for the task (Yes/No)

d) It is planned to be done in the next financial year (Yes/No)

e) Any other reason (please specify) -

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	Familiarisation Programme for Independent Directors	14.2%
Key Managerial Personnel	1	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013	25%
Employees	5	1. Environmental, social, and governance (ESG) 2. YOGA 3. Health & Stress Management for Enhanced Productivity 4. Ethics & Governance 5. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 6. Conduct, Discipline & Appeal (CDA) Rules of PFC	46%
Workers	1	YOGA	19%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	1	NSE & BSE*	32,33,200	Penal actions prescribed for non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulation 76 of SEBI (Depositories & Participants) Regulation 2018, (Regulation 17(1)).	Yes
	2	RBI**	8,80,000	Non-compliance with certain provisions of the RBI's directions on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies	--
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NA	NA
Punishment	NIL	NIL	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions

*On receipt of letter/e-mail from stock exchanges imposing fine on PFC, the Company requests the exchange to withdraw their letters (imposing fine) as PFC is a CPSE under the administrative control of MOP, Government of India and the Directors on the Board of PFC are appointed by President of India, through Ministry of Power, Government of India.

**Under the aforesaid RBI Circular regarding Liquidity Risk Management Framework, the Company is required to maintain Liquidity Coverage Ratio w.e.f. 01.12.2020 in the form of High-Quality Liquid Assets (HQLA). The Company has included callable Fixed Deposit (FDs) with scheduled commercial Banks as part of HQLA. RBI has considered these deposits as ineligible assets as HQLA for the computation of LCR. Thus, RBI has imposed penalty on the grounds of deficiencies in regulatory compliance considering that prescribed Liquidity Ratio has not been maintained as on 31.03.2022

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.

In order to guarantee fair dealing and transparency in lending operations, the Company has implemented the Fair Practices Code (FPC), which is based on RBI principles. PFC has a comprehensive Code of Business Conduct & Ethics for Board Members and Senior Management, an Anti-Fraud Policy to prevent and detect fraud, and Conduct, Discipline, and Appeal (CDA) Rules serve as a guide for all executives including the Board of Directors and Senior Management Personnel to ensure compliance with applicable anti-bribery laws, rules, and regulations. The Company has zero tolerance for any form of bribery or corruption and is committed to acting professionally, fairly, and with integrity in all of its business dealings.

The web links of the above-said policies are annexed herewith-

https://www.pfcindia.com/Default/ViewFile/?id=1472556128687_Code%20of%20Conduct%2017042015.pdf&path=Page&Name=Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20Personnel

https://pfcindia.com/ensite/Default/ViewFile/?id=1471520577857_ANTI%20FRAUD%20POLICY%2005_11_2011.pdf&path=Page&Name=Anti%20Fraud%20Policy

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	Not Applicable	Not Applicable

Considering the nature of the business of the entity, 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 2023-24 (Current Financial Year)	FY 2022-23 (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)	0.05%	0.05%
	d. Investments (Investments in related parties / total investments made)	71.95%	83.45%

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Not Applicable		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The company has a code of business conduct and ethics that covers a variety of topics, including how to handle conflicts of interest for board members and senior management. A clear procedure that allows Directors to abstain from conversations involving conflicts of interest has been established to resolve these conflicts. Directors have a responsibility to carry out their responsibilities in an honest way and the best interests of the company.

They must carry out their duties free from outside interference that can impair their capacity to make independent, unbiased decisions, which are essential for the Company's success. Furthermore, it is forbidden for Directors to misuse their positions to directly or indirectly benefit themselves at the expense of the Company. The Board of Directors and senior management submit an annual declaration confirming their adherence to the Code of Conduct. The BoDs are also required to submit the annual declaration confirming their participation in other companies.

The Policy is available at https://www.pfcindia.com/Home/VS/63

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	Current Financial Year FY 2023-24	Previous Financial Year FY 2022-23	Details of improvements in environmental and social impacts
R & D	Given the nature of the business, R&D and CAPEX are not applicable to the company.		
Capex			

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Given the nature of the business, this is not applicable to the company. However, the Company follows the guidelines set forth by the Government of India (GoI) on procurement procedures and the reservations made for Micro, Small, and Medium-Sized Enterprises (MSMEs).

PFC aggressively encourages sourcing from MSME suppliers and the usage of the Government e-marketplace (GeM) platform for procurements. The company's defined Procurement Guidelines are followed in all material and service sourcing and procurement. PFC uses evaluation criteria that consider energy efficiency requirements when acquiring equipment, and star-rated items such as air conditioners, laptops, computers, and lighting fixtures are considered.

b. **If yes, what percentage of inputs were sourced sustainably?**

PFC has enforced obligatory procurement of common-use products and services through the GeM (Government e-Marketplace) site, giving preference to MSMEs and MII in accordance with government instructions.

The GeM site was used for 93.44 percent of all purchases of goods and services made in the fiscal year 2023–2024, with 69.82 percent of those purchases coming from MSMEs.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

(a) Plastics (including packaging): NA

(b) E-waste: NA

(c) Hazardous waste: NA

(d) other waste: NA

Note: PFC has few systems in place for waste disposal, recycling, and reuse because it is a financial organisation. Nonetheless, a 50-kilogram composting machine has been built, which turns moist debris into organic compost that may be planted on the property. PFC produces no hazardous waste and very little e-waste or plastic garbage. By corporate policies, registered recyclers are used to get rid of obsolete IT equipment. Furthermore, PFC has promoted alternatives including jute bags, cloth bags, and paper folders, greatly reducing the usage of plastic.

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 ofProduct/ Service	% of total Turnovercontributed	Boundary for which the Life Cycle Perspective / Assessment wasconducted	Whether conducted byindependent externalagency (Yes/No)	Results communicatedin public domain (Yes/No) If yes, providethe 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 2023-24 Current Financial Year	FY 2022-2023 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 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste (No. of IT Units safely disposed)*	-	-	-	-	-	-
Hazardous waste	NA					
Other waste						

* Note: PFC has disposed of the waste through an authorised E-waste vendor. During FY23-24, 106 units were disposed of the IT units and during FY 22-23, 215 IT Units were disposed of.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a Details of measures for the well-being of employees:

Category	Total (A)	% of employees 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 employees											
Male	414	414	100%	414	100%	NA	NA	414	100%	0	0
Female	115	115	100%	115	100%	115	100%	NA	NA	0	0
Total	**529**	**529**	**100%**	**529**	**100%**	**115**	**22%**	**414**	**78%**	**0**	**0**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

(b) Details of measures for the well-being of workers:

Category	Total (A)	% of employees 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 employees											
Male	14	14	100%	14	100%	NA	NA	14	100%	0	0
Female	2	2	100%	2	100%	2	100%	NA	NA	0	0
Total	**16**	**16**	**100%**	**16**	**100%**	**2**	**13%**	**14**	**88%**	**0**	**0**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023 -24 Current Financial Year	FY 2022 -23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.001	0.001

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	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	100.00	100.00	Y	100.00	100.00	Y
Gratuity	100.00	100.00	Y	100.00	100.00	Y
ESI	0	0	NA	0	0	NA
Others - 1. PRMS 2. LEAVE ENCASHMENT 3. NPS	100	100	Y	100	100	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Indeed, our offices have specifically built restrooms with grab rails, accessible doors, braille-aided elevators and elevated toilet seats to meet the unique requirements of people with disabilities. The office entry to the building includes additional amenities like rails, ramps, and specially built physical barriers in addition to restrooms.

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 adamantly rejects discrimination of any kind and guarantees equal opportunity for people with disabilities by prescribed norms. We uphold the value of diversity and maintain a discrimination-free environment. No differentiation or prejudice based on characteristics such as race, gender, religion, disability, age, sexual orientation, gender identity, gender expression, caring responsibilities, marital or civil partnership status, or any other protected class as defined by applicable laws is tolerated. Moreover, the company firmly believes in fostering an inclusive work culture and providing equal opportunities to all its employees. By the Equal Remuneration Act of 1976, men and women employees get equal compensation. The official equal opportunity policy is now being developed and, if approved, will be posted on the corporate website.

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 Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes. The Company has a dedicated policy for handling grievances. The policy is available to employees on the Company intranet. It provides a 3-tier system which allows all permanent employees to escalate their grievances at multiple levels. At Stage - I, Grievances are resolved within a week. If grievances are not satisfactorily redressed, the grievance is resolved within 10 days of written representation in Stage II. If not satisfied with the outcome at Stage II, the aggrieved employee may appeal to a higher level. Decision is taken at Stage III within 1 month from the date of receipt of written representation. Additionally, there is a Whistle-blower Initiative (WI) that provides a formal platform to share grievances on various matters. Employees are informed about the details of the grievance mechanism and WI through a specific module, and new recruits are sensitized to the WI mechanism as part of their induction program. The company has a policy on the prevention, prohibition, and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. The ICC Members list is published on the Company's Notice Board of PFC. The company regularly sensitizes its employees on the prevention of sexual harassment at the workplace through training and awareness programs held regularly.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	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	**529**	**529**	**100%**	**519**	**519**	**100%**
Male	414	414	100%	393	393	100%
Female	115	115	100%	107	107	100%
Total Permanent Workers	**16**	**16**	**100%**	**19**	**19**	**100%**
Male	14	14	100%	17	17	100%
Female	2	2	100%	2	2	100%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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	414	77	19%	260	63%	393	66	17%	259	66%
Female	115	26	23%	71	62%	107	20	19%	92	86%
Total	**529**	**104**	**20%**	**331**	**63%**	**500**	**86**	**17%**	**351**	**70%**
Workers										
Male	14	4	24%	8	57%	17	7	41%	7	41%
Female	2	1	50%	2	100%	2	1	50%	1	50%
Total	**16**	**5**	**26%**	**10**	**63%**	**19**	**8**	**42%**	**8**	**42%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	414	414	100.00%	393	393	100.00%
Female	115	115	100.00%	107	107	100.00%
Total	**529**	**529**	**100.00%**	**500**	**500**	**100.00%**
Workers						
Male	14	14	100%	17	17	100%
Female	2	2	100%	2	2	100%
Total	**16**	**16**	**100%**	**19**	**19**	**100%**

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 has taken several initiatives to ensure the physical & mental health and well-being of its employees are maintained:

Health and Safety includes the following:

Training Conducted in FY 2023-24:

1. Workshop on Health & Stress Management for Enhanced Productivity
2. Awareness Workshop on Yoga
3. Workshop for building a team of Internal Quality Auditors as per ISO 9001:2015 & ISO 45001:2018
4. Workshop on ISO 45001:2018 - Occupational Health & Safety standards

Apart from the above, during FY 2023-24, a total of 8 medical camps were organized for employees at the PFC Corporate Office, PFCCL and Regional offices in Mumbai & Chennai. A daily virtual Yoga session is also being organized for all employees & workers. To support the health and well-being of all, the Corporation has a dedicated doctor's room at the Corporate office. Doctors specializing in fields such as Allopathic, Ayurvedic, Gynaecology, Homeopathy, and Naturopathy are available during working hours as per the notified schedule. Additionally, a Wellness Centre has been established at our Corporate office to cater to emergency health situations and first aid for employees in nursing facilities.

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 a well-defined process in place to identify the health risks and hazards with the following Measures undertaken by the company to ensure a safe and healthy workplace

- Fire Training is conducted every year
- Evacuation drill is conducted every year
- Fire safety advisories are released
- Fire safety signage is provided at different points
- E-surveillance and alert monitoring is performed
- Fire and burglar alarms for fire detection with fire and smoke sensors. Fire extinguishers for firefighting

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 designated Security Officer who addresses the issues related to security, sensors, fire alarms etc

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. PFC covers all employees and workforce under the company's Group Personal Accidental Insurance Scheme (GPAIS). The workforce has access to medical healthcare services with medical rooms at PFC. Several Physical & Mental Wellbeing Sessions are conducted to promote wellness at work and off the job.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2023-2024	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	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		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Please refer to the answer in response to question 10 a.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of 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	NA
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.

We carry out routine audits to make sure value chain participants have deposited and withheld required dues (vendors)

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	NIL			
Workers				

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)

Being a CPSE, the company complies with DPE employment standards when it comes to retirement or job termination. In addition, the company offers its retired employees welfare benefits including post-retirement medical coverage.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

PFC is aware that a variety of stakeholders are impacted by its operations, including consumers, authorities, competitors, business partners, and communities. The organisation thinks that building and sustaining solid, long-lasting relationships with these stakeholders requires open communication and genuine interaction. PFC learns about the direct and indirect effects of its operations on the social, environmental, and economic spheres by interacting with a variety of stakeholders. Stakeholder input, direction, and criticism allow PFC to function as a conscientious corporate citizen.

The organisation evaluates corporate plans and operations, identifies material challenges, and assesses services, and solutions through targeted, proactive interactions with different stakeholder groups. This strategy has a favourable impact on the external and internal surroundings while reducing the risk to one's reputation. The company's external and internal stakeholders have been mapped. Employees and staff of the company are considered internal stakeholders. External stakeholders include government bodies and regulatory authorities such as State Government(s), Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges, equity shareholders, bondholders, creditors, bankers, borrowers, and customers from the public and private sectors. PFC actively interacts with these stakeholders all year round using a variety of techniques.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Please refer to our FY 23-24 Annual Report's Stakeholder Engagement section under the ESG part.				

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Please refer to our FY 23-24 Annual Report's Stakeholder Engagement section under the ESG part.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Please refer to our FY 23-24 Annual Report's Stakeholder Engagement section under the ESG part.

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 FY23-24.

PRINCIPLE 5 Businesses should respect and promote human rights

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 is considered under human rights issues training**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	529	147	28%	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	**529**	**147**	**28%**	**-**	**-**	**-**
Workers						
Permanent	16	0	0	-	-	-
Other than permanent	-	0	0	-	-	-
Total Workers	**16**	**0**	**0**	**-**	**-**	**-**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	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 being remunerated in accordance with the guidelines of DPE, which are higher than minimum wages.									
Male										
Female										
Other than permanent										
Male										
Female										
Workers										
Permanent	All permanent workers are being remunerated in accordance with the guidelines of DPE, which are higher than minimum wages.									
Male										
Female										
Other than permanent										
Male										
Female										

3. Details of remuneration/ salary/ wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	10388650	1	10183350
Key Managerial Personnel	2	5856965		
Employees other than BoD and KMP	417	3362044	115	3177291
Workers	17	2365527	2	2126881

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	19.19%	18.88%

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)

Yes, employees are free to voice their concerns or grievances to Senior Management or the human resources department without worrying about facing consequences or retribution. The POSH Policy and the Whistle-Blower Policy both address PFC's stated policy for defending the human rights of its workers, stakeholders, and employees. PFC has established POSH committees, also known as Internal Compliance Committees.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights are seen as essential and basic principles, and the Company takes great pride in defending and preserving them. In addition to promoting and defending human rights, we work to make sure that all business and employment operations are carried out fairly and morally. We routinely assess the status of the resolution of grievances or complaints from our staff, vendors, or clients in order to uphold accountability and openness. In order to properly address matters pertaining to human rights, we have established committees and policies. Any kind of abuse—verbal, psychological, sexual, or physical—is not tolerated by the company.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	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	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The company has an Internal Committee that takes all reasonable measures to ensure that any person who has lodged a complaint under or given evidence or other assistance as part of an Inquiry, in good faith, is protected and not subjected to any Retaliatory Conduct. Employees are provided with multiple channels to address a wide range of concerns, including issues related to discrimination and human rights violations. The company has an open-door policy, allowing employees to escalate their concerns to management/POSH IC.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

We periodically assess the aforementioned human rights requirements and, if required, include them in our contracts and agreements.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
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.

There hasn't been a need to take corrective action towards addressing health and safety as no such incidents have been present.

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The company didn't face any situation to modify the business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The company upholds the principle of Human Rights in all its dealings.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Indeed, our offices have specifically built restrooms with grab rails, braille-aided elevators accessible doors, and elevated toilet seats to meet the unique requirements of people with disabilities. The office entry to the building includes additional amenities like rails, ramps, and specially built physical barriers in addition to restrooms.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	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.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
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)	6,387.23	6,028.1
Total fuel consumption (E)	10.8	25
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	6,398.03	6,053.1
Total energy consumed (A+B+C+D+E+F)	6,398.03	6,053.1
Energy intensity per rupee of turnover (Total energy consumed/turnover in Cr.)	0.13	0.20
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Not Applicable	Not Applicable
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency?
Yes, 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 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	23,684	26,639
(iii) Third party water (tanker)	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	2,647.49	3,229.7
(vi) Others- Water Bottles	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26,331.5	29,868.7
Total volume of water consumption (in kilolitres)	26,331.5	29,868.7
Water intensity per rupee of turnover (Total water consumption / turnover in Cr)	0.5	0.8
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	Not Applicable	Not Applicable
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency?
Yes, M/s Mehta & Mehta

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 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	1,608	2,232
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**1,608**	**2,232**

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

Yes, M/s Mehta & Mehta

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable. Being a provider of financial services, the company only uses water for human consumption. Not applicable. Being a provider of financial services, the company only uses water for human consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx		The company is in the financial sector and hence this has limited applicability to PFC.	
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-No Yes, 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 2023-24	FY 2022-23
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	0.8	1.9
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	1,268.57	1,197.2
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions /turnover in Cr)	$MTCO_2e$/Per rupee of turnover	0.02	0.03
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s Mehta & Mehta

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Since the company is a financial institution, the greenhouse gas emissions are negligible. Nonetheless, the business has taken several steps to lessen its indirect footprint because it is a conscientious entity dedicated to sustainability. By adopting green energy measures, PFC has shown that it is committed to environmental sustainability. The firm has also put in place a number of energy-saving strategies, such as using star-rated, energy-efficient equipment, which have drastically reduced power usage and, as a result, Scope 2 emissions. The corporation has implemented measures to enhance environmental consciousness and bolster the Government of India's "Green Initiatives." These include electronically informing shareholders via audited financial statements, notifications, and circulars. Additionally, the company has implemented an e-office file management system to make PFC a paperless organization.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	
E-waste (B)	-	
Bio-medical waste (C)	-	
Construction and demolition waste (D)	-	
Battery waste (E)	-	
Radioactive waste (F)	-	
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	-	
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	
Total (A+B + C + D + E + F + G + H)	-	
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**Not Applicable**	Not Applicable
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used	**Not Applicable**	
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

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
Yes, M/s Mehta & Mehta

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Please refer to the ESG Section in our latest Annual Report.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	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:

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others	Not Applicable	
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
---No treatment	Not Applicable	
---With treatment – please specify level of treatment		

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(ii) Into Groundwater	Not Applicable	
---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

Yes, M/s Mehta & Mehta

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	Currently, the company is in the process of assessing the methodology to measure the Scope 3 emissions. Once the systems are in place, PFC will report the Scope 3 emission data.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, M/s Mehta & Mehta

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
PFC is continuously poised to utilise Information Technology to enable its employees to cater to business functions efficiently. Implementation of collaboration tools for online meetings, e-Office solutions for efficient file processing, paperless digital board meetings and paperless employee claims are a few of the areas to mention as part of PFC's initiative to improve organisational efficiency with the use of technology and at the same time to contribute for an environment-friendly society.			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

To guarantee that IT operations and services are always available to its users during disruptions, PFC keeps up a business continuity and catastrophe management strategy. The organisation takes a proactive posture to protect operations, making sure that business operations go on as usual even in trying situations. Access to business applications and IT services will shift to the Disaster Recovery (DR) Site, which is housed on a private cloud infrastructure at the Mumbai Data Center and is managed by a cloud service provider accredited by MEITy, in the case of a disaster. Business Continuity Plan (BCP) is an internal document and is not available in the public domain.

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

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations. (As below)**

   The Company holds membership in ten trade and industry chambers/associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Central Board of Irrigation & Power	National
2	SCOPE	National
3	World Energy Council	International
4	Confederation of Indian Industry	National
5	Institute of Internal Auditors	National
6	Power HR Forum	National
7	Institute of Public Enterprise	National
8	ICSI	National
9	CIGRE	International
10	India Habitat Centre	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

To encourage and enable PFC to make use of this dynamic medium of interaction, a Framework and Guidelines for use of the Social Media have been formulated and duly approved by the Board. These guidelines would enable PFC to create and implement its strategy for the use of social media. The Framework and Guidelines in this document have been formulated to help PFC to make use of social media platforms to engage more meaningfully with its various stakeholders. Social media's characteristics of connectedness, collaboration and community have the potential of ensuring broad-based consultation and will help PFC reduce the gap while receiving immediate feedback on services delivered.

PFC facilitated a Shram daan/Cleanliness Drive at Shram Shakti Bhawan building and its surroundings during the observance of the Swachhta Pakhwada 2023. Similarly, on the occasion of World Environment Day 2023, PFC organised a plantation drive to administer a pledge to employees emphasising its commitment towards promoting environmental conservation under the Mission LiFE initiative.

PFC cultivated and leveraged sponsor relationships to access new opportunities, projects, and roles on various occasions. PFC has recently sanctioned financial assistance in the form of sponsorships to academic, cultural and sporting events such as its recent sponsorship Support towards the Confederation of Indian Industry's International Conference on Green Hydrogen 2023. The conference aimed to highlight the key applications, emerging landscape and opportunities, key technologies and prospects for manufacturing, cost economics etc. PFC also supported IIT Roorkee's "International Conference on Future of Water Resources. Today, there is an urgent need for policy action on water to shape a sustainable financial system. This was because of academic development opportunities, strategic event planning, brand building and wide publicity benefits PFC had garnered across the delegates, officials and dignitaries.

Besides this, India showcased its innovative technologies and power generation practices, at the 26th World Energy Congress, which was held in Rotterdam, Netherlands. The India Pavilion at the Congress aimed to be a hub for showcasing innovative technologies and power generation practices, reinforcing India's commitment to environmental conservation on the global stage. Central Public Sector Enterprises under the Ministry of Power, Ministry of New & Renewable Energy, Ministry of Coal and Ministry of Petroleum & Natural Gas including PFC had participated in the India Pavilion, giving a collective testimony to India's leadership in global energy transition. Themed 'Redesigning Energy for People and Planet', the four-day gathering marked the World Energy Council's centenary in world energy.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Mass Awareness Campaign on COVID-related Social Behavior Norms in Aspirational districts identified by NITI Aayog	GEM/2023/B/4398818	27.12.2023	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45
Installation of RO Units in Government /Government Aided Schools of Ferozepur District, Punjab	GEM/2023/B/4399334	27.12.2023	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45
Providing services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area	GEM/2023/B/4408884	29.12.2023	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45
Skill development training for 2500 nos. of unemployed youth belonging to SC/ST/OBC/PwD/ Women/EWS of society through CIPET- Phase-II	GEM/2023/B/4400395	27.12.2023	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45
Up-gradation of Various Government Schools in Khammam District, Telangana	GEM/2023/B/4401889	27.12.2023	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45
Construction of School Building in KB Hedgewar School, Tiswadi, Goa	GEM/2023/B/4400562	27.12.2023	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45
Project for upgradation of School of Government Schools in Siddharthnagar District, Uttar Pradesh	GEM/2024/B/4418129	01.01.2024	Yes	Yes	https://pfcindia.com/ensite/Home/VS/45

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
1				NA		

3. Describe the mechanisms to receive and redress grievances of the community.

Given the nature of our business, this has limited applicability. Nonetheless, we understand that we have a duty to address a range of societal challenges. In keeping with this, we carry out our Corporate Social Responsibility (CSR) via a number of NGOs and implementation partners. These partners collaborate closely with our committed CSR team to conduct different initiatives on the ground, engage with project beneficiaries and solicit their input, among other things.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	69.82%	66.09%
Directly sourced within India	100%	100%

Given that PFC is in the financial services, the procurement of goods and services mentioned in the report are only for operational/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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	NIL	NIL
Semi-urban	NIL	NIL
Urban	NIL	NIL
Metropolitan	100%	100%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational district	Amount spent (in ₹)
1	Arunachal Pradesh	Lohit, Nimsai	3.93
2	Andhra Pradesh	Vizianagram	1.01
3	Uttar Pradesh	Sonbhadra	1.06
4	Uttar Pradesh	Siddarthnagar	1.01
5	West Bengal	Dakshin Dinajpur	2.59

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 has been notified by the Indian government in order to facilitate the marketing of goods and services produced and provided by MSEs. For the benefit of Micro & Small Enterprises (MSEs), the annual procurement plan that includes the products to be purchased from MSEs is placed on the PFC website by the policy.

(b) From which marginalized /vulnerable groups do you procure?

PFC is required by law to obtain at least 25% of its total procurement from Micro, Small, and Medium-Sized Businesses (MSEs). Furthermore, at least 4% of the aforementioned 25% must come only from MSEs owned by SC/ST entrepreneurs, and at least 3% must come exclusively from MSEs owned by women entrepreneurs.

(c) What percentage of total procurement (by value) does it constitute?

93.44 per cent of all purchases of products and services made in the fiscal year 2023–2024 were made through the GeM site, with 69.82 per cent coming from MSMEs. 309 MSEs received benefits throughout the year, 19 of which were owned by women and 48 of which were under the SC/ST category.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	Not Applicable			
2				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not Applicable	

6. Details of beneficiaries of CSR Projects:

Sl. No.	Project Title	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalised groups
1	Project for construction of State of Art Building for Interdisciplinary Centre for Energy Research (ICER), IISc Bengaluru, Karnataka	300	30
2	Project for development works in 35 villages of Bundi District, Rajasthan	14,000	30
3	Procurement and Installation of Sewer utility Vehicle with Jetting machine (01 no.) and Mobile toilets (05 nos.) for Daman Municipal Council, Daman (UT) to ensure proper sanitation and also for prevention of adverse health effects	44,282	50
4	Project for supply, installation and commissioning of 500 nos. of Solar based LED Street Lighting System (SLS) in various villages of Sonbhadra Region, Uttar Pradesh	50,000	30
5	Project for Installation and Commissioning of Sewage Treatment Plant (STP) in SGGS Vidya Kender, Delhi	250	75
6	Expansion of student residential facilities and other development works at Swami Vedanand Ved Vidyalaya in Kuteti, Uttrakashi under CSR activity	50 students each year	50
7	Rectification of toilets constructed by PFC in FY 2014-15 under Swachh Bharat Swachh Vidyalaya Abhiyanin the State of Andhra Pradesh	Students of 613 schools	30
8	Rectification of toilets constructed by PFC in FY 2014-15 under Swachh Bharat Swachh Vidyalaya Abhiyanin the State of Rajasthan	Students of 494 schools	30
9	Supply, Installation and Commissioning of 02 nos. of Solar Power Plants (SPV) in 2 Govt. Schools and 1160 nos. Solar Street Lighting System(SLS) in villages of Lohit and Namsai district of Arunachal Pradesh	20,000	100
10	Project for Procurement and installation of Medical Equipment for Swami Vivekananda Blood Centre, Coimbatore, Tamilnadu	20,000	30
11	Project for development of public garden with energy efficient technology in Sambhajinagar, Maharastra	6,30,000	30
12	Project for supply installation and Commissioning of 200 nos. LED High Mast Lighting systems in various villages of Muzzafarnagr, Uttar Pradesh	5,00,000	50
13	Project for procuremnet of ambulance for Seva Bharthi Chevayur, Kozhikode, Kerela	1,200	30
14	Project for Supply, Instlation and Commissioning of 500 Nos. LED Street Lightening system in various villages of Siddarthnagar, District, Uttar Pradesh	50,000	50
15	Project for construction of Common Facility Centre(CFC) building, for installation of cotton processing machinery, jointly funded by Central, State Government and Ekvira Cotton to Fabric Association (SPV) in Dhule District, Maharashtra	25,000	75
16	'Project for installation of 32 RO Water Treatment Plants in 32 Villages of Ongole, Prakasam District, Andhra Pradesh	16,000	50
17	Project for supply and installation of 20 nos. of Solar Photovoltaic (PV) powered pumping Structures pump with 5 HP capacity of motor and water tank for irrigation in Purba and Paschim Medinipur Districts of West Bengal	2,000	100
18	Project of Infrastructure development works in the Bhojpur District, Bihar:-		
	a) Construction of Boundary wall in Government Hospital, Piro Block	500	NA
	b) Re-Development and Beautification of Padaw Maidan in Piro Block	2,00,000	30
	c) Construction of Gateway to the Fort of Historical importance of Freedom Fighter Veer Kunwar Singh in Jagdishpur block	NA	NA
	d) Construction of Bus-stand near Naya Tola Morin Jagdishpur Block	1,82,500	30
19	Proposal for undertaking CSR Project of Organising Medical Camps for the 37th National Games, Goa	10,000	NA
20	Proposal for supply, installation and commissioning of 30 KW capacity of off Grid SPV Power Plant in 3 nos. Sub-divisional Health Centre in Jhanjharpur Parliamentary Constituency, Bihar	1,00,000	50
21	Project for supply, installation and commissioning of 150 nos. of Solar based LED Street Lighting Systems in Arrah, Bihar	20,000	50
22	Proposal for Procurement of Ultrathin Sanitary Napkins Manufacturing unit, Tehsil: Soraon, Prayagraj, Phulpur Constituency (U.P)	50,000 Each Year	50
23	Project for Fisheries community development in Machlipatnam, Andhra Pradesh	20,000	50
24	Procurement of Hockey Sports Material / Equipment for Sarawathi Vidya Mandiram School	503	30
25	CSR Project of Developmental works in 28 villages of Bihiya block in the Bhojpur District, Bihar under the 'Bhojpur Village Development Programme', Bihar	40,000	30

Sl. No.	Project Title	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalised groups
26	Project for supply, installation and commissioning of cumulative 100 kWp Grid Connected Solar Power Plant at Taluk Head Quarters Hospital, Vaikom, Kottayam District, Kerala	23,000	30
27	Project for supply, installation and commissioning of 500 nos. of Solar based LED Street Lighting Systems in various strategic locations, Vijinagram, Andhra Pradesh	50,000	50
28	Construction of Boys Hostel Block and Entrance Gate for "Netaji Subhas Chandra Bose Military Academy" complex in Silvassa, UT of Daman & Diu	550	10
29	Project for Supply, installation and commissioning of 750 nos. of Solar based LED Street Lighting System (SLS) in various strategic locations of Amethi Parliamentary Constituency , Uttar Pradesh	75,000	50
30	Project for Supply, Installation and Commissioning of 500 nos. SPV LED Street Lighting Systems at Various blocks of Akbarpur Parliamentary Constituency , Kanpur, Uttar Pradesh	50,000	50
31	Project for upgradation of Healthcare Services in Campus Hospital and Kitchen utensils for Dinning Hall in Netaji Subhas Chandra Bose Military Academy, Daman	700	10
32	Project for supply, installation and commissioning of 63 nos. of Solar based LED High-Mast Street Lighting Systems in various villages of Azamgarh Parliamentary Constituency, Uttar Pradesh	50,000	50
33	Project for undertaking CSR Project for Procurement of Medical equipment's in Goa Medical College & Hospital, Bambolin	8,10,000	30
34	Project for Construction of Community Training & Health Care Centre (G+3) at Eternal University, The Kalgidhar Trust, Baru Sahib, Sirmaur District, Himachal Pradesh	120 students each year	10
35	Project for strengthening Healthcare Delivery through Equipment Upgradation in various Government Hospitals of Satna District, Madhya Pradesh	1,00,000	30
36	Proposal for setting up of research undergraduate Anatomy laboratory in the department of Medical Sciences and Technology in IIT, Madras	1,000 Each year	30
37	Project for providing medical equipment's for upgradation of Healthcare Services in Family Health Centre's of Pallickathodu and Mutholy Gram panchayat, Kerala	35,000	30
38	Project for Construction of Dining Hall along with other infrastructural facilities for Mid-Day Meal Beneficiaries in premises of Manipal Pre-University College, Udupi, Karnataka	330	30
39	Project for setting up of Artificial Intelligence (AI) Labs-IOT Labs in 11 nos. of Govt. Higher Secondary (10+2) Schools, and 02 nos. of Govt. Polytechnic Colleges in Balurghat Block of District Dakshin Dinajpur of West Bengal	3,000 Students each Year	50
40	Contribution to Swachh Bharat Kosh	NA	NA

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   In order to reassure all of its borrowers of the company's dedication to fair dealing and transparency in its business dealings, PFC adheres to the Fair Practices Code (FPC) for its lending operations based on RBI principles. The Board of Directors checks that the Fair Practices Code is being followed on a regular basis. Regarding the Fair Practices Code, no complaints were filed during the fiscal year 2023–2024.

   The Fair Practices Code may be accessed at https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf

   Additionally, PFC has a system in place wherein customer feedback forms, covering topics such as the appropriateness of PFC goods and services, the time required for loan approval and execution, and the settlement of customer concerns, are sent to our borrowers and lenders regularly. After analysing and reviewing the input, any appropriate remedial action is implemented as needed.

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 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of Products	NIL	NIL	-	NIL	NIL	-
Quality of Products	NIL	NIL	-	NIL	NIL	-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	Not Applicable
Forced recalls	Not Applicable	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

PFC does indeed have a structure and policy for cyber security. To protect its IT assets, PFC has created a thorough cyber security framework and made significant efforts to strengthen the cyber security procedures. PFC has implemented Anti-APT Devices, Next Generation Firewall, and IPv6 for increased cybersecurity posture and also inducted Managed Detection & Response Services for proactive cyber security protection.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such instance has occurred during the reporting period.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

NIL

b. Percentage of data breaches involving personally identifiable information of customers

NIL

c. Impact, if any, of the data breaches

NA

LEADERSHIP INDICATORS

1. Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information pertaining to our products and services is available on the corporate web page- https://pfcindia.com/ensite In addition, we also use various digital and social media platforms for disseminating information related to our products and services

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Continuous and contextual communication across the customer lifecycle through - press releases, regular customer engagements, company website, social media campaigns, use of video content, awareness campaigns, feature-based audio-visual content for ease of understanding, etc. have helped us to educate and create awareness amongst our customers and society at large.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

PFC does indeed have a well-defined disaster management and recovery plan in place. The policy outlines the steps and protocols to guarantee that, in the case of disruptions or emergencies, users may always access IT operations and services. Located in a distinct seismic zone, the Disaster Recovery facility has been carefully activated (Mumbai). In the event of a disaster or cyber security crisis, PFC will be able to carry on with business as usual.

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)

Being an NBFC that provides financial products, the company makes sure that its customers are provided with sufficient disclosures through loan agreements, documentation, and their corporate website.

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION IN BRSR OF POWER FINANCE CORPORATION LIMITED

To the Board of Directors of Power Finance Corporation Limited,

We have undertaken to perform a reasonable assurance engagement for Power Finance Corporation dated [date] concerning the agreed Sustainability Information listed below (the "Identified Sustainability Information") by the criteria stated below. This sustainability information is included in the company's BRSR for the year ending March 2024.

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31st March 2024 is summarised below:

Identified Sustainability Information Subject to assurance	Period Subject to assurance	Level of Assurance	Reporting criteria
BRSR Core (Refer to Appendix A)	From 1st April, 2023 to 31st March, 2024	Reasonable assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) • Guidance note for BRSR format issued by SEBI • Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised)

Our reasonable assurance engagement was with respect to the year ended March 2024 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 a multidisciplinary team including assurance practitioners, engineers, and environmental and social professionals.

For the purposes of the remainder of our assurance report:

- 'Information subject to Reasonable Assurance' refers to the Identified Sustainability Information identified above that was subject to reasonable assurance.
- 'Assured Sustainability Information' refers to all Identified Sustainability Information subject to assurance (reasonable assurance); and
- 'Applicable Criteria' refers to the reporting criteria relevant to the information subject to assurance as identified above.

Criteria: The criteria used by the company to prepare the Identified Sustainability Information is summarized in **ANNEXURE 1**:

Intended use or purpose

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR attributes, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Responsibilities for the Assured Sustainability Information

The management of the Company are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Assured Sustainability Information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria; and
- preparing the Assured Sustainability Information in accordance with the Applicable Criteria.

Those charged with governance are responsible for overseeing the reporting process for the Company's Assured Sustainability Information.

Exclusions

Our assurance scope excludes the following, and therefore we do not express a conclusion on the same:

- Operations of the Company other than those mentioned in the "Scope of Assurance".
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.
- Any other information included in the Company's Annual Report that is not covered under our reasonable assurance on BRSR Core attributes conclusion on the select BRSR attributes.

Inherent Limitations

The preparation of the BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of the information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, and energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amount and metrics.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information," issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India. This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Reporting Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures, and agreeing or reconciling with underlying records.

Summary of the work we performed as the basis for our opinion/ conclusion

We exercised professional judgement and maintained professional and scepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Reasonable Assurance Opinion

In our opinion, the Power Finance Corporation Limited Identified Sustainability Information in the Business Responsibility and Sustainability Reporting for the period 1st April, 2023 to 31st March, 2024, subject to reasonable assurance is prepared, in all material respects, in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards) (Revised).

The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the information subject to reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information subject to reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- Assessed the suitability of the criteria used by the entity in preparing the reasonable assurance information;
- Evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the entity; and
- 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

For certain data, we have relied on the BRSR Report provided by the Company. This opinion is formed on the basis of our assessment of the criteria, policies, methods, and models used by the entity, as well as our evaluation of the overall presentation and our reliance on external information where applicable.

Restriction on Use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of Power Finance Corporation Limited at the request of the company solely to assist the company in reporting on the company's sustainability performance and activities. Accordingly, we accept no liability to anyone other than the company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty of care 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 procedures included verifying compliance with pertinent environmental regulations, social governance standards, and specific disclosure requirements outlined in the BRSR framework. For example, we ensured that the company's adherence to the Environmental Protection Act, 1986, and its waste management and emissions protocols were properly implemented and documented. Additionally, we reviewed the implementation of policies consistent with the Occupational Safety, Health, and Working Conditions Code, 2020, to ensure employee health and safety standards are maintained. 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

Sd/-
CS Nayan Handa
Partner
FCS No. 11993
CP No.: 18686
UDIN: F011993F000833836

Place of Signature: New Delhi
Date: July 26, 2024

ANNEXURE 1

The criteria used by the company to prepare the Identified Sustainability Information is summarized 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 (CO_2e) into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, 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	In Joules or multiples
	% of energy consumed from renewable sources	In % terms
	Energy intensity	Per Rupee of turnover
Embracing circularity - details related to waste management by the entity	Plastic waste (A) E-waste (B) Bio-medical waste (C) Construction and demolition waste (D) Battery waste (E) Radioactive waste (F) Other Hazardous waste. Please specify, if any. (G) Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) Total waste generated (A+B + C + D + E + F + G + H) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method	Not Applicable
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	In % terms
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked) No. of fatalities
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms
	Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported Complaints on POSH as a % of female employees/workers Complaints on POSH upheld
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases Directly sourced from MSMEs/ small producers and from within India	In % terms – As % of total purchases by value
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	In % terms – As % of total wage cost
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms
	Number of days of accounts payable	(Accounts payable *365) / Cost of goods/ services procured

Attribute	Parameter	Measurement
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties	Purchases from trading houses as % of total purchases
		Number of trading houses where purchases are made from
		Purchases from top 10 trading houses as % of total purchases from trading houses
		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

(Include the criteria used for preparing the Sustainability Information)

ESG Report

Contents

Introduction

As we move forward on our ESG journey, we present our first ESG report. This report, prepared by PFC's ESG team with support from USAID, highlights our initiatives across environmental, social and governance indicators and outlines our endeavours to contribute to India's sustainability and climate change goals. It captures PFC's commitment to sustainability in our operations and underscores PFC's key role in shaping the energy transition landscape in India while also supporting the nation's energ y security aspirations

ESG Team

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Assistant Manager, ESG

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Message from PFC's Chairman & Managing Director

PFC is committed to embracing ESG and sustainability principles as we continue to reach new heights

~ Parminder Chopra, CMD

The power sector is of paramount importance in India, serving as a foundation for economic growth. Access to electricity is considered fundamental for improving living standards, supporting essential services, and fostering overall development. As India's economy experiences rapid growth, our demand for power will also continue to rise. To meet this increasing demand, capacity additions need to ramp up and with increasing concerns around climate change world-over as well as in India, we need to accelerate our transition towards sustainable sources of power generation.

Throughout its journey of almost four decades, PFC has played an important role in the development of power sector in India. PFC has been a strategic partner of the Government of India, committed to supporting the government's policies and programs for growth of the power sector. PFC is proud to have been one of the pioneers in supporting clean energy transition in India. We are the largest renewable energy financier in India, having supported around 50 GW renewable energy capacity, which is around 25% of India's non-fossil fuel based installed capacity.

The world around us is transitioning in more ways than one. There is an increasingly greater focus on environmental, social and governance or ESG parameters, and ESG is recognized as a path to new frontiers of business transformation and growth. As a leading entity in India's financial sector, we recognize the need to be forward looking, socially responsible and sensitive to the interest of all stakeholders. We aim to promote environmental responsibility, social well-being, and strong governance.

To fulfil this objective, a dedicated ESG Unit was set up in PFC in 2023, formalizing PFC's ESG initiatives and shaping the organization's path towards incorporating ESG parameters in our functions and processes. PFC is partnering with global institutions as it embraces ESG. We appointed Boston Consulting Group (BCG) for developing our approach and roadmap towards ESG and have partnered with the United States Agency for International Development (USAID) for developing PFC's ESG strategy and its subsequent implementation. We have instituted our vision for ESG - Powering Progress through Sustainability, supported by three pillars – Preserving the Planet, Promoting the pathway towards Inclusive Society and Pursuing Prudence. These pillars embody our commitment to ESG and sustainability and would guide our path in our ESG journey.

For us, true sustainability means staying committed to responsible growth for everyone, both now and in the future. As an organization, we are more determined than ever to integrate ESG priorities into the core of our operations. We are incorporating ESG into our people practices, our lending activities, and our office operations. Our focus on ESG is reflected in our ongoing efforts to create ESG awareness within our organization, building a culture of responsibility and sustainability. We conducted our first ever ESG Materiality Assessment exercise this year, reaching out to our key stakeholders and understanding their concerns and expectations from PFC, to identify and prioritize ESG issues that are relevant to our operations.

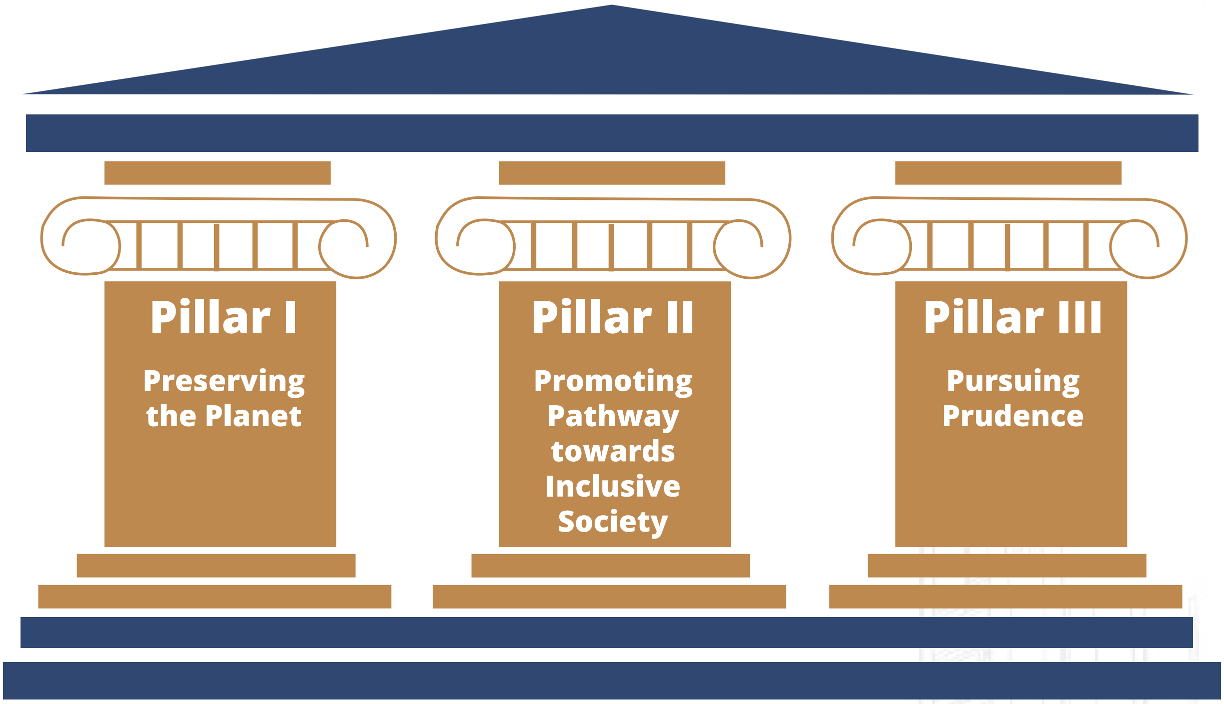
With the publication of our first ESG report, we have taken a step towards more transparent disclosures in the realm of ESG. We extend our gratitude to our stakeholders for their support as we advance on this transformative journey towards a sustainable future. Going forward, we are confident in our ability to create a positive and lasting impact as we move towards a more greener and a sustainable future.

ESG VISION OF PFC

POWERING PROGRESS THROUGH SUSTAINABILITY

PFC is committed to playing a leading role in shaping a sustainable and resilient future for India.

PILLARS OF ESG VISION

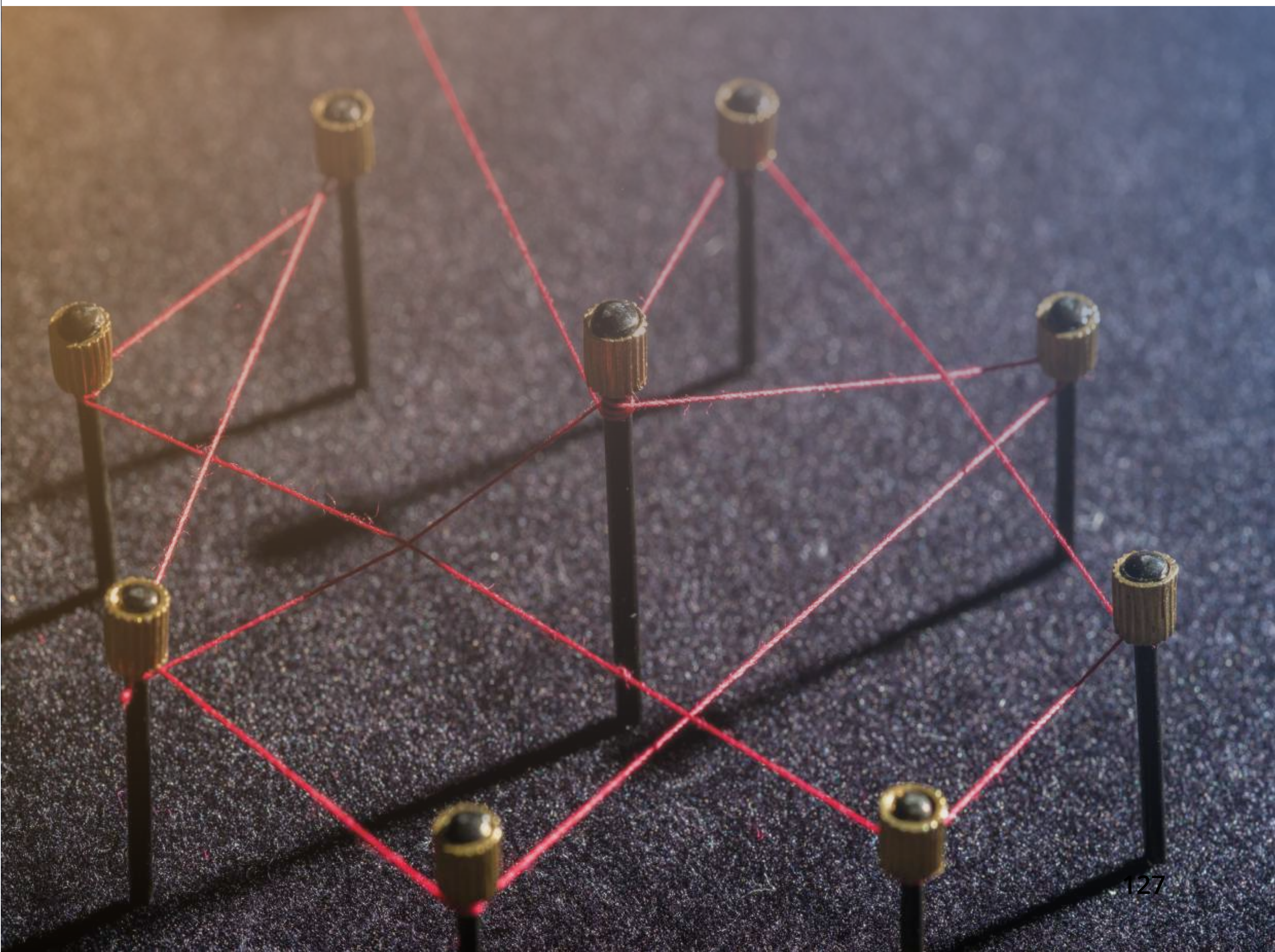


We are committed to lead by example in fostering a sustainable low-carbon economy & driving national growth by ensuring fair and sustainable financing solutions, while preserving the environment.

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.

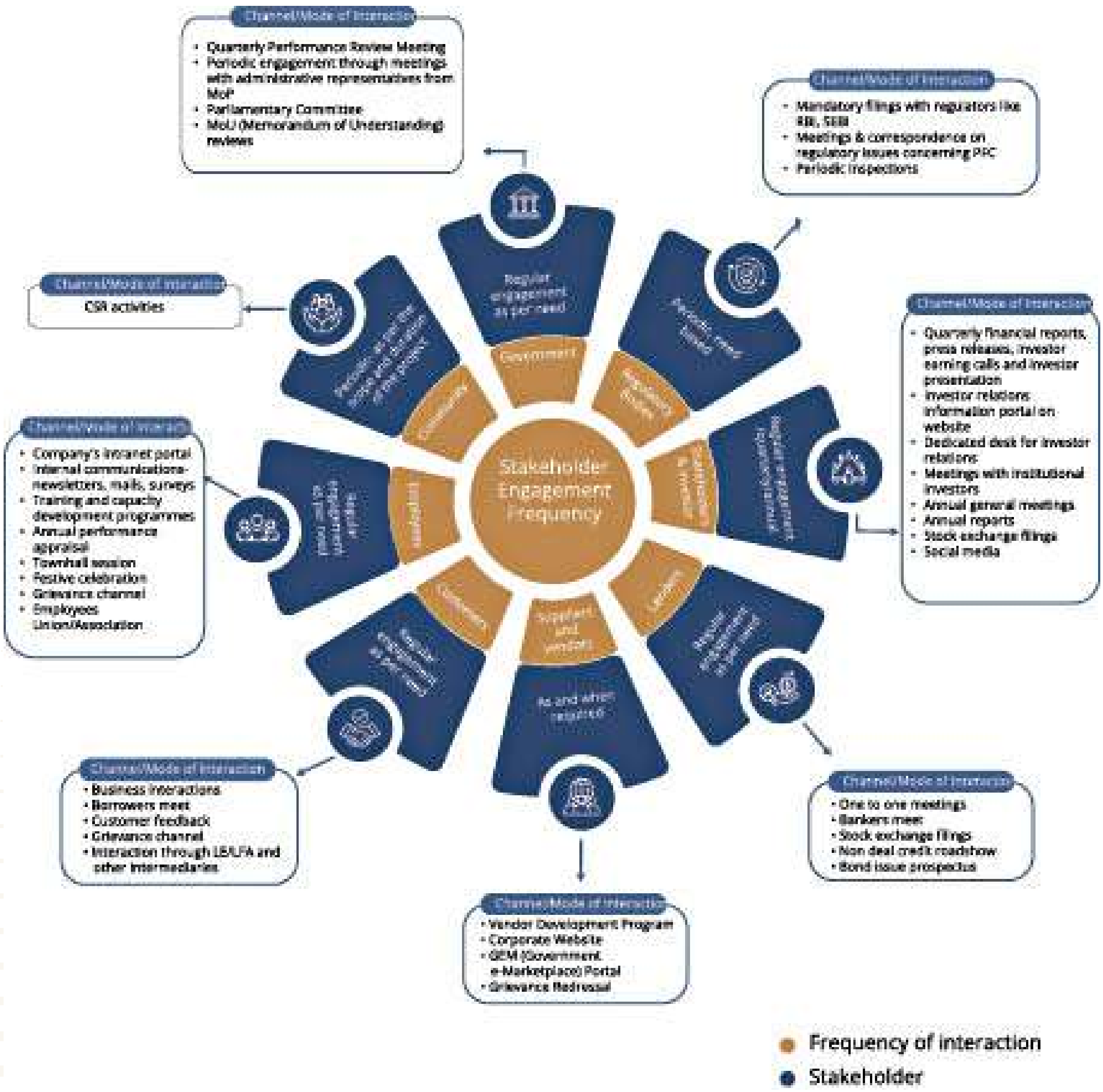
At our core, we prioritize upholding unwavering integrity, maintaining stakeholders' trust, and establishing transparency and accountability through robust corporate governance & risk management practices.

Approach towards Stakeholder Engagement & Materiality Assessment



At PFC, we recognize the importance of stakeholder engagement in driving our business processes and sustainability journey. Regular, structured engagement with our stakeholders provides valuable insights aligning our strategies and business processes. This engagement allows us to identify key areas that we need to focus on for long term sustainable growth. We employ various channels of communication to reach out to our key stakeholders and understand their concerns and their expectations. PFC has a structured approach for engaging with various stakeholders, both within and outside the organization. As part of its regular business activities, PFC reaches out to its stakeholders through various feedback mechanisms including meetings, roadshows, conferences and events, etc.

Stakeholder Engagement Frequency



ESG Materiality Assessment

As an initial step towards starting its ESG journey, PFC conducted its first ever stakeholder engagement and materiality assessment exercise in March-April 2024. A preliminary list of material topics across environment, social and governance parameters was prepared based on the evolving business environment, emerging focus areas in ESG, topics reviewed and reported by peers, the organization's business context, various national and international reporting frameworks, and secondary research. A questionnaire was developed to capture the perspective of various stakeholders on the identified topics.

Stakeholders were identified based on their level of interest and influence on PFC's activities. The questionnaire was circulated to stakeholders in the form of an online survey.

Responses were collected and analyzed to identify priority topics of high significance to PFC, integrating feedback from both internal and external stakeholders into the selection process of material topics.

Our Material Topics

LOW PRIORITY

- Employee Engagement
- Customer Experience and Customer Satisfaction
- Diversity and Inclusion
- Responsible Procurement
- Natural Resource Consumption and Management

MEDIUM PRIORITY

- ESG Governance and Board Oversight
- Transparency in Procurement
- Digitization of Business Processes
- Participating in Community Development

HIGH PRIORITY

- Regulatory and Legal Compliance
- Corporate Governance and Business Ethics
- Data Security and Data Privacy
- Financial Performance
- Employee Health and Positive Work Environment
- Reporting and Disclosures
- Enterprise Risk Management
- Grievance Redressal Mechanism
- Code of Conduct
- Low Carbon Financing

Pillar I – Preserving the Planet

PFC is in a unique position to be a change making agent, as the country progresses on the pathway towards energy transition

HIGHLIGHTS

50 GW RE capacity supported

More than **Rs. 60,000 crores** RE Loanbook

Rs. 2.37 lakh crore worth MoUs signed in clean energy space

MATERIAL TOPICS

Low Carbon Financing

Natural Resource Consumption and Management

INTRODUCTION

The power sector holds immense importance in India, serving as a foundation for economic growth, societal advancement, and environmental sustainability. Throughout our journey, we have played a pivotal role in the development of power sector in India.

In recent years, there has been an increasing focus on climate change, with the transition to renewable and clean sources of energy recognized as a major pathway towards managing the same. PFC has been financing the clean energy transition of India, including projects supporting climate adaptation and climate mitigation such as energy efficiency and e-mobility. We have also expanded our financing mandate to include infrastructure projects, further broadening our ambit to support environment friendly projects. This section provides a brief overview of how our initiatives, business activities and operational practices are aligned with the objective of safeguarding the environment.

PFC – The Green Financing Partner of the Nation

PFC is the largest renewable sector financier in the country, having supported 50 GW renewable capacity in India, which is around 25% of India's total non-fossil fuel based installed capacity (around 190.57 GW as per CEA, March 2024). Till now, PFC has cumulatively disbursed more than Rs. 1 lakh crores in renewable energy sector.

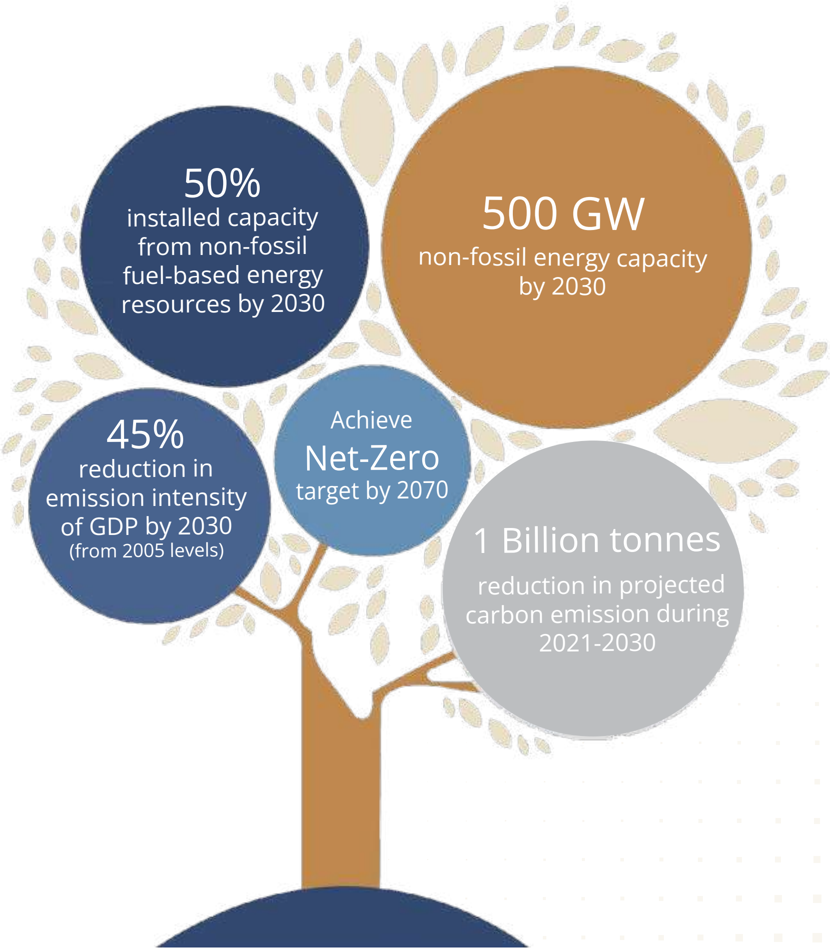
> ***PFC is the largest renewable sector financier in the country***

> ***PFC has disbursed more than Rs. 1 lakh crores in the renewable sector***

We have been at the forefront of financing of renewables since 2015-16 and are actively funding projects supporting energy transition across renewable energy, e-mobility, energy efficiency, etc.

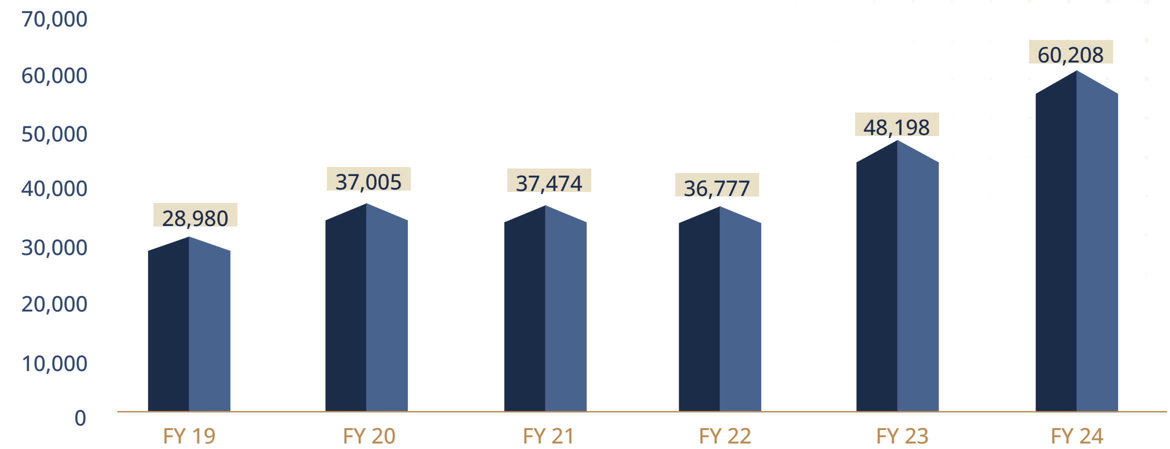
Going forward also, we are committed to supporting Government of India's Panchamrit goals for energy transition.

PANCHAMRIT GOALS
OF GOVERNMENT OF INDIA



PFC's RE loan book has grown at a CAGR (compounded annual growth rate) of 16% over the last five years, having more than doubled from Rs. 28,980 crores in FY19 to Rs. 60,208 crores in FY24. In the last one year itself, we have seen a 25% growth in our RE loanbook. This exemplifies PFC's strong commitment to the RE sector.

RE Loan Book Growth over the years (Rs in crores)



Financing solutions and policy support for energy transition

PFC has been the pioneer in the clean energy financing space. Over the years, we have implemented multiple measures to promote financing for the sector, such as creating enabling policies, processes and credit products. We are committed to continuously customizing our products and policies to fund emerging segments and technologies in the clean energy sector.

Vast Enabling Environment Developed to Promote Clean Energy Financing

Attractive Interest Rates

- Offer lower interest rates (1.0-1.5% lower) compared to conventional generation projects.
- Additional financial incentives are also provided, once the project is commissioned.

Processes

- Specialized divisions for financing Solar, Wind and Energy Efficiency projects.
- Web-based loan application system for faster appraisal
- Standard Loan Documents for solar projects to reduce documentation time

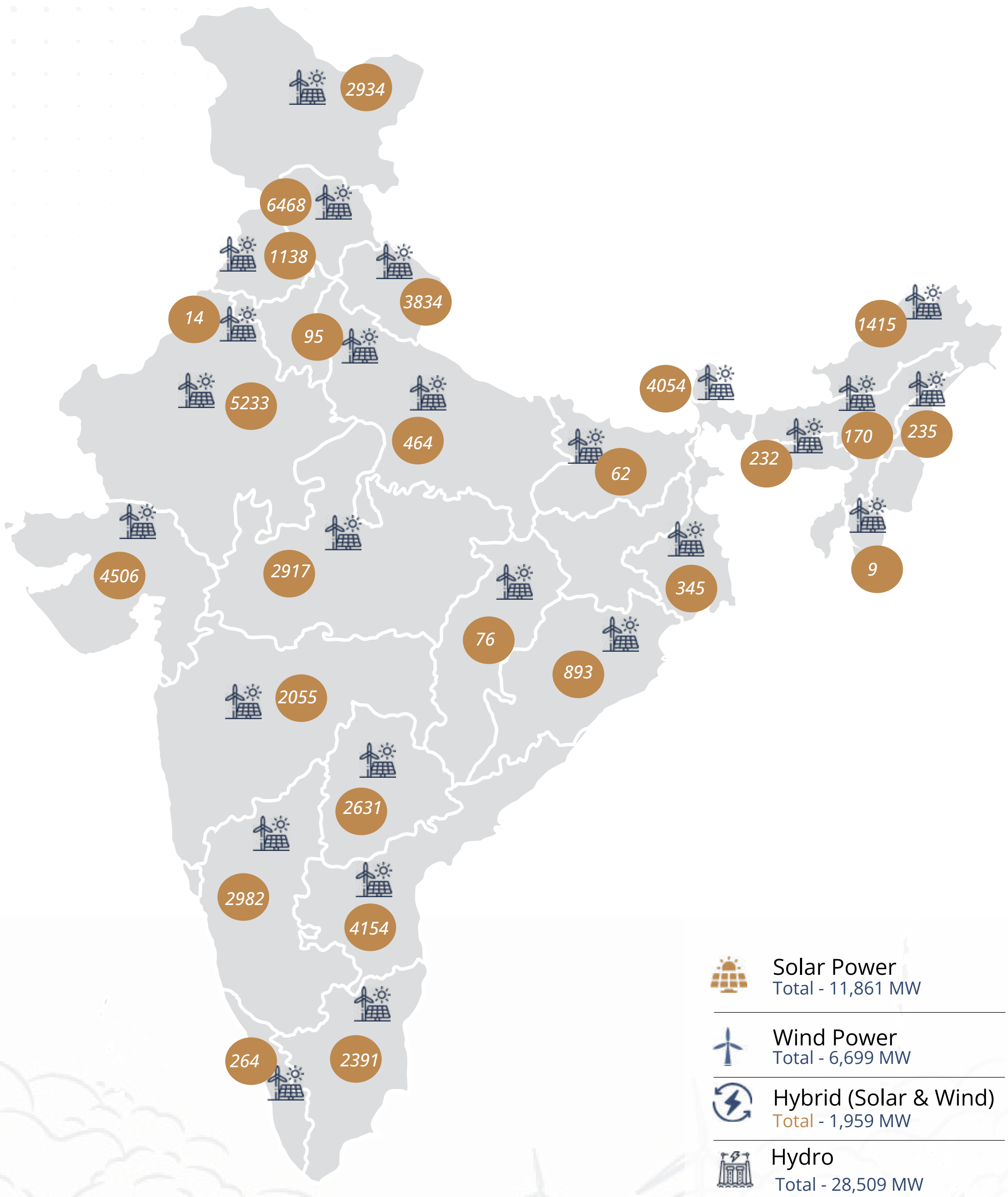
New products

- Letter of Undertaking to RE project developers, which can be used in lieu of Performance Bank Guarantee, for participating in tariff-based bidding
- Introduced financial products for meeting capital expenditure for setting up manufacturing of equipment for RE projects
- Project Specific Funding to RE Equipment Manufacturers/ EPC (Engineering Procurement and Construction) Contractors

Financial Covenants

- To facilitate quick financial closure, option for sole lending for debt up to Rs. 2000 Crores
- Reduced prepayment premium

PFC has supported the development of 50 GW Renewable Energy Capacity across India



Solar Power
Total - 11,861 MW

Wind Power
Total - 6,699 MW

Hybrid (Solar & Wind)
Total - 1,959 MW

Hydro
Total - 28,509 MW

Renewable (Others#)
Total - 540 MW

**Capacity supported in MW (Mega Watt) state-wise as on 31st March 2024- cumulative of hydro, solar, wind, hybirid, waste to energy projects)*

Total Capacity supported- 49,568 MW

#Includes Waste to Energy, Biomass, Bagasse

Rs. 2.37 trillion worth MoUs inked in clean energy space

During India's G20 presidency, PFC signed MoUs with 20 companies, in both public and private sector.

Projects covered in the area of solar, wind, battery storage, green hydrogen, electric vehicle etc.

This underscores PFC's commitment to playing a pivotal role in supporting Government of India's journey toward green energy transition

MoUs signed for financing clean energy projects

Building Global Partnerships: Green Financing Solutions

PFC is actively securing green financing from international markets to support green projects. We have successfully raised green funds through bonds and loans across the US, Europe and Asia.

Our green bond framework, approved in September 2021, governs the deployment of green bond proceeds and is a single methodology in place for all future green financing instruments. This ensures that the principles of the framework are applied to each instrument issued and the proceeds are invested in renewable energy and energy efficiency projects.

The framework is aligned with the Climate Bonds Standard version 3.0, the Green Bond Principles (GBP), 2021 issued by the International Capital Markets Association (ICMA) and the Green Loan Principles (GLP) published by the Loan Markets Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) in 2021.

Euro Green Bond

- 300 Mn Euro issue, 2021
- 1st Euro denominated green bond from India
- Listed on India, Luxembourg and Singapore Stock exchange
- Climate Bonds Certified

USD Green Bond

- 400 Mn USD issue, 2017
- Listed on India, London and Singapore Stock exchange
- Climate Bonds Certified

Green Credit Line

- JPY 30 Bn Green Credit Line from Japan Bank for International Cooperation (JBIC) in 2022
- Credit line extended under JBIC's GREEN (Global action for Reconciling Economic growth and Environmental preservation) operations

PFC expands its global footprint with presence in IFSC GIFT City

Continuing with our endeavour to be the pioneer in green financing, PFC is the first government NBFC to establish a wholly owned subsidiary, PFC Infra Finance IFSC Limited in India's first International Financial Services Centre (IFSC) in GIFT City Gujarat. The subsidiary has been setup to support energy transition journey and facilitate low cost funding for India's power sector.

Strengthening Green Partnerships

As we seek to continue supporting the development of India's energy sector, we are collaborating with national as well as international organizations.

Asia Transition Finance Study Group (ATFSG)

- PFC is the first member from India to join Asia Transition Finance Study Group
- This initiative, spearheaded by Japanese Ministry of Economy, Trade and Industry (METI), aims at fostering cooperation and promoting sustainable transition finance across Asian countries
- As a member, PFC has the opportunity to shape the climate financing landscape and contribute to policy formulation for effective energy transition financing

Partnering for sustainable transition finance

Collaboration with Japan's NEDO to promote innovation

- PFC has collaborated with Japan's New Energy and Industrial Technology Development Organization (NEDO) in January 2024 to promote innovation in the fields of environment, energy, and industrial technology
- NEDO is currently developing a project "Micro Sub-station with Power Voltage Transformer" with an Indian collaborator.
- The aim is to disseminate the outcome of the demonstration project to Indian DISCOMs, showcasing optimized energy distribution and consumption through sustainable practices and energy-efficient technology

MoU with CEEW – Knowledge Partnership in new energy

- In February 2024, PFC entered into an MoU with the Council on Energy, Environment and Water (CEEW), one of Asia's leading not-for-profit policy research institutions.
- This partnership would support collaboration in net zero financing across new age critical clean energy technologies such as offshore wind, Mobility, Battery Energy Storage, Green Hydrogen and Carbon Capture, Utilisation and Storage (CCUS)

Partnership with USAID

- PFC has partnered with USAID for its green financing initiatives and ESG activities
- USAID, through its South Asia Regional Energy Partnership (SAREP) program, is supporting PFC in strengthening its ESG function through creating enabling framework, capacity building, improving ESG disclosures etc.

MoU with Government of Goa – Blended Finance Facility

- In February 2024, PFC entered into a MoU with Government of Goa to set up Blended Finance Facility, aimed at supporting the state's climate ambitions.
- This collaborative effort, in partnership with The World Bank, aims to promote low-carbon, climate-resilient development.
- PFC will utilize innovative blended finance mechanisms to fund key climate projects such as renewable energy, green hydrogen, electric vehicles, waste-to-wealth technology and nature-based solutions, thus contributing to energy transition.

MoU signed with Government of Goa for Blended Finance Facility

Protecting the Environment through our Actions

Waste Management

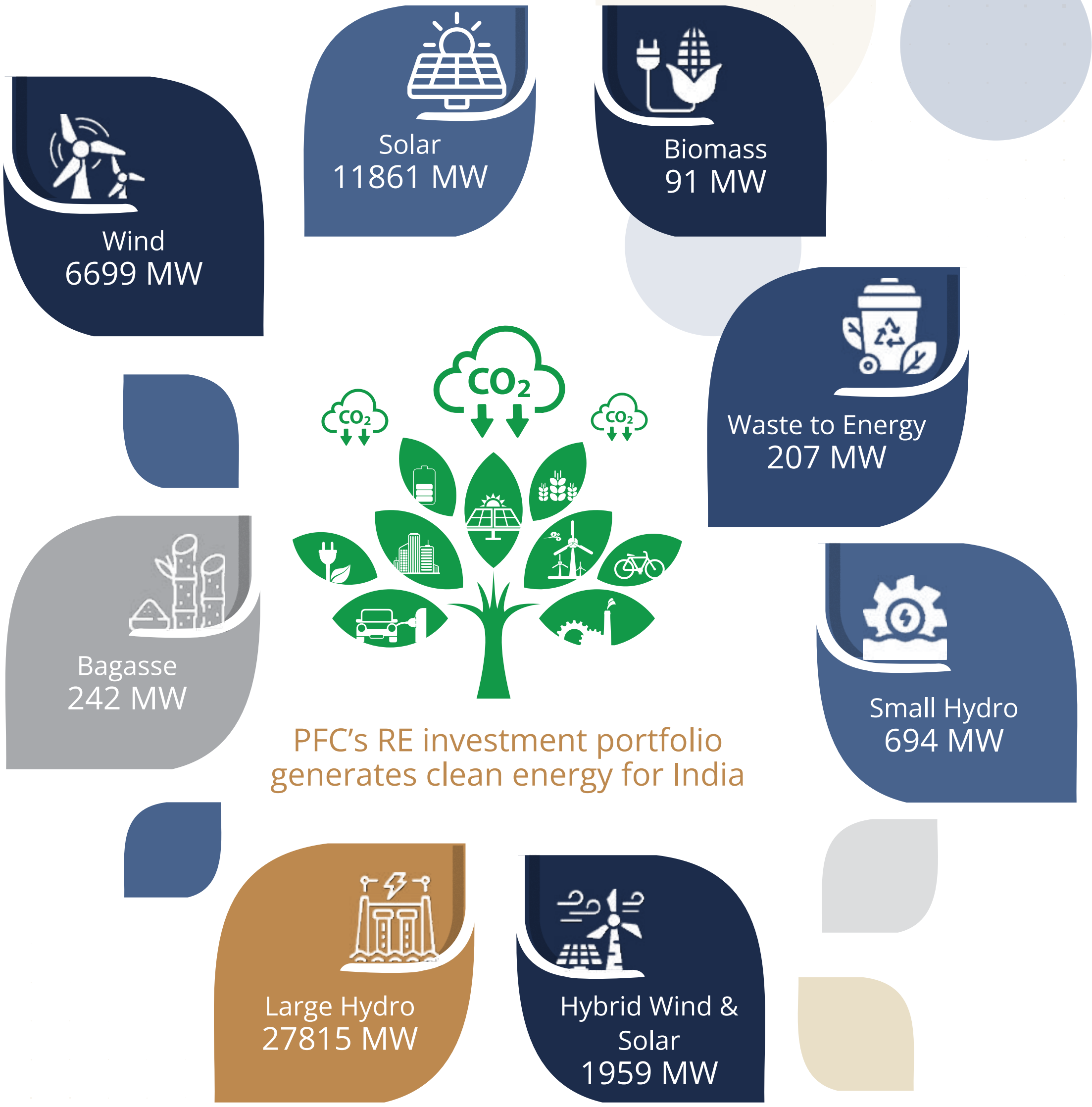
- Organic Waste - PFC has installed an organic composting machine of 50 kg capacity in the office premises for recycling organic waste generated on routine basis in the office building kitchen/pantry etc. It can recycle wet materials into 10% within 24 hours and can convert 90% material into organic compost. The produced organic compost has been used by PFC for plantation in the premises and nearby plants.
- E-Waste management– PFC responsibly disposes of e- waste (including old, unserviceable & obsolete IT equipment) through registered recyclers/ re-processors under Central Pollution Control Board, Government of India & State Pollution Control Committee/ Board after following due process as per norms.
- Reducing plastic Use - PFC has also reduced plastic use to very minimal and encourages use of substitutes such as jute bags, cloth bags, paper folders etc.

Embracing Digitization for sustainability

- In line with our commitment to environmental sustainability, we have transitioned to paper-less process wherever feasible, thereby reducing our direct carbon footprint. PFC is committed to utilizing Information Technology for enhancing efficiency of business processes. To that effect, PFC has adopted various initiatives, including implementing collaboration tools for online meetings, e-office solution for efficient file processing, paperless digital board meetings, among others, to reduce the impact of its operations on the natural environment.

PFC has actively financed clean energy projects in the country since 2015 onwards.

The RE capacity PFC has supported has CO_2 emission avoidance potential of 885 Lakh Tonnes per year*, equivalent to the amount of CO_2 absorbed by 354 Crore trees in a year**



Notes

*Assumptions for estimation of CO_2 emission avoidance potential

- 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.
- PLF for Large Hydro calculated based on large hydro generation from April 2023 to March 2024 and installed capacity as on31.03.2024 (CEA)
- CUF of wind power approximated based on data from National Institute of Wind Energy, Ministry of New and Renewable Energy,Government of India
- Grid Emission Factor (inc. RES) (tCO_2/MWh) of 0.716 tonne CO_2 per MWh (CEA December 2023)

** Assuming 25kg CO_2 absorbed by a tree a year (EcoTree International)

Supporting India's transportation sector decarbonization: Funding E-mobility

India's mobility sector is one of the fastest growing in the world. While transport expansion drives industrial and social advancement, it also presents significant environmental challenges. The surge in vehicles on Indian roads has led to heightened vehicular emissions, including CO_2, nitrogen oxides (NOX), and fine particulate matter (PM2.5), posing both health and environmental concerns.

At present, road transport accounts for 12% of India's energy-related CO_2 emissions. With the growing demand for private mobility and goods transportation, energy consumption and CO_2 emissions from road transport are expected to double by 2050 (International Energy Agency).

Increasing use of private cars, an expanding truck fleet, and continued reliance on petrol and diesel will have an adverse impact on India's environment in the coming years. Hence, there is a pressing need to shift the growth in the mobility sector to electric vehicles. The Government of India has taken policy measures to promote electric vehicles through schemes like Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles scheme (FAME), PM E-bus Seva, among others. Financing plays a major role in the adoption of EVs, which are conventionally more expensive than ICE (Internal Combustion Engine) vehicles.

Project Highlight

- PFC has embarked on supporting India's mobility sector decarbonization through financing E-vehicles.
- To promote emission-free transport solutions, PFC has sanctioned a loan of Rs 633 crores to Gensol Engineering Ltd.
- The loan will be used for procurement of 5000 electric four-wheelers and 1000 electric three-wheelers for last mile logistics/urban delivery.
- The electric four-wheelers will be operated by BluSmart Mobility, a ride hailing business.

Project Impact

It is estimated that 5000 electric four- wheelers proposed to be funded by PFC and deployed by BluSmart would cover **1500+ million km**

This would result in **1.13+ lakh tonnes CO_2 emission avoidance**

Equivalent to CO_2 absorption by **51.5 lakh fully grown trees in one year**

Implementing State-of-the-art Energy Efficient Public Street Lighting System in Maharashtra

Energy efficiency technology refers to products that consume less energy while delivering the same output. Energy efficiency projects aim to reduce energy demand and are set to play a crucial role in achieving India's NDC and net zero goals. As per the International Energy Agency, deployment of energy efficiency measures, in addition to clean energy technologies, shall form the core of energy transition. India has been able to achieve an emission reduction of 2418 MtCO_2e ((Million Tonnes of carbon dioxide equivalent) upto 2019-20; an additional emission reduction of 1335 MtCO_2e is required over 2020-30, out of which 740 MtCO_2e is targeted contribution from energy efficiency measures. A large quantum of investment is required in energy efficiency projects to meet this emission reduction goal.

Project Highlight

- In FY24, PFC financed a Rs. 35 crores public street lighting project to implement energy efficiency measures across Sangli, Miraj, and Kupwad municipal areas in Maharashtra.
- The project involves replacing existing, less efficient streetlights with high efficacy smart LED streetlights.
- New LED luminaries would be installed on vacant poles, existing switching points would be replaced with Internet of Things (IOT) based Centralised Control Monitoring System (CCMS) using GPRS/GSM technology.
- Additionally, it includes Implementation of wireless communication technology for individual lamp control through Customised Lighting Software (CMS).
- A state-of-the-art Lighting Management System (LMS) would be installed for remote operation of the LED luminaires.

Project Impact

84.5% - Expected reduction in energy consumption

20,000 metric tons - Estimated decrease of CO_2 emission

Equivalent to CO_2 absorption by **9.24 lakh mature trees**

Fostering Sustainable Waste Management: Maharashtra's First Integrated Waste to Energy Project

As India seeks avenues to reduce the emission intensity of its economy, there is a great emphasis on adopting cleaner sources of energy. Waste to Energy (WTE) is a process technology that generates energy (heat and electricity) from waste as a fuel source. By converting non-recyclable waste into clean and renewable energy, WTE projects can reduce the burden on landfills. This approach upholds the principles of sustainability, where waste becomes a valuable resource, benefitting both the environment and the community.

Project Highlight

- To promote circular economy and sustainable waste management practices, PFC sanctioned Rs. 172 Crores to Antony Lara Renewable Energy Private Limited for setting up a 14 MW WTE plant at Pimpri Chinchwad, Pune.
- Successfully commissioned during FY24, this project is funded through JBIC (Japan Bank for International Cooperation) green credit line to PFC.
- This Integrated WTE Project represents Maharashtra's first such venture into waste-to-energy conversion and signifies a major milestone in the region's sustainable development journey.
- 14 MW of power generated from 700 TPD non-recyclable dry waste through controlled incineration meeting all emission standards.
- State-of-the-art facility to process 1,000 Tonnes Per Day (TPD) of municipal waste, including recovery of recyclable materials and conversion of wet waste into compost.
- It utilizes recycled water from the Chikali Sewage Treatment Plant (STP), eliminating the need for fresh-water dependency and conserving valuable resources.
- Electricity generated to serve as the primary energy source for Pimpri-Chinchwad Municipal Corporation (PCMC) sewage treatment plants and water pumping facilities.

Project Impact

Estimated ~**7 lakh tonnes** of CO_2 equivalent emission avoided annually by diverting waste from landfills and reducing methane emissions

Emission avoidance equivalent to ~1.5 lakh passenger cars' emissions

Supporting Water Conservation through recycling: Waste Water Treatment Project in Nagpur and Chandrapur

Water is indispensable for sustaining all forms of life on our planet. Water bodies serve as habitats for diverse ecosystems. Water features as one of the United Nations Sustainable Development Goals (SDGs), SDG 6 – Clean Water and Sanitation, which aims to ensure availability and sustainable management of water and sanitation for all. Additionally, water plays a role in achieving other SDGs due to its importance in agriculture, health, and well-being and for preserving aquatic ecosystems.

According to the World Bank, India has 18 percent of the world's population, but only 4 percent of its water resources, making it among the most water-stressed in the world. There is a requirement of greater emphasis on sustainable use of water throughout the country, by employing the global adage of reduce, reuse, and recycle.

Project Highlight

- PFC has sanctioned Rs. 480 crores for Nagpur Wastewater Management Plant and Rs. 50 crores for Chandrapur Wastewater Management Plant.
- Chandrapur Wastewater Management Plant features a 70 MLD Million Litres per Day (MLD) sewage water treatment facility for Chandrapur City and tertiary treatment of 50 MLD for industrial reuse.
- Nagpur Wastewater Management Plant comprises a 200 MLD sewage water treatment facility for Nagpur City and tertiary treatment of 190 MLD for industrial reuse.
- Treated water from both facilities is supplied to local power plants for meeting cooling requirements. Reuse of water ensures that freshwater is available for use by local residents.

Project Impact

- Increased availability of freshwater for residents (240 MLD) due to the utilization of treated water in power plant
- Provision of clean water for farming and fishing, supporting livelihoods for marginalized sections of society
- Power plants using recycled sewage water for cooling purposes can operate throughout the year, even during period of water stress, especially in the summers, which is crucial to support peak loads
- Since peak power demand includes demand from irrigation pumps, avoidance of power plant shutdown also supports agriculture and thereby food security

Desalination projects in four districts in Gujarat

Gujarat, a semi-arid state on India's west coast, traditionally relies on the Sardar Sarovar Dam for freshwater. Changes in the water utilization patterns of upstream states and low and erratic rainfall have led to water scarcity in the state in the recent years. Hence, there is a need to augment freshwater availability to address water shortages, through various means. Setting up of desalination projects, which can convert seawater to drinking water, is one method of supplementing the state's water supply.

Project Highlight

PFC, as a sole lender, has financed Rs. 1156 crore towards setting up four desalinations plants with a combined capacity of 270 MLD (Million Liters per Day) desalination projects across Gujarat.

These desalination plants are strategically situated in water-stressed areas within the Kutch, Dwarka, Somnath, and Bhavnagar districts of Gujarat.

Project Impact

Provision of high-quality water meeting WHO (World Health Organization) standards, benefitting approximately 5.5 lakh households

Cost savings for the state of Gujarat on water supply, from Rs. 65-70 per kiloliter (KL) from the Sardar Sarovar Dam to Rs. 40-45 per KL from the desalination plants

Employment generation opportunities for local population, contributing to social development in the state

Potential for industry-government collaboration to explore productive uses for the brine generated during desalination

Pillar II – Promoting the Pathway towards Inclusive Society

PFC is committed to supporting its people and the society and ensuring inclusivity.

HIGHLIGHTS

- Highest profit per employee Rs. 26.46 Crore
- Women ratio 21.5%, highest among Maharatna PSUs
- CSR Expenditure Sanctioned in FY24 215 Crore
- 2484 Training Man-days
- Zero Gender Pay-gap at grade level
- 100% return to work after maternity
- Low attrition rate of 0.7%

MATERIAL TOPICS

- Employee Engagement
- Diversity and Inclusion
- Employee Health and Positive Work Environment
- Transparent and Responsible Procurement
- Participating in Community Development
- Customer experience and customer satisfaction

INTRODUCTION

PFC believes that the fundamental cornerstone of its long-term sustainable growth are its people. As we reflect on the past year, we have created great value for our stakeholders that was shaped by the passion and dedication of our team. At PFC, people are at the heart of everything we do. They are the driving force behind our continued success, and we pride ourselves on a culture with a commitment to inclusivity, well-being, growth, respect and trust.

We are committed to the growth and development of people and society, within PFC, and outside PFC. Being a responsible public sector institution, PFC has a strong culture of supporting communities through our targeted CSR programs. Our procurement policies are also aligned with our aim to support the society.

This section provides a brief overview of our employee practices and community development and CSR activities and procurement policies, which are aligned with our vision of promoting our people and supporting the society.

Celebrating our People

Prioritizing people has enabled us to create a fair, inclusive, empathetic, and safe workplace, resulting in long-term loyalty and positive brand recognition for PFC.

At PFC, we take immense pride in having developed an environment where our employees grow both personally and professionally. We have always prioritized employee engagement, offering competitive benefits and promoting a healthy work-life balance. We are delighted to share that our attrition rate last year was 0.7%, which is a testament to employee satisfaction.

We recognize the pivotal role that talent plays in the success of an organization. We are committed to hiring and retaining the best and brightest talent from across the country. Our approach to hiring is about finding individuals who share our values, embody our culture, and have the skills and passion to make a purposeful impact.

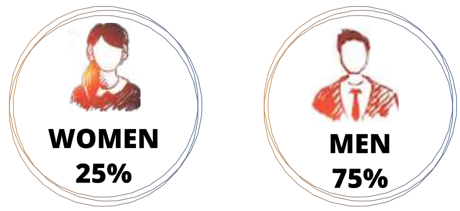
> *Notably, 25% of the campus recruits last year comprised women candidates*

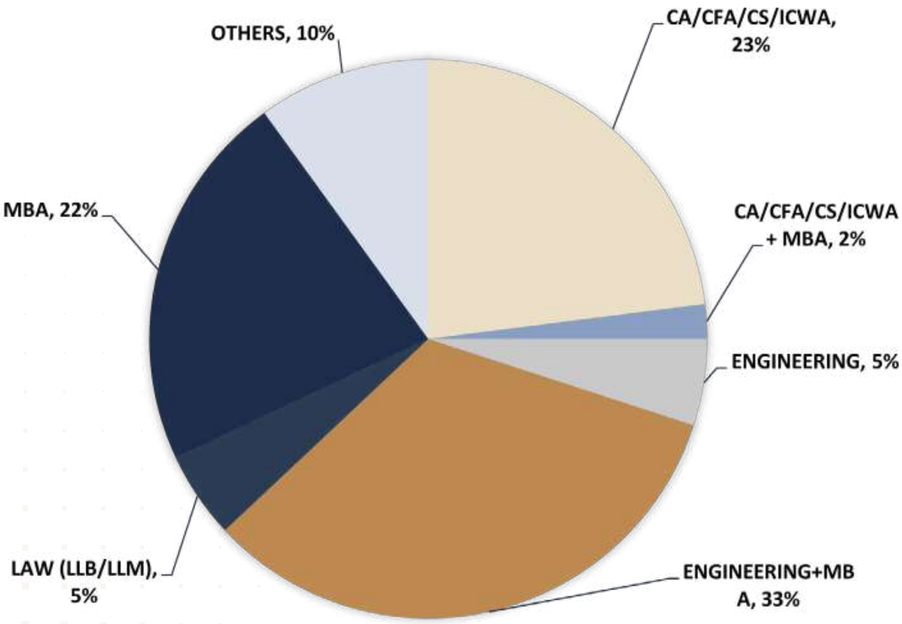
The diverse talent pool of PFC includes professionals from Management, Engineering, Accountancy, Legal, & IT domain.

25% of the campus recruits last year comprised women candidates. At PFC, our people-centric culture fuels our success. We prioritize inclusivity, valuing each individual's contribution and providing opportunities for growth through training, mentorship, and career advancement.

> *Our low attrition rate is a testament to employee satisfaction*

NEW HIRES





Diversity and Inclusion

We are committed to fostering an inclusive and equitable workplace where all our employees are treated with respect and fairness. Ensuring pay equity has always been a top priority for us, and our compensation structure, driven by Government of India guidelines, ensures that pay is not dependent on gender.

As a public sector employer, PFC ensures equality of opportunity for all citizens regarding employment or appointment to any post. We do not discriminate on grounds of religion, race, caste, gender, descent, place of birth or residence. This commitment is reflected in our diverse workforce. Despite a lean staff count of around 550 PFC has employees from more than 20 states and union territories of India, exemplifying our dedication to diversity. PFC has a balance workforce, with participation from all age group – Gen-Z, Millennials, Gen-X.

Ensuring Pay Parity

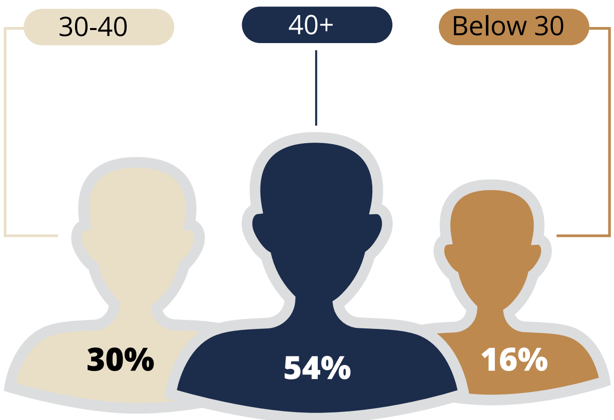
PFC pays equal remuneration to men and women employees in accordance with the Equal Remuneration Act, 1976. There is no discrimination based on gender. The pay and allowances offered by PFC are determined by the Department of Public Enterprises (DPE), Ministry of Finance (Government of India) for all the CPSEs in a grade-wise manner without any gender-based disparities.

As a Government of India undertaking, PFC strictly adheres to all the labour legislations implemented by the Indian Government. This includes laws on minimum wages, equal remuneration, child labour, contract labour, workers' compensation, maternity benefits, etc.

Promoting Representation and Inclusion

To ensure adequate representation of marginalised sections, various safeguards,

Employees by age-group



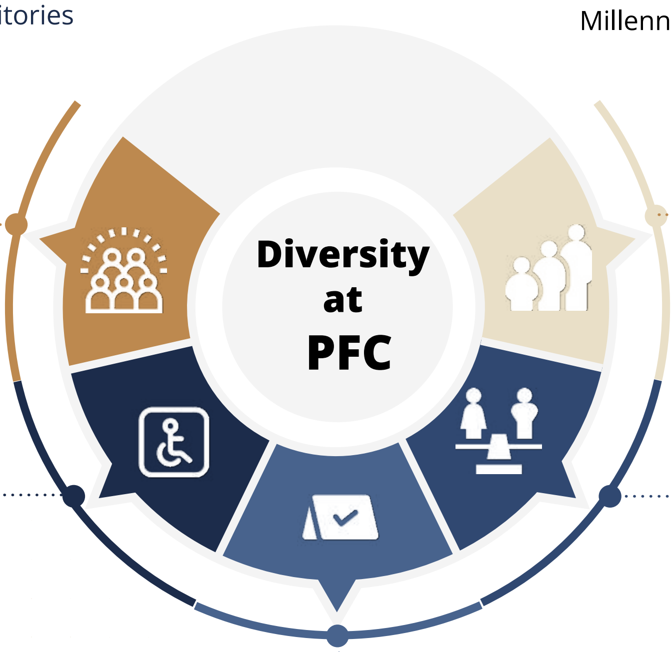
relaxations, and concessions are available for employees belonging to Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC) categories (socially and economically disadvantaged sections of society, as designated by the Government of India) and Persons with Disabilities.

The Economically Weaker Section (EWS) from the general category is provided with a 10% reservation, in line with government guidelines. The PFC SC/ST/OBC Employees' Welfare Association is recognised by the organization for bringing any issues faced by the employees belonging to these categories to the notice of the management.

A Special Reservation Cell composed of Liaison Officers for SC/ST/OBC/EWS/PwD (Persons with Disability) is also in place to address the grievances, if any, of employees from these groups. An Internal Grievance Redressal Cell for Scheduled Caste communities is also established in PFC. Various selection committees for recruitment and promotion include representatives from SC/ST, OBC, minority and women. The measures undertaken to secure the representation of SC/ST/OBC and their welfare in PFC are also examined by Parliamentary Committees and National Commissions from time to time.

We celebrate the linguistic diversity of our employees by organizing Linguistic Harmony Day during Communal Harmony Week in November.

Creating an inclusive atmosphere for women employees



Regional Diversity – Employees from 23 Indian states and Union Territories

Age Diversity – Employees from all age group – Gen-Z, Millennials, Gen-X

Persons with Disability representation

3% employees

Gender Diversity

21.5% women employees

Reservation

47% employees from reserved categories (Scheduled Tribes (ST-7%), Scheduled Castes (SC-18%), Economically Weaker Sections (EWS-1%), and Other Backward Classes (OBC-21%).

Women Empowerment

At PFC, the representation of women in the total workforce is around 21.5%, which is the highest among Maharatna PSUs. We have a Board Diversity Policy to ensure diverse representation at the highest levels in the organization. We're extremely proud to be led by Ms. Parminder Chopra, the first woman CMD (Chairman and Managing Director of PFC and one of the two women directors on our board.

> *Gender -diverse workforce with 21.5% representation of women employees*

We conduct regular gender-awareness and sensitization programs with the help of experts to create a safe and supportive work environment, empower marginalized groups, promote inclusivity and diversity, and encourage active participation. An Internal Complaints Committee has also been constituted under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to regulate and administer complaints on sexual harassment.

> *100% of the employees going on maternity/paternity leave returned to work after availing the leave.*

PFC has a supportive and enabling environment for women. We celebrate International Women's Day each year.

> *We are proud to state that PFC has a zero gender pay gap across levels and departments of the organization.*

Employee Engagement

At PFC, we take pride in the culture that we have created, which places our people at the forefront. Our people drive our success and fuel our growth. We have an inclusive work environment where every individual has the freedom to express themselves, contribute in their own way, and feel valued and respected. We provide our people with training programs, mentorship opportunities and career advancement opportunities to help them achieve professional distinction and personal fulfilment.

We strongly believe that engaged employees are more focused, productive, innovative, and aligned with the company's goals. We have invested in employee development programs to ensure that our employees have tremendous growth opportunities on a professional and personal level.

Regular employee engagement activities are the hallmark of PFC's culture, providing a platform to build cross-functional teams and nurture interpersonal bonding among the employees. Cross-functional knowledge sharing sessions are conducted on a regular basis to nurture interpersonal skills and common awareness among all employees.

Performance Management

As part of our nurturing work culture which emphasizes employee growth and development, we have instituted a well-structured performance management system. 100% of our workforce actively participates in regular performance and career development reviews. Our annual performance management system consists of three levels of reviews. This comprehensive evaluation allows us to acknowledge and reward employees for their contributions throughout the year. This reflective practice embodies our ethos of continuous improvement, cultivating a culture of ongoing learning and enhancement.

Training and Development

PFC offers learning and development opportunities to employees across all levels in the organization. There is a well-structured 3-week induction program for all new joiners, which is conducted by premier institutions such as National Power Training Institute, Faridabad. As employees progress in their careers and take up new responsibilities, they are supported through promotee training programs and accelerated management programs. To ensure that our workforce remains up-to-date with industry trends and regulatory changes, we conduct regular trainings on topics like risk management, leadership, vigilance, gender equality, stressed asset resolution, public procurement through GeM, among others. In FY24, PFC invested 2484 manpower days in training.

Capacity Building for ESG

PFC places a strong emphasis on promoting awareness in the field of ESG among its employees and top management and has organized three ESG workshops in the past year.

Multilateral Investment Guarantee Agency (MIGA) Workshop - ESG consideration into lending processes

MIGA, a World Bank member is mandated to promote cross-border investment in developing countries by providing guarantees to investors and lenders. In February 2024, a team of experts from MIGA, USA travelled to India to conduct a one full day specialized workshop for PFC employees. The workshop focused on E&S (Environmental and Social) risk assessments and its implementation, MIGA performance standards and climate risk management.

Employees attending MIGA workshop on ESG

Attended by more than 40 senior-level executives, the event was a resounding success, fostering meaningful discussions and insights on integrating ESG considerations into PFC's operations.

PFC's employees actively participating in ESG Workshop

ESG Workshops for PFC employees

PFC's ESG Unit organized two workshops on "ESG and Materiality Assessment" on April 3rd and 4th, 2024. Facilitated by USAID's SAREP program, the workshops held at the PFC office in Delhi were aimed at engaging with all employees of PFC and introducing the concept and practices of ESG. In alignment with PFC's commitment to sustainability and corporate responsibility, the workshops provided participants with comprehensive insights into the foundational principles of ESG.

While one workshop was held for all employees of PFC, another workshop was specifically organized for management team of PFC. The workshops sought to build an understanding of various ESG issues and their relevance for PFC and integrate employees' perspectives into the PFC's ESG journey, through a materiality assessment survey.

The workshop served as a platform for empowering PFC employees to become catalysts for positive change, driving impactful transformations and embracing sustainability in response to climate change, in line with the Government of India's energy transition and climate action plans.

Activities

We regularly organize a variety of events aimed at fostering a vibrant and cohesive community within the organization. These events include family picnics, sports tournaments, poetry competitions and plays etc., inviting employees and their family members to exhibit their talents and strengthen bonds. We celebrate major festivals in the office, providing employees a chance to come together and share in the festivities. We celebrate Foundation Day in July every year, where employees put together cultural performances. During this event, we also acknowledge the outstanding academic performance of meritorious children of our employees. We actively encourage our employees to participate in various sports competitions organized by the Power Sports Control Board (PSCB).

Employee Associations and Groups

PFC employees can be broadly classified into two categories – executive and non-executive. Regular interactions and informal meetings are held with the associations formed by the employees of both categories. 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 recognised by PFC for discussions and deliberations on various issues from either side.

Open Communication

PFC actively promotes engagement and open communication within the organization. We have adopted various new initiatives to support our employee engagement. We organized our first ever Town Hall in July 2023, presenting our employees with an opportunity to discuss the business and the way forward with PFC senior leadership. We also conduct surveys at regular intervals to seek employee feedback on critical issues.

New Year celebrations at PFC

PEEPAL Portal – In order to encourage open communication, recognition, learning and create a sense of belonging among employees, we have created an internal portal called PEEPAL (Portal for Enhancing Engagement and Promoting Awareness and Learning).

FEATURES OF PEEPAL:

Posts
Any employee can create a post and other employees can interact with it, facilitating informal discussions

Quiz Room
EDs/ HoUs can pose questions under Quiz Room relating to their unit/function area or any relevant topic and employees can voluntarily participate and submit answers during the quiz period.

Chat Room
Employees can post information/updates under the chat room relating to their functional areas or/of general awareness relevant for PFCians.

PURPOSE OF PEEPAL:

Sharing of knowledge among different units

Collaboration across units on work areas

Informal engagement channel to promote interaction among employees

Dissemination of information about company-wide initiatives

Recognition and appreciation mechanism for teams

Employee Health and Well-being

At PFC, we are strongly committed to creating a culture that prioritizes the physical, mental, and emotional health of our employees. We take a holistic approach to the health and well-being of our employees by offering a range of resources to support them in all aspects of their lives.

Health Benefits

PFC provides a comprehensive suite of health benefits to its employees and their dependent family members. The benefits are also extended to retired employees and their dependents in the form of Post-Retirement Medical Facilities. A paperless system of medical claims reimbursement has been implemented to ensure quicker and hassle-free processing. PFC has put in place provisions like a special nursing facility and annual health check-up to ensure health and medical fitness of all our employees. To support employees' healthcare needs while at work, a medical consultation facility through a doctor is made available to all employees in the office.

Parental Leave Benefits

PFC has undertaken several initiatives to support its employees as they embark on a new role as parents. 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. Furthermore, we offer childcare leave to all female employees to support them in balancing work and family responsibilities.

Flexi-timing

PFC introduced flexi-timing last year for all its employees, whereby, 2-hour flexibility has been provided in office timings subject to completion of minimum prescribed hours. The flexibility has helped employees to avoid peak-hour traffic and manage work-life balance in a better way leading to reduced stress and improved productivity.

Post-retirement benefits

We ensure compliance with the social security legislations on Provident Fund and Gratuity, as well as the NPS (National Pension System) for all our employees. Further, 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.

Additionally, in case of death during service, financial assistance in the form of a lump-sum amount is provided under Death Relief Scheme to the bereaved family.

Health and Wellness Programs

In order to ensure the physical and mental well-being of employees, PFC organizes various activities such as regular yoga sessions on all working days, workshops on stress management and regular health check-up camps. Further, to cater to first aid and other preliminary medical needs of employees, a wellness centre has been set up in the office premises in March 2024.

Transparent and Responsible Procurement

At PFC, we are committed to maintaining a fair, transparent, and equitable procurement process. We utilize the Government of India's online procurement platform, the Government e-Marketplace (GEM), to ensure efficient and transparent procurement.

In line with the directives of the Government of India, we prioritize sourcing from micro and small enterprises (MSEs). To encourage these enterprises, we extend various benefits such as exemption from tender fees and earnest money deposits, purchase preferences, interest on delayed payments, and exemptions from prior experience and turnover criteria, provided they meet the quality and technical specifications. During the financial year, we procured products and services worth Rs. 58.54 crore, out of which products and services from MSE's constituted Rs. 40.87 crore or 69.82%, exemplifying PFC's commitment to promoting and supporting the MSE sector.

CSR and Community Development

Being a responsible public sector undertaking, PFC is committed to supporting the society through its CSR and sustainability initiatives. We are proud of our role in empowering communities through our focused CSR programs. PFC has cumulatively sanctioned Rs.1664 crore and disbursed Rs.1411 crore under CSR activities from FY 2010-11 to FY 2023-24. In FY2023-24, PFC has sanctioned Rs 215 Crore and Disbursed Rs 148 Crore towards CSR.

PFC CSR Spending (all figures are in rupees crores)

MAJOR SECTORS	SANCTIONED AMOUNT	AMOUNT DISBURSED	SANCTIONED AMOUNT	AMOUNT DISBURSED	CUMULATIVE SANCTION	CUMULATIVE DISBURSEMENT
	FY 2010 -11 to FY 2022-23		FY 2023-24		TILL 31.03.2024	
Renewable Energy and Energy Efficient and Environment-friendly Technologies	169	149	4	5	173	154
Sanitation and Provision of Safe Drinking Water	353	347	80	78	433	425
Skill Development and Livelihood	157	142	18	5	175	147
Education	102	73	29	15	131	88
Health and Activites related to Persons with Disabilities (PwDs)	461	388	62	28	523	416
Others	207	164	23	17	230	181
TOTAL	**1449**	**1263**	**215**	**148**	**1664**	**1411**

CSR Project Highlights

1. PFC partners with Indian Institute of Science (IISc) for new energy research building

In March 2023, PFC sanctioned assistance of Rs. 42 crores for a new Interdisciplinary Centre for Energy Research (ICER) building at the Indian Institute of Science (IISc) in Bengaluru.

ICER's research initiatives focus on a spectrum of renewable energy domains, including net zero technology development for green hydrogen, pioneering research, and development activities on green energy technologies such as the generation of hydrogen and other biofuels from biomass, advance batteries and energy storage systems & sustainable technologies. The building will be constructed over the next two years. Foundation stone of the building was laid by Union Power Minister Shri R. K. Singh.

Foundation stone laying ceremony of IISC's new energy research building

2. Skill Development for Youth

The Government of India has laid tremendous emphasis on skill development as a means to unlocking the country's potential and reaping the benefits of our demographic dividend. PFC supports this mission of the Government of India and is working towards skill development of the youth.

Training under progress at one of the CIPET centres

PFC entered into a Memorandum of Agreement (MoA) with Central Institute of Petrochemicals Engineering & Technology (CIPET) for conducting industrial skill development programs for persons belonging to Scheduled Castes (SC)/Scheduled Tribes (ST)/Other Backward Classes (OBCs)/Persons with Disability (PwD)/Economically Weak Sections (EwS) and women. CIPET is a public sector institution under the Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers. PFC contributed Rs 10 Crore as financial assistance for the program.

The objective of the skill development training program was to equip the unemployed youths with technical & professional skills and make them employable. Under the MoA with PFC, CPIET conducted 6 months' (960 hours) Residential Skill Development Training Programme for 1000 participants spread across 19 CIPET Centres in India. The participants were selected based on a well-structured selection process. Priority was accorded to applicants from "Aspirational Districts" notified by Government of India.

CIPET centres enrolled the candidates in National Skills Qualifications Framework (NSQF) aligned and National Skills Qualifications Committee (NSQC) approved trades / skill development training programmes like plastics processing, injection moulding, CNC milling, among others.

The program combined classroom-based training with industry exposure, offering participants the opportunity to interact with business leaders and also undertake visits to industries.

CIPET provided placement assistance for 85% of trainees in the plastics processing & allied industries with an average salary of 12,000/- per month. With this, not only did the program enhance the skill and competency level of the participants but also contributed to improvement in their socio-economic status.

Sl. No.	Category	Men	Women	Total
1.	SC	166	34	200
2.	ST	106	29	135
3.	OBC	464	64	528
4.	EWS	116	25	141
	Total	852	152	1004

3. *Any Time Water Machines in Uttar Pradesh*

Access to improved water supply and sanitation, and better management of water resources, can boost countries' economic growth. Availability of clean and safe drinking water is crucial for public health. Water is recognized as one of the UN SDGs under SDG 6 - Ensure access to water and sanitation.

Basti District in state of Uttar Pradesh has contaminated groundwater, with presence of arsenic. In order to make provision for safe drinking water for the people of Basti region, PFC funded a project for supply, installation and commissioning of 50 Any Time Water Machine (ATWM) These ATWMs, installed at a cost of Rs. 3.98 Crore, provide hygienic drinking water to a population of more than 10,000 people.

Any Time Water Machine in Uttar Pradesh

4. *Anatomy laboratory in Department of Medical Sciences and Technology, IIT Madras*

Driving innovation and research to create cutting edge technology in healthcare is an important thrust area in building capability and capacity towards Atmanirbhar Bharat. PFC, as a part of its CSR initiative is supporting IIT Madras in setting up of a state of the art research undergraduate anatomy laboratory in their Department of Medical Sciences and Technology.

The lab, representing the first of its kind in India, is designed to provide a unique hands-on learning experience to students. The amount funded by PFC for this project is Rs. 16.25 crores. The lab would include a virtual dissection table, synthetic skeletal system and cadavers and Artificial Reality (AR)/ Virtual Reality (VR) based tools.

The purpose of the anatomy lab is to translate theoretical classroom teaching into demonstrable practical lessons that would enrich the hands-on skill sets of the students. Further, it aims to utilize and develop technology-integrated teaching platforms that aid and assist knowledge transfer in a dry lab set up on par with the traditional cadaveric lab.

Anatomy Lab at IIT Madras

Pillar III – Pursuing Prudence

PFC is committed to maintaining the highest levels of business ethics and corporate governance across all areas of business, to support our long term growth

HIGHLIGHTS

2 Women in Board of Directors

290 mandays invested in Vigilance training programs

16 Board Meetings in FY24

9 Board Level Committees

MATERIAL TOPICS

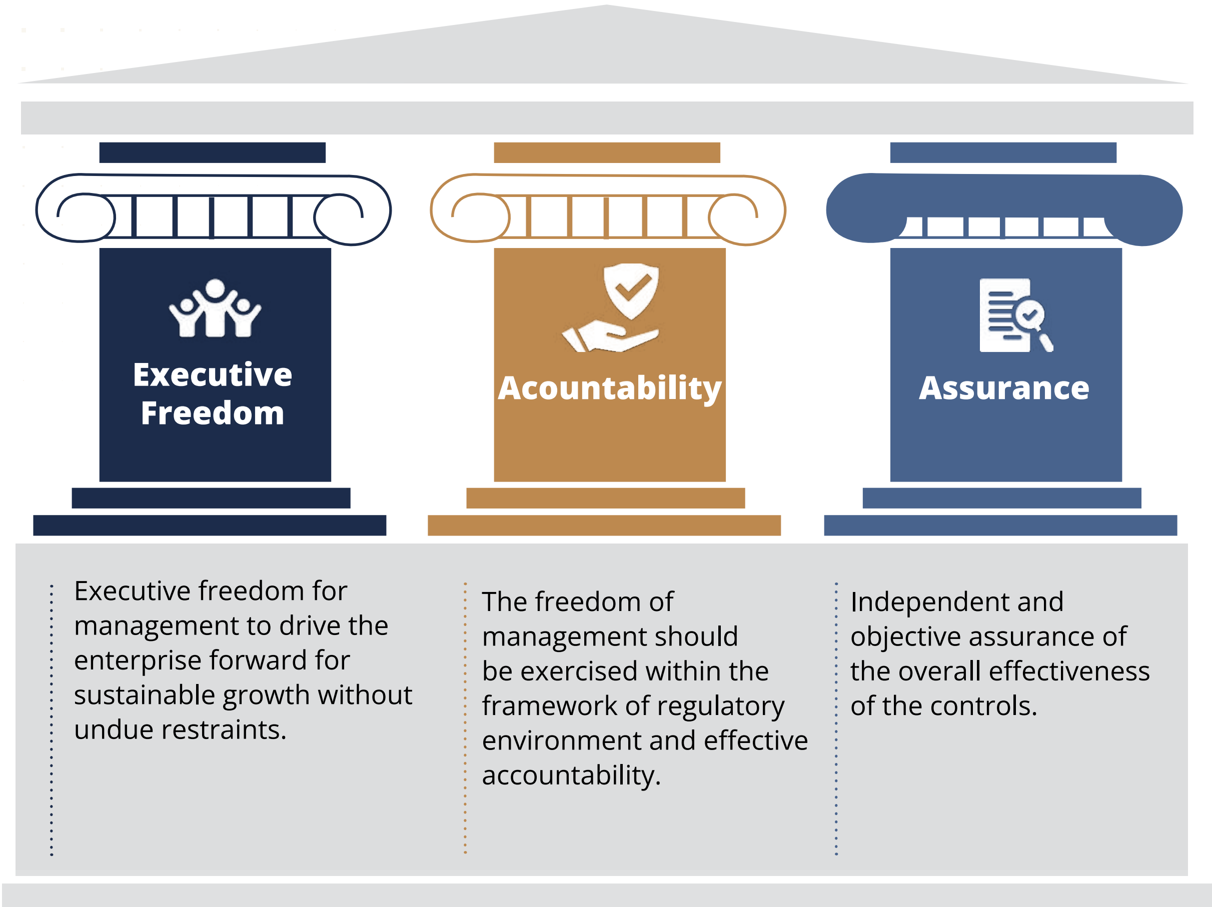
- Enterprise Risk Management
- Reporting and Disclosures
- Corporate Governance and Business Ethics
- Code of Conduct
- Regulatory and Legal Compliance
- Data Security and Data Privacy
- Grievance Redressal Mechanism
- Financial Performance
- Digitization of Business Processes

INTRODUCTION

As a Maharatna corporation and India's largest NBFC, PFC is committed to pursuing prudence in every action and decision we undertake. Our leadership is committed to shape the organizational culture and promote innovation while upholding the highest standards of transparency, accountability, responsible governance, disclosures, and ethical standards. Our governance exemplifies a progressive approach integrating financial performance with environmental stewardship and social responsibility.

At PFC, our commitment to transparent governance goes beyond compliance which is reflected in our dedication to ethics and integrity. This is embedded throughout our corporate frameworks which not just allow us to mitigate risk but help unlock new opportunities, enabling us to create value for our stakeholders. This section highlights our commitment to uphold the highest levels of corporate governance across all spheres of our operation.

Philosophy of Corporate Governance



Policy Framework

- Code of Business Conduct and Ethics
- Dividend Distribution Policy
- Fair Practices Code
- Policy on Material Subsidiary
- Code for Prevention of Insider Trading
- Integrated Risk Management Policy
- Corporate Social Responsibility (CSR) and Sustainability Policy
- Policy on Board Diversity
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Whistle Blower Protection Policy
- Anti-Fraud Policy

Code of Business Conduct and Ethics

At PFC, we prioritize ethical standards and integrity throughout our organization. Our code of business conduct and ethics guides our board members and senior management, ensuring they act with honesty, fairness, and integrity. Aligned with our vision and values, this code promotes transparent processes to achieve our mission and objectives, ensuring that our actions are consistent with the highest ethical standards.

Dividend Distribution Policy

PFC consistently pays dividends, affirming its commitment to sustainable value for stakeholders. Dividends are declared at the Annual General Meeting based on Board recommendations, with discretion for interim dividends. Dividend decisions are made in accordance with the Government of India regulations and RBI regulations.

Fair Practices Code

PFC has developed the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its businesses transactions.

Policy on Material Subsidiary

PFC has framed the policy on 'Material Subsidiary' in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

A subsidiary shall be considered as material whose - income exceeds 10% of PFC's consolidated income as per the audited financial statement(s) of the previous accounting year; or net worth exceeds 10% of PFC's consolidated net worth as per the audited financial statement(s) of the previous accounting year.

Code for Prevention of Insider Trading

In compliance with SEBI regulations, PFC has developed 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." This comprehensive code aims to prevent the misuse of sensitive information and ensure confidentiality. All designated and connected persons are obligated to safeguard information and refrain from using it for personal gain or benefiting third parties. The code outlines procedures, disclosures, and consequences of non-compliance, with the Company Secretary serving as the Compliance Officer to oversee adherence.

Integrated Risk Management Policy

PFC has instituted an Integrated Risk Management Policy (IRM policy) to manage major operational, financial, market and regulatory risks, etc. These risks are identified and assessed as per their risk assessment criteria to enable prioritization of risks, which in turn helps management focus on top risks.

Corporate Social Responsibility (CSR) and Sustainability Policy

Through its CSR and Sustainable Development initiatives, PFC undertakes projects focusing mainly on the fulfillment of energy needs of the society. We aim to ensure that we become a socially responsible corporate entity committed to improve the quality of life of the society at large.

Endeavors as a socially responsible corporate entity:

- Promote and leverage green technologies to produce goods and services that contribute to social and environmental sustainability.
- Undertake projects that provide energy, water, and sanitation facilities to the communities.

- Manage activities supporting differently abled persons and the health sector.
- Resolve issues which are of foremost concern in the national development agenda such as safe drinking water for all, provision of toilets especially for girls, health and sanitation, education etc.
- Contribute to inclusive growth and equitable development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

Policy on Board Diversity

PFC recognizes the importance and benefits of a diverse board which brings together individuals from different backgrounds, experiences, perspectives, and expertise and enriches the board discussions and drives superior outcomes. We believe that a diverse board enhances decision-making by utilizing different skills, qualifications, professional experience, and knowledge.

Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

PFC has framed the Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions in accordance with the applicable provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended.

Whistle Blower Protection Policy

PFC is committed to the highest possible standards of ethical practices and moral business conduct. Over the years, PFC has put in place various policies, procedures, and systems to guide employees within and outside the organization, including the 'Anti-Fraud Policy' and 'Code of Business Conduct for Board Members and Senior Management'. An integral part of the Vigil Mechanism, the Whistle Blower Protection Policy has been introduced to empower the Directors and Employees of PFC and/or its subsidiary companies to detect and report any improper activity within the company.

The policy empowers directors and employees of PFC and/or its subsidiaries to report concerns regarding unethical behavior, fraud, or code of conduct violations. It covers disclosing improper activities like malpractices, financial impropriety, fraud, law violations, negligence endangering the environment or public safety, unethical behavior, or criminal activity. This includes attempts to conceal such actions, which could impact the company's business or reputation. Overall, the policy fosters a culture of transparency and accountability within the organization.

Anti-Fraud Policy

Maintaining integrity and trust is paramount at PFC. To mitigate risks, enhance compliance, and promote sustainable growth, PFC's anti-fraud policy serves to enforce controls and aids in prevention and detection of fraud. This policy promotes consistent ethical behavior by assigning responsibility for the development of controls and providing guidelines for reporting and conduct of investigations of suspected fraudulent behavior.

The policy applies to any fraud or suspected fraud in PFC involving employees (including contractual employees) as well as stakeholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside agencies and/or any other parties with a business relationship with PFC.

Board of Directors

- PFC's Board of Directors comprises of highly capable and experienced individuals. The Board consists of Chairman and Managing Director, two whole time directors, one Government of India nominee director and three independent directors. The Board functions either by itself as a full Board or through various committees constituted to oversee specific operational areas. Board meetings and meetings of the board level committees are held at regular intervals.
- In accordance with Article 86 of Articles of Association (AoA) of PFC, the directors on the board of PFC are appointed by President of India, through Ministry of Power, Government of India.
- Functional Directors are appointed by Public Enterprises Selection Board (PESB), an independent body constituted by Government of India.
- The Ministry of Power appoints the independent directors based on recommendations of a Search Committee after obtaining the approval of Appointments Committee of the Cabinet (ACC).
- The Ministry of Power also appoints a Government Nominee Director on the Board of the Company.

Board Committees

PFC has constituted board committees for efficient functioning of the organization and focused decision making. The board committees comprise of full time and part time directors.

1. Audit Committee of Directors – Responsible for oversight of financial reporting and disclosure for the organization
2. Nomination and Remuneration Committee - Responsible for compliances such as recommendation of directors appointment, etc. in line with relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.
3. Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee – Responsible for resolving grievances of shareholders and investors of PFC
4. HR Committee – Responsible for making recommendations to the Board of Directors on all HR related matters
5. CSR & Sustainable Development Committee of Directors – Responsible for implementing the Corporate Social Responsibility and Sustainability policy and making recommendations to the Board on taking up CSR & SD projects
6. Board Level Risk Management Committee – Responsible for monitoring and review of risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities.
7. Investment Committee of Directors – Responsible for approving equity investment in IPOs of Central Power Sector Undertakings, investment limits, exit/ sale decisions
8. ALM Committee of Functional Directors – Responsible for management of market risks through measuring, monitoring, and managing liquidity, exchange rate and interest rate risks
8. IT Strategy Committee - Responsible for guiding in preparation of IT Strategy, establishing effectiveness of IT Governance and Information Security Governance structure and ensuring processes are in place for assessing and managing IT and cybersecurity risks.

Business Ethics and Accountability

PFC believes in conducting business with the highest standards of ethics and transparency.

We have built a culture of honesty and fairness and have zero-tolerance towards bribery, fraud and corruption. PFC has a strong code of conduct that defines the expectations for behavior within the organization to further our purpose and values and reflects our commitment to uphold the trust of our stakeholders. We have set a benchmark in the form of code of conduct which is applicable to all our employees, senior management personnel and directors.

At PFC, we regularly conduct trainings on the code of conduct and an acknowledgement is taken from the employee at the completion of the training.

- CDA Rules – Conduct, Discipline and Appeal Rules notified by the Department of Public Enterprises (DPE) are applicable to all employees of PFC. CDA Rules provide guidelines on acceptable behaviours and ethical considerations for all employees of PFC.
- CoC – PFC has a Code of Business Conduct and Ethics Policy in place that is applicable to board members and senior management. The policy lays down guidelines on following ethical and transparent business processes.

Grievance Redressal Mechanism

PFC places a high priority on ensuring that complaints from all stakeholder groups are addressed promptly and effectively. To achieve this, we have implemented a formal grievance redressal mechanism that caters to the concerns of all stakeholders. The grievance redressal mechanism for all stakeholders is available on PFC's corporate website, which includes the processes as well as the relevant contact details for designated officials in-charge of grievance redressal.

Internal Stakeholders

Grievance Redressal Policy

PFC has a dedicated policy for handling grievances which is available to the employees on the company intranet. The policy consists of a 4-tier system which allows all permanent employees to escalate their grievances at multiple levels. There is a dedicated Grievance Redressal Committee in place for managing employee grievances.

Internal Complaints Committee for Sexual Harassment

To foster a safe workplace for women employees, PFC has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Vigil Mechanism

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, PFC has established a 'Vigil Mechanism'/ 'Whistle-Blower Policy' for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

External Stakeholders

Shareholders

PFC has setup Stakeholder Relationship and Shareholders'/Investors' Grievance Committee to ensure redressal of the complaints of investors as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of non-receipt of dividend or any other dividend related query, a shareholder can contact the PFC's registrar and transfer agent. There is also a dedicated desk to resolve queries of shareholders. Further, PFC has a dedicated Investor Relations Cell to provide information to investors on PFC's performance and to have better and transparent communication with institutional investors.

Bondholders

For any bond related queries such as non-receipt of interest, updating of bank details etc., the bondholder can contact PFC's registrar and transfer agent. Additionally, there is a dedicated desk for resolving their queries. For 54EC bonds, PFC has two dedicated help desk- one for handling queries from application till allotment stage and another for post allotment queries. The queries are responded to within 24 hours.

Customers /Borrowers

In accordance with RBI Fair Practice Code, PFC has established a Borrowers Grievance Redressal Mechanism, for any grievance related to:

a. Charging of interest, interest on interest and penal interest
b. Waiver of interest on interest
c. Terms & conditions set out in the loan documents
d. Interpretation of covenants of loan documents
e. Matters relating to PFC policy regulating terms & conditions of loan documents

Vendors/Suppliers

PFC is mandated to conduct its procurement through the Government e Marketplace (GeM), a government owned and national public procurement portal of goods and services. Vendors can raise complaints on the GeM Incident Management System, which is designed to handle complaints and grievances regarding the GeM vendors and participants.

Others/Public/Community

PIDPI (Public Interest Disclosures and Protection of Informer) complaints - PIDPI is an independent mechanism set up by the Government of India and is available for the general public to lodge complaints for disclosure on any allegation of corruption or misuse of office. This is an offline as well an online portal wherein the complaints can be lodged 24X7. The complaint received under PIDPI are handled by a designated independent government body, being the Central Vigilance Commission (CVC).

Centralised Public Grievance Redress and Monitoring System (CPGRAMS) - CPGRAMS is an online platform available to the citizens 24x7 to lodge their grievances to the public authorities on any subject related to service delivery. It is a single portal connected to all the ministries/departments of Government of India and States. The status of public grievances is available on the PFC web portal and is accessible to all stakeholders.

Right to Information (RTI) – PFC has implemented the Right to Information Act, 2005 to provide information to the citizens of India and to maintain accountability and transparency in the working of the Company. For effective implementation of 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.

Risk Management Framework

At PFC, we have adopted a comprehensive risk management framework enabling us to proactively identify, assess, manage, and mitigate risks, ensuring organizational resilience, and sustainability. We have established an Integrated Risk Management Policy (IRM policy) to manage risks.

PFC has a three-tiered risk management framework, including a dedicated risk management unit, a risk management sub-committee and then a board level committee.

Corporate Risk Management Unit (CRM Unit), headed by Chief Risk Officer is involved in the process of identification, measurement and mitigation of risks.

Under the IRM policy, risk parameters covering the major operational, financial, market and regulatory risks, etc. are identified and assessed as per their risk assessment criteria to enable prioritization and management of risks.

The Risk Status Report and Risk Register are prepared on quarterly basis and placed before the Risk Management Sub Committee (RMSC) and the Board Level Risk Management Committee (BLRMC). These reports/documents include aspects pertaining to operational risks, financial risks, market risks, quantifiable and non-quantifiable risks, etc. faced by the organization. They assist in recording identified risks and related information in a structured manner.

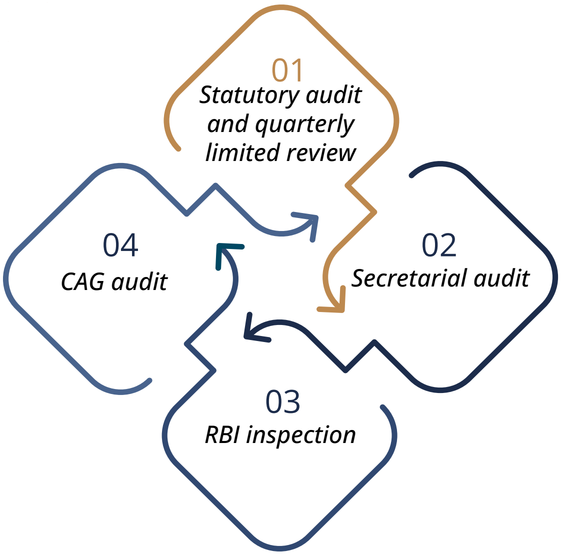
In addition to the above, all new loan policies and modifications of existing loan policies are reviewed by CRO from risk perspective. Furthermore, the lending proposals are also seen from the angle of inherent risks and their mitigation as identified by the appraising units.

Regulatory Compliance Control

PFC 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. Being a listed public sector financial institution, PFC is subject to regulations of RBI, SEBI, and Government of India.

PFC has a well-structured compliance function headed by Chief Compliance Officer (CCO) and which is supported by a comprehensive audit mechanism.

Type of Audits/Inspections at PFC:



Vigilance Function – Promoting transparency and accountability

At PFC, a proactive Vigilance Unit functioning as a robust vigil mechanism forms the cornerstone of transparency, accountability, and ethical conduct in our business practices. PFC's Vigilance Unit ensures the highest level of integrity across the organisation, implementing preventive, punitive as well as participatory measures in order to establish effective vigilance systems and processes.

The Chief Vigilance Officer (CVO) is a functionary appointed by the Government of India for overseeing all matters pertaining to vigilance. The CVO heads PFC's Vigilance Unit.

CVO's functions can broadly be divided into three categories, as under:

- Preventive vigilance
- Punitive vigilance
- Surveillance and detection

Regular awareness workshops/trainings are conducted by the Vigilance Unit on different aspects to ensure greatest level of integrity across the organization. During the Financial Year 2023-24, nine workshops/trainings were organized for the employees as a preventative vigilance measure.

Vigilance Awareness Week

PFC observed Vigilance Awareness Week in the month of November 2023 with the theme given by Central Vigilance Commission "Say No to Corruption; Commit to the Nation".

"भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें".

Integrity Pledge

On the first day of the Vigilance Awareness Week, all PFC employees gathered at the PFC Conference Hall and took the Integrity Pledge as per guidelines of the CVC (Central Vigilance Commission. Later, employees took the e-pledge by logging onto the website of the CVC.

Seminars and Workshops

PFC organised various thought-provoking, interactive seminars and workshops addressed by subject matter experts from the industry. A workshop on "Ethics and Governance", talk sessions on the topics "Vigilance Awareness" and "Say no to Corruption; Commit to the Nation" were organized for PFC employees. The sessions were conducted by Shri P. Daniel, Secretary, CVC, and Shri Pankaj Agarwal, Secretary Power respectively and all the directors along with other senior officials of the corporation were present in the talk sessions.

Employees attending workshop on Ethics and Governance

Employee Sensitization Activities

Numerous activities were organized on the theme of integrity and vigilance to spread awareness amongst employees, including debate/ elocution, slogan writing competition, pictorial competition, poem writing competition as well as a quiz on Vigilance Administration and PIDPI.

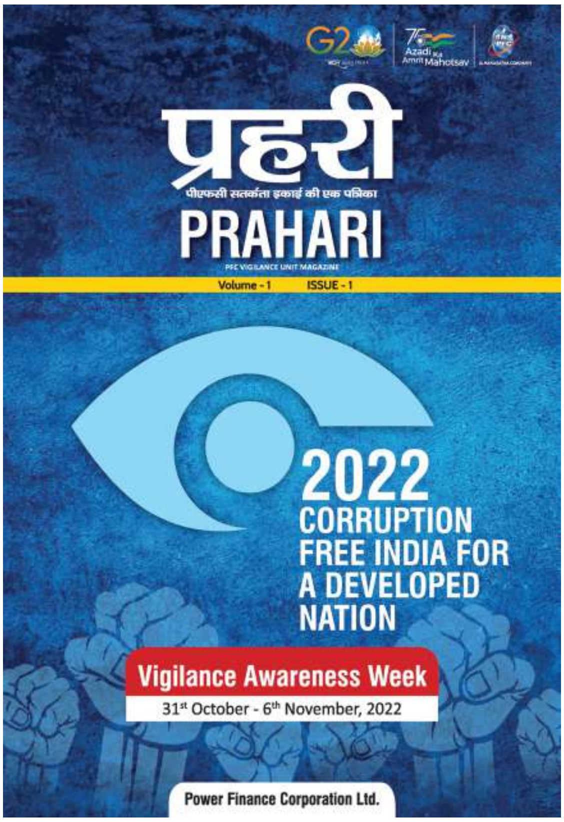
Awareness Drive

On the occasion of Vigilance Awareness Week, banners showing observance of the Vigilance Awareness Week were displayed at prime locations in and outside of corporate office of PFC, PFCCL and regional offices. PFC printed and released brochure on PIDPI resolution in hard copy as well as in e-copy. Brochures on PIDPI were also printed and displayed on the websites of PFC and PFCCL as well as the organization's intranet.

Vendor Outreach

PFC organized various outreach meetings for vendors of PFC head office in Delhi and PFC's, Regional Office (South) and (West) and PFCCL to educate them about PIDPI, public procurement, latest trends in public procurement, integrity, ongoing changes etc. Vendors were sensitized about PIDPI by vigilance officials.

Brochures released as part of Vigilance Awareness Week



Prahari Magazine

The first edition of PFC's vigilance magazine 'Prahari' was released in 2022 containing articles related to vigilance, power and allied sector and award-winning entries of the Vigilance Awareness Week. The second edition shall be released shortly.

Information Technology Policies & Practices

A. The Management Systems Unit at PFC is committed to delivering strategic advantage by promoting the creative and innovative use of technology to achieve the organization's objectives. The unit promotes effective stewardship of information access and provides a secure, reliable technology infrastructure along with quality customer-oriented services and support, to meet the ever-changing business needs. PFC has undertaken multiple Information Technology (IT) initiatives to help streamline operations, reduce costs, improve efficiency, optimise resource utilization, and devote talent to core business to enable better services and relationship with stakeholders.

B. State-of-the-art Datacentre: In order to provide continuous technological support through reliable infrastructure, PFC has established a state-of-the-art Data Centre which is operational 24x7, housing database, applications, network, MS exchange email, enterprise antivirus, advance threat protection servers hosted on rack mounted dual processor servers with full power & data redundancy protection systems. Comprehensive network security system with two stage firewalling for server zone and with intrusion detection & prevention system, antivirus, content filtering systems are put in place to strengthen the information system security.

Network environment of fastest Gigabit Local Area Network with fibre backbone with Layer-3 switching technologies and the exchange email servers implemented at PFC serves as a backbone of corporation's communications. These electronic based communication systems are used to disseminate routine and critical business information in a quick and efficient manner. IT equipment are used to send business status reports to executives at various levels, to update employees on critical business projects and to connect with business partners and customers.

C. Cyber Security Governance: Cyber risks form an integral part of PFC risk management framework. PFC MS-IT Infrastructure Unit is committed to working towards aligning itself with the changing threat landscape. The cyber security framework for the financial institution widely covers the following domains:

Cyber Security Framework			
Cyber Security Policy	Cyber Security Strategy	Continuous Surveillance	→ Cyber Security Operations Center (C-SOC)
Risk/Gap Assessment	IT Architecture		
Network and Database Security	Cyber Security Policy		
		Reporting Cyber Incidents	→ Cyber Security Incident Reporting (CSIR)
Cyber Crisis Management Plan	Cyber Security Preparedness Indicators		
IT Organization Structure	Cyber Security Awareness		
↓ Baseline Cyber Security and Resilience requirements			

D. Information and Cyber Security: Information is an asset to all NBFCs, and information Security (IS) refers to the protection of these assets in order to achieve organizational goals. The purpose of Information Security (IS) is to control access to sensitive information. The controls are implemented to ensure the use of IT resources only by legitimate users. It widely covers the following domains:,

Controls for IT Infrastrucute

Preventive Control

- Application Security Life Cycle (ASLC). Vulnerablility Assessment and Penetration Testing (VAPT), Antivirus, Vendor Risk Assessment, Firewall, Instrusion Detection System (IDS)
- Access Management
- Distributed Denial of Service (DDos) mitigation

Responsive Control

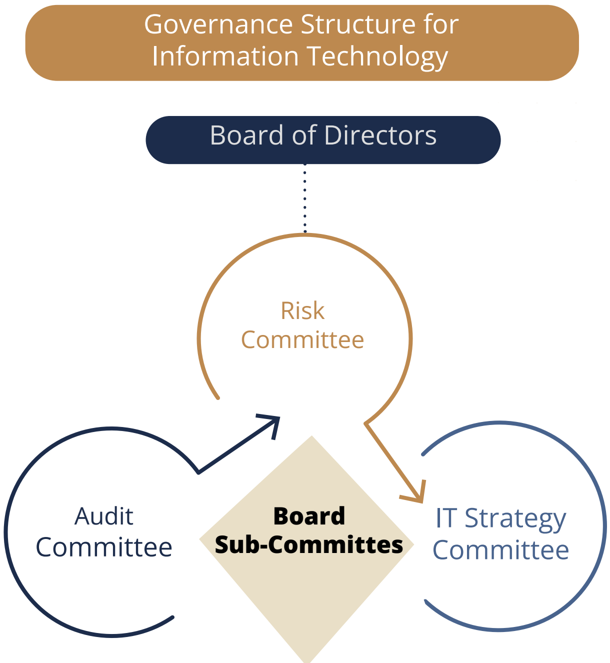
- Security Operation Centre (SOC) Monitoring
- Web Application Firewall
- Network Operation Centre (NOC) Monitoring
- RED Teaming exercises

Detective Control

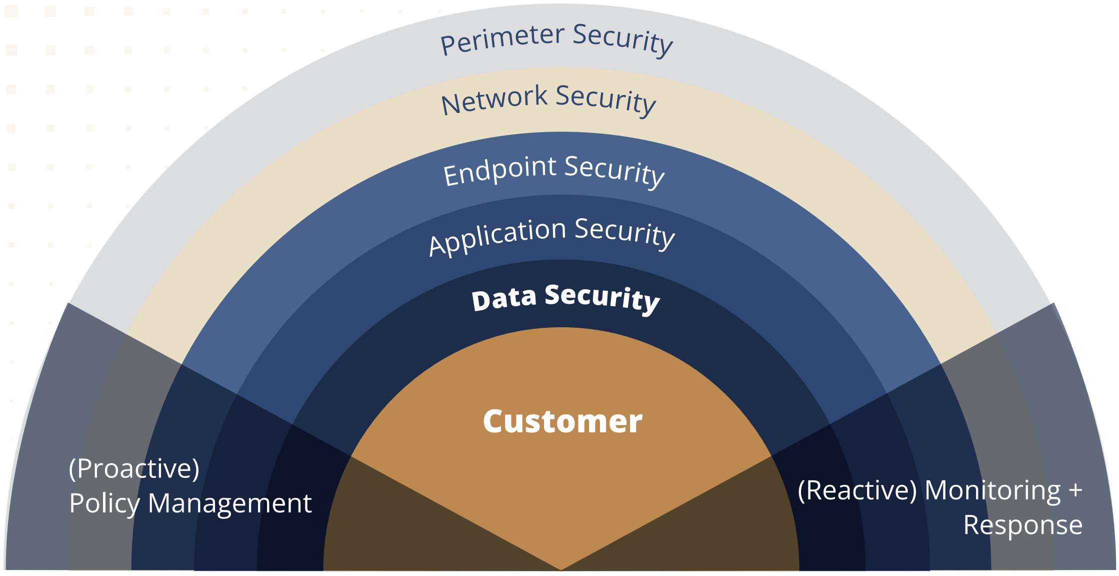
- Incident Response Plan
- Cyber Crisis Management Plan (CCMP)
- Forensic Agreements with partners

E. Cyber Awareness: PFC conducts regular cyber awareness programs for its employees and same is also catered through Cyber Jagarukta Diwas which is conducted on the first Wednesday of every month. Further, IT awareness training is imparted to all employees of the corporation with a focus on best practices, safe & secure usage of IT Systems of PFC in ever growing cyber security threats, vulnerabilities & risk landscape.

F. Information Technology Governance: IT governance is a formal framework that provides a structure for organization to ensure that IT investments support business objectives. PFC has a robust IT strategy to support the business objectives. IT Governance Stakeholders includes Board of Directors (BODs), IT Strategy Committee, IT Steering Committee, Business Executives, Chief Information Officer (CIO), Chief Technology Officers (CTO), Chief Risk Officer and Risk Committees.



G. The Layered defence approach: PFC has adopted a layered approach to ensure the integrity, confidentiality & availability of sensitive data, which is important because there is no single security control that can keep hackers out. The goal of layered security is to prevent a single security vulnerability from compromising an entire system. Having multiple layers of security protects the IT systems even when one of those layers fails, making it harder for attackers to accomplish their goals and provides more time to the IT team to respond to the threat.



H. IT Policy: PFC has formulated a board approved IT Policy based on RBI master direction for NBFCs, which has been vetted by the National Informatics Centre (NIC). To build awareness regarding IT policies, circulars are shared from time to time with all employees.

I. Augmentation of IT Infrastructure: To keep pace with the demand for high-speed computing by the organisation, PFC regularly updates its IT infrastructure. PFC has enhanced the following ICT infrastructure services:

   a) PFC's corporate office in Delhi has implemented the SOAR (Security Orchestration, Automation & Response) system which covers the security for servers, endpoint systems, managed detection and response solutions to protect PFC's IT infrastructure from security threats and vulnerabilities.

   b) PFC Perimeter Security is upgraded to the latest firewalls which enable enhanced security.

J. Business Continuity Plan / Disaster Recovery (DR): PFC has implemented its Disaster Recovery (DR) site in Mumbai to ensure continuity of business operations in case of any disaster incident.

K. Remote Work Facility: PFC has provided its employees with a secure remote access facility to the company's internal resources, data & networks, enabling them to work remotely if required.

L. Red Team: PFC has constituted its internal red team to simulate attacks & vulnerabilities to assess and improve the IT security posture of the organization. The goal of a red team is to think like potential attackers, identify weaknesses and help the organization strengthen its defences.

M. Paperless E-Office: PFC has implemented a paperless E-office which is a major transition from traditional paper-based file approval processes to digital workflows. This improved efficiency, reduced costs & enhanced environmental sustainability by reducing paper consumption and recording the history of the transactions at every step.

N. Disaster Recovery (DR) Drills: At present, PFC conducts at least two DR drills in a financial year to ensure that the organization is ready to handle unexpected disruptions or disasters. These drills are essential for identifying gaps in the disaster recovery plan & improving the organization's ability to respond effectively during any eventuality.

Awards & Accolades

37th amongst largest 500 Indian Companies as per FORTUNE India 2023 Rankings

South Asian Federation of Accountants (SAFA) Gold Award in Best Presented Accounts (BPA) for the FY 2021-22

SCOPE's Meritorious Award for the Best Managed Bank, Financial Institution, or Insurance Company

Awarded as India's "Leading Infrastructure Finance Company" at the BFSI & FinTech Summit 2024 by Dun & Bradstreet

2nd among Central Public Sector Enterprises for procuring goods and services from MSME Businesses in the Rs 10 crore to Rs 100 crore range in the FY 2022-23

CSR Award in the Non-Fossil Fuel business category at the Outlook Planet Sustainability Summit & Awards 2024

Annexure F of the Board's Report

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

{Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
POWER FINANCE CORPORATION LIMITED,
'URJANIDHI', 1, Barakhamba Lane,
Connaught Place, New Delhi 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWER FINANCE CORPORATION LIMITED** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the period under review not applicable to the Company);

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**during the period under review not applicable to the Company);**

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(during the period under review not applicable to the Company);**

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

(j) Other law specifically applicable to companies:

a. The Department of Public enterprises Guidelines.

b. Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023

c. The Competition Act, 2002;

d. The Right to information Act, 2005;

e. E-waste (Management and handling) Rules, 2011;

f. Labour and social security laws and

g. Regulation and prevention of Money laundering Act, 2002;

We have examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards mentioned above subject to the following observations:

i. During the period under review, the company has not complied with the provision of Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015, regarding the requirement of having at least half of the Board of Directors as independent, for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

ii. During the period under review, the company has not complied with the provision of Regulation 17 (10) of SEBI (LODR) Regulations, 2015, w.r.t. the performance evaluation of director.

We further report that:

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company at its Annual General Meeting held on 12 September 2023, declare the final dividend of ₹ 4.50/- per equity share (Face value of ₹ 10/- each) amounting to ₹ 1,188.04 crore for the Financial Year 2022-23.

2. The Board of Directors of the company at its meeting held on 8 November 2023 declared First Interim Dividend of ₹4.50/- per equity share of face Value of ₹10/- each, on 8 February 2024 declared Second interim dividend of ₹3.50/- per equity share of face Value of ₹10/- each, on 11 March 2024 declared Third interim dividend of ₹ 3.00/- per equity share of face Value of ₹10/- each for the year 2023-24.

3. The company approved Bonus shares to shareholders during the Annual General Meeting held on September 12, 2023 at a ratio of 1:4, one fully paid-up bonus equity share of ₹10/- each for every four existing fully paid-up equity shares .

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

sd/-
Nayan Handa
Partner
FCS No: 11993
CP No.: 18686
UDIN: F011993F000705466

Place: Delhi
Date: 10.07.2024

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

Annexure A of Secretarial Audit Report

To,
The Members,
POWER FINANCE CORPORATION LIMITED,
'URJANIDHI', 1, Barakhamba Lane,
Connaught Place, New Delhi 110001

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred in Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

sd/-
Nayan Handa
Partner
FCS No: 11993
CP No.: 18686
UDIN: F011993F000705466

Place: Delhi
Date: 10.07.2024

Annexure II of Secretarial Audit Report

Observations of the Secretarial Auditor alongwith explanations to the same required to be included in the Directors Report to the shareholders for the FY2023-24.

Sl. no.	Observation	Explanation
1.	During the period under review, the company has not complied with the provision of Regulation 17 (1) (b) of SEBI (LODR) Regulations, 2015, regarding the requirement of having at least half of the Board of Directors as independent, for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).	PFC being a Government Company and in terms of clause 86 of Articles of Association (AoA) of PFC, the members of the Board of PFC are appointed by President of India, through Ministry of Power, Government of India. Accordingly, the Company has from time to time requested Ministry of Power (MoP), Government of India to expedite appointment of requisite number of Independent Director(s) on the Board of the Company to enable it to comply with the requisite provisions under SEBI (LODR), Regulations 2015 and DPE guidelines. In view of above, PFC has also requested the Stock Exchanges for waiver of fine, response of the Stock Exchanges in this regard is awaited.
2.	During the period under review, the company has not complied with the provision of Regulation 17 (10) of SEBI (LODR) Regulations, 2015, w.r.t. the performance evaluation of director.	PFC being a Government Company and in terms of Clause 86 of Articles of Association (AoA) of the Company, the appointment of Functional Directors, Government Nominee Directors and Independent Directors of PFC are made by Government of India. The terms & conditions of such appointment including remuneration and evaluation vests with the Government of India. All the members of the Board are appointed by President of India, through Ministry of Power, Government of India and are subjected to periodic performance review and that, the Company's performance is also periodically reviewed with reference to annual MoU signed between PFC and Government. Further, PFC being a Listed Entity, in compliance thereof, a draft Board Evaluation Policy was formulated & recommended by the Nomination and Remuneration Committee for approval of Board of Directors. The Board of Directors directed to submit the draft Policy to Ministry of Power seeking guidance in the matter. In compliance, the draft Policy was sent to the Ministry of Power for its guidance. Furthermore, it was informed by MoP that the draft Board evaluation policy has been referred to the CPSE policy division for further examination.

Annexure G of the Board's Report

Annual Report on CSR Activities for the FY2023-24

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The aim of PFC's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Corporation becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.

PFC has implemented its CSR and Sustainability Policy with all its earnest and zeal. To oversee the activities of CSR, PFC has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

PFC has been implemented wide range of activities in the field of Environment Sustainability, Rehabilitation and Reconstruction Activities, Healthcare, Education, Sports, Sanitation & Drinking water and Skill development & Livelihood, Rural Development etc. Further, as per DPE's mandate, PFC has also been contributed to thematic areas i.e. 'Health & Nutrition'.

2. COMPOSITION OF CSR COMMITTEE AS ON MARCH 31, 2024

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Prasanna Tantri	Chairman/Independent Director	9	9
2.	Smt Usha Sajeev Nair	Member/Independent Director	9	9
3.	Smt Parminder Chopra	Member/Addl.Charge. Director (Finance)	9	2
4.	Shri Rajiv Ranjan Jha	Member/Director (Projects)	9	8
5.	Shri Manoj Sharma	Member/Director (Commercial)	9	9

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://pfcindia.com/ensite/Home/VS/10231
(b)	CSR Policy	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/CSR/CSR%20Policy.pdf
(c)	CSR projects approved by the board	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/CSR/englishCSR.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 M/s Institute of Public Enterprise (IPE). Following is project wise key findings from the Impact Assessment Studies:

Sl. No.	Name of Project	Cost of Project (in ₹ Cr.)	Key findings of Project
1	Mass Awareness Campaign on COVID-related Social Behavior Norms in Aspirational districts identified by NITI Aayog	3.49	a. The messages regarding social behavior norms during the COVID-19 pandemic were strategically positioned in 20 aspirational districts across the country. b. In each district, there were 100 hoardings of different sizes, ensuring effective communication with the public. c. The project raised awareness regarding the spread and prevention of COVID-19, leading to a decrease in panic among the population. d. The dissemination of information regarding social behavior norms has been proven effective in reducing the rapid transmission of the COVID-19 virus, as it has reached a significant portion of the population.

Sl. No.	Name of Project	Cost of Project (in ₹ Cr.)	Key findings of Project
2	Installation of RO Units in Government/Government Aided Schools of Ferozepur District, Punjab	6.76	a. The project created awareness about the water borne diseases and other health problems and emphasized about the importance of potable drinking water among schoolchildren, resulting in improved children's academic achievements and good health. b. RO drinking water is being utilized for mid-day meals preparation in all most all schools where PFC installed RO water plants in Ferozepur district.
3	Providing services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area	8.00	a. The project has provided Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in 14 wards of Varanasi Municipal Area resulting in improved cleanliness resulting in beautification of the city. b. It resulted in high impact as automatized sweeping collection &transportation of Municipal Solid Waste resulted in beautification of the city. c. Awareness about cleanliness, waste segregation at the source and residents are reminded to use separate green and blue bins for their garbage. d. This approach ensured the financial sustainability of the project and created job opportunities for 1000 local people directly and many more people indirectly in 14 wards of Varanasi Nagar Nigam.
4	Skill development training for 2500 nos. of unemployed youth belonging to SC/ST/OBC/PwD/Women/EWS of society through CIPET – Phase-II	14.93	a. Under this initiative, the candidates underwent comprehensive training in theory, practical skills, industry exposure, on-the-job training, computer proficiency, and communication skills specifically tailored for the petrochemicals and plastics manufacturing sector. b. The courses were job-oriented and has resulted 80% to 85% of placement for all the students who have successfully completed the course with a salary range of ₹8000 to 15000 per month. c. The courses also encouraged youth to take up entrepreneurship in various auxiliary industries relating to plastics manufacturing. d. The project also improved the socio-economic conditions as they were placed immediately after the completion of the course with reasonable pay packages.
5	Up-gradation of Various Government Schools in Khammam District, Telangana	9.44	a. This project had a significant impact on the government school education system in Khammam district. b. This project provided three forms of educational infrastructure provisions in Khammam district by providing additional classrooms, dual desks, and wall exhibits presenting a range of textbooks content utilizing the Building as Learning Aid (BALA) concept. c. Additional class rooms and dual desk bench provided has improved the seating arrangements and concentration level and increased the academic performance. d. BALA concept improved the basic learning of mathematical and science concept.
6	Construction of School Building in KB Hedgewar School, Tiswadi, Goa	3.40	a. The project had a positive outcome on learning patterns as students have separate building and the ventilated classrooms. b. It increases the students' strength and reduction in dropouts. c. The project provided good educational infrastructure and also improved facilities such as separate toilets for boys and girls, staff rooms for teachers and an office space, an open aired multipurpose hall, etc.
7	Project for upgradation of School of Government Schools in Siddharthnagar District, Uttar Pradesh	9.24	a. The project resulted in improved self-learning skills through Building as Learning Aid (BALA) and also introduction to smart classroom initiatives in government schools. The teachers were utilizing preloaded content on different subjects and material downloaded from the internet to teach children about various topics helping the children to understand science experiments – physics, chemistry, and biological sciences through online. b. The project aimed towards repairs and renewal of school infrastructure in Siddharthnagar resulting in improved safety and security of children. c. The project had resulted in high impact and positive transformation among primary schools' children enhancing the students' LSRW (Learning, Speaking, Reading, Writing) skills in Hindi and English subjects.

* The process for study of impact assessment study of all above stated CSR Projects were started in FY2023-24, however, the report has been submitted by IPE in May 2024.

The detailed impact assessment report is available at https://pfcindia.com/ensite/Home/VS/45

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

S No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	39.39	39.39
2	2022-23	Nil	Nil
3	2023-24	Nil	Nil
	Total	**39.39**	**39.39**

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5).

₹10,769.72 crore

7. (a) **Two percent of average net profit of the company as per section 135(5)**

₹215.39 crore

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**

Nil

(c) **Amount required to be set off for the financial year, if any**

Nil

(d) **Total CSR obligation for the financial year (7a+7b-7c).**

₹215.39 crore

8. (a) **CSR amount spent or unspent for the financial year:**

(₹ in Crores)

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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.
99.37	116.02	April 30, 2024	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in months)	Amount allocated for the project (in ₹ crore.)	Amount spent in the current financial Year (in ₹ crore.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation	Mode of Implementation – Through Implementing Agency	
				State	District					Direct (Yes/No)	Name	CSR Registration No.
1	Project for construction of State of Art Building for Interdisciplinary Centre for Energy Research (ICER), IISc Bengaluru, Karnataka	Item (ii) – Promoting education	No	Karnataka	Bangalore	24	12.66	-	12.66	No	IISc Bengaluru	CSR00007370
2	Project for development works in 35 villages of Bundi District	Item (x) – Rural development projects	No	Rajasthan	Bundi	12	7.50	0.75	6.75	Yes	Zila Parishad, Bundi/ PMA	NA
3	Procurement and Installation of Sewer utility Vehicle with Jetting machine (01 no.) and Mobile toilets (05 nos.) for Daman Municipal Council, Daman (UT)	Item (i) – Sanitation and healthcare	No	Daman	Daman	10	1.44	1.30	0.14	Yes	Daman Municipal Council/PMA	NA
4	Project for supply, installation and commissioning of 500 nos. of Solar based LED Street Lighting System (SLS) in various villages of Sonbhadra Region	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Uttar Pradesh	Sonbhadra	9	1.06	0.53	0.53	No	U.P Small Industries Corporation Ltd. (UPSIC)	CSR00023463
5	Project for Installation and Commissioning of Sewage Treatment Plant (STP) in SGGS Vidya Kender, Delhi	Item (i) – Sanitation and healthcare	Yes	Delhi	Delhi	8	0.48	0.29	0.19	No	Indo-German Institute of Advanced Technology	CSR00051518
6	Expansion of student residential facilities and other development works at Swami Vedanand Ved Vidyalaya in Kuteti, Uttrakashi	Item (ii) – Promoting education	No	Uttarakhand	Kuteti	12	1.02	0.10	0.92	Yes	Telecommunication Consultants India Limited (TCIL)/PMA	NA
7	Rectification of toilets constructed by PFC in FY2014-15 under Swachh Bharat Swachh Vidyalaya Abhiyanin -Geotagging	Item (i) – Sanitation and healthcare	No	Andhra Pradesh	Multi-District	1.5	2.94	2.16	0.78	Yes	PFC on its own	NA
8	Rectification of toilets constructed by PFC in FY2014-15 under Swachh Bharat Swachh Vidyalaya Abhiyanin- Geotagging	Item (i) - Sanitation and healthcare	No	Rajasthan	Multi-District	1.5	0.64	0.42	0.22	Yes	PFC on its own	NA
9	Project for Supply, Installation and Commissioning of 02 nos. of Solar Power Plants (SPV) in 2 Govt. Schools and 1160 nos. Solar Street Lighting System (SLS) in villages of Lohit and Namsai district of Arunachal Pradesh	Item (iv) – Environmental sustainability(Solar appilication/energy efficient LED lighting	No	Arunachal Pradesh	Lohit & Namsai	12	3.93	-	3.93	No	Arunachal Pradesh Energy Development Agency (APEDA)	CSR00047578

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in months)	Amount allocated for the project (in ₹ crore.)	Amount spent in the current financial Year (in ₹ crore.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
				State	District					Direct (Yes/No)	Name	CSR Registration No.
10	Project for Procurement and installation of Medical Equipment for Swami Vivekananda Blood Centre	Item (i) – Healthcare	No	Tamil Nadu	Coimbatore	8	0.95	-	0.95	Yes	HITES Ltd./PMA	NA
11	Project for development of public garden with energy efficient technology	Item (iv) – Environmental sustainability/ Livelihood enhancement	No	Maharastra	Sambhajinagar	6	10.57	-	10.57	Yes	Broadcast Engineering Consultants India Ltd. (BECIL)/PMA	NA
12	Project for supply installation and commissioning of 200 nos. LED High Mast Lighting systems in various villages of Muzzafarnagr District	Item (iv) – Environmental sustainability (Solar appilication/energy efficient LED lighting	No	Uttar Pradesh	Muzzafarnagar	8	2.45	0.86	1.59	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
13	Project for procurement of ambulance for Seva Bharthi Chevayur	Item (i) – Healthcare	No	Kerela	Kozhikode	8	0.21	-	0.21	Yes	HITES Ltd./PMA	NA
14	Project for Supply installation and commissioning of 500 Nos. LED Street Lightning system in various villages of Siddarthnagar	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Uttar Pradesh	Siddarthnagar	8	1.01	-	1.01	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
15	Project for construction of Common Facility Centre(CFC) building, for installation of cotton processing machinery	Item (iv) – Environmental sustainability/ Livelihood enhancement	No	Maharashtra	Dhule	12	7.50	-	7.50	No	Dhule District Administration (DDA)	CSR00044789
16	Project for installation of 32 RO Water Treatment Plants in 32 Villages of Ongole	Item (i) – Sanitation Item (ii) – Promoting education	No	Andhra Pradesh	Prakasam	12	2.50	0.25	2.25	Yes	District Collector & District Magistrate, Prakasam	NA
17	Project for supply and installation of 20 nos. of Solar Photovoltaic (PV) powered pumping Structures pump with 5 HP capacity of motor and water tank for irrigation	Item (iv) – Environmental sustainability (Solar application/ Renewable Energy and Energy Efficient and Environment-friendly Technologies	No	West Bengal	Purba and Paschim Medinipur	8	1.14	-	1.14	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
18	a) Construction of Boundary wall in Government Hospital, Piro Block	Item (i) – Sanitation and healthcare	No	Bihar	Bhojpur	12	0.37	-	0.37	Yes	NHPC Ltd/PMA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in months)	Amount allocated for the project (in ₹ crore.)	Amount spent in the current financial Year (in ₹ crore.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation	Mode of Implementation – Through Implementing Agency	
				State	District					Direct (Yes/No)	Name	CSR Registration No.
	b) Re-Development and Beautification of Padaw Maidan in Piro Block	Item (i) – Sanitation and healthcare	No	Bihar	Bhojpur	12	3.50	-	3.50	Yes	NHPC Ltd/PMA	NA
	c) Construction of Gateway to the Fort of Historical importance of Freedom Fighter Veer Kunwar Singh in Jagdishpur block	v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	No	Bihar	Bhojpur	12	4.93	-	4.93	Yes	NHPC Ltd/PMA	NA
	d) Construction of Bus-stand near Naya Tola Morin Jagdishpur Block	(x) rural development projects	No	Bihar	Bhojpur	12	2.83	-	2.83	Yes	NHPC Ltd/PMA	NA
19	Project of organising Medical Camps for the 37th National Games	Item (i) – Healthcare	No	Goa	Goa	0.5	2.57	0.64	1.93	Yes	Sports Authority of Goa	NA
20	Project for supply, installation and commissioning of 30 KW capacity of off Grid SPV Power Plant in 3 nos. Sub-divisional Health Centre in Jhanjharpur Parliamentary Constituency	Item (i) – Healthcare	No	Bihar	Madhubani	8	1.13	-	1.13	No	U.P Small Industries Corporation Ltd. (UPSIC)	CSR00023463
21	Project for supply, installation and commissioning of 150 nos. of Solar based LED Street Lighting Systems	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Bihar	Bhojpur	3	0.30	-	0.30	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
22	Proposal for Procurement of Ultrathin Sanitary Napkins Manufacturing unit in Soraon	Item (i) – Sanitation and healthcare	No	Uttar Pradesh	Prayagraj	6	0.26	-	0.26	Yes	HITES Ltd./PMA	NA
23	Project for Fisheries community development in Machlipatnam	Item (i) – Healthcare	No	Andhra Pradesh	Machlipatnam	10	0.34	-	0.34	No	District Collector of Krishna District, Andhra Pradesh	CSR00033025
24	Procurement of Hockey Sports Material/Equipment for Sarawathi Vidya Mandiram School	Item (vii) – Sports	No	Kerala	Kozhikode	6	0.06	-	0.06	Yes	HITES Ltd./PMA	NA
25	Project of Developmental works in 28 villages of Bihiya block in the Bhojpur	(x) rural development projects	No	Bihar	Bhojpur	12	3.94	-	3.94	Yes	NHPC Ltd/PMA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in months)	Amount allocated for the project (in ₹ crore.)	Amount spent in the current financial Year (in ₹ crore.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
				State	District					Direct (Yes/No)	Name	CSR Registration No.
26	Project for supply, installation and commissioning of cumulative 100 kWp Grid Connected Solar Power Plant at Taluk Head Quarters Hospital	Item (i) – Healthcare	No	Kerala	Kottayam	8	0.68	-	0.68	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
27	Project for supply, installation and commissioning of 500 nos. of Solar based LED Street Lighting Systems various villages of Vizianagram	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Andhra Pradesh	Vizianagram	8	1.01	-	1.01	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
28	Project for construction of Boys Hostel Block and Entrance Gate for Netaji Subhas Chandra Bose Military Academy	(ii) – Promoting education	No	Daman & Diu	Silvassa	24	12.30	-	12.30	Yes	Telecommunication Consultants India Limited (TCIL)/PMA	NA
29	Project for Supply, installation and commissioning of 750 nos. of Solar based LED Street Lighting System (SLS) in various strategic locations of Amethi Parliamentary Constituency	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Uttar Pradesh	Amethi	8	1.52	-	1.52	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
30	Project for Supply, Installation and Commissioning of 500 nos. SPV LED Street Lighting Systems at Various blocks of Akbarpur Parliamentary Constituency	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Uttar Pradesh	Kanpur	8	1.01	-	1.01	Yes	Electronics and Instruments Limited (REIL)/PMA	NA
31	Project for upgradation of Healthcare Services in Campus Hospital and Kitchen utensils for Dinning Hall in Netaji Subhas Chandra Bose Military Academy	Item (i) – Healthcare	No	Daman & Diu	Silvassa	6	1.59	-	1.59	Yes	HITES Ltd./PMA	NA
32	Project for supply, installation and commissioning of 63 nos. of Solar based LED High-Mast Street Lighting Systems in various villages of Azamgarh Parliamentary Constituency	Item (iv) – Environmental sustainability (Solar application/energy efficient LED lighting	No	Uttar Pradesh	Azamgarh	6	0.24	-	0.24	Yes	U.P Small Industries Corporation Ltd. (UPSIC)	CSR00023463
33	Project for undertaking CSR Project for Procurement of Medical equipment's in Goa Medical College & Hospital, Bambolin	Item (i) – Healthcare	No	Goa	Bambolin	12	4.00	-	4.00	Yes	Goa CSR Authority	NA
34	Project for Construction of Community Training & Health Care Centre (G+3) at Eternal University	Item (i) – Healthcare	No	Himachal Pradesh	Sirmaur	18	5.50	-	5.50	Yes	Telecommunication Consultants India Limited (TCIL)/PMA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in months)	Amount allocated for the project (in ₹ crore.)	Amount spent in the current financial Year (in ₹ crore.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
				State	District					Direct (Yes/No)	Name	CSR Registration No.
35	Project for strengthening Healthcare Delivery through Equipment Upgradation in various Government Hospitals in Satna	Item (i) – Healthcare	No	Madhya Pradesh	Satna	6	4.88	-	4.88	No	District Health Society, Satna	CSR00064010
36	Proposal for setting up of research undergraduate Anatomy laboratory in the department of Medical Sciences and Technology in IIT, Madras	Item (i) – Healthcare	No	Tamil nadu	Coimbatore	6	16.24	8.10	8.15	No	IIT Madras	CSR00004320
37	Project for providing medical equipment's for upgradation of Healthcare Services in Family Health Centre's of Pallickathodu and Mutholy Gram panchayat	Item (i) – Healthcare	No	Kerala	Kottayam	6	0.75	-	0.75	Yes	HITES Ltd./PMA	NA
38	Project for Construction of Dining Hall along with other infrastructural facilities for Mid-Day Meal Beneficiaries in premises of Manipal Pre-University College	Item (i) – Healthcare & Nutrition	No	Karnataka	Udupi	8	0.89	-	0.89	Yes	HITES Ltd./PMA	NA
39	Project for setting up of Artificial Intelligence (AI) Labs-IOT Labs in 11 nos. of Govt. Higher Secondary (10+2) Schools, and 02 nos. of Govt. Polytechnic Colleges in Balurghat Block	Item (ii) – Promoting education	No	West Bengal	Dakshin Dinajpur	6	2.59	-	2.59	Yes	Indian Telephone Industries Limited (ITI Ltd.)/PMA	NA
	TOTAL							**15.40**	**116.02**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Reg. no.
1	Contribution to Swachh Bharat Kosh	Item (i) – Healthcare	No	PAN India	NA	77.46	Yes	NA	NA
						77.46			

(d) Amount spent in Administrative Overheads

₹ 6.51 crore

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 99.37 crore

Note: The total CSR amount charged to Standalone Statement of Profit and Loss during FY2023-24 is ₹ 217.50 crore. Out of this, ₹2.11 crore pertains to projects sanctioned against the budget of the period upto 31.03.2020, whereas, the remaining amount i.e. ₹ 215.39 crore pertains to projects sanctioned against the budget of FY2023-24.

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	215.39
(ii)	Total amount spent for the Financial Year	215.39*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

* The amount spent includes an amount of ₹ 116.02 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.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in Crores)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account u/s 135(6)	Cumulative Amount spent till Previous Years	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
					Name of the Fund	Amount	Date of transfer	
1	Till FY2019-20	217.59*	165.16	2.11	NA	NA	NA	50.32
2	FY2020-21	Nil	NA	NA	NA	NA	NA	Nil
3	FY2021-22	54.87	13.98	9.82	NA	NA	NA	31.07
4	FY2022-23	106.34	NA	23.49	NA	NA	NA	82.85
	Total	**378.80**	**179.14**	**35.42**				**164.24**

* Not required to be transferred as the provision of Section 135 (6) was made effective from the FY2020-21.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in Crores)

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration (months)	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing
1	44	Relief & Rehabilitation activities in the flood affected areas of Uttarakhand for re-building of infrastructure destroyed during calamity.	2013-14	90	3.00	0.13	3.00	Completed
2	138	Project for Providing Renewable Energy systems in various backward villages/ blocks of Durgi and Veldurthy Mandals in Guntur District, Andhra Pradesh	2018-19	10	2.45	0.25	2.45	Completed
3	154	Project for supply, installation and commissioning of 500 nos. LED based Solar Street Lighting System (SLS) in various villages of Basti Region, Uttar Pradesh, Phase-II	2018-19	8	1.16	0.02	1.12	Completed, AMC under progress
4	157	Installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Bikaner Region (Phase-II), Rajasthan.	2018-19	6	1.40	0.03	1.37	Completed, AMC under progress
5	145	Project for supply, installation and commissioning of 500 nos. LED based Solar Street Lighting System (SLS) in various villages of Mahbubnagar and Ranga Reddy Districts in Telangana state.	2018-19	6	1.40	0.03	1.40	Completed
6	139	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Agra,UP	2018-19	6	1.13	0.02	1.13	Completed
7	142	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Baghpat, UP	2018-19	12	1.13	0.05	1.13	Completed
8	166	Project for Supply, installation and commissioning of 12 nos. of Solar PV Highmast Lighting Systems (SHMLS) in various locations of Khagaria Distt. Bihar	2018-19	2	0.13	0.00	0.12	Completed, AMC under progress
9	155	Supply, installation and commissioning of 100 nos. of Solar PV High-mast Lighting Systems in various locations of Giridih Region, Jharkhand	2018-19	6	1.06	0.02	1.04	Completed, AMC under progress
10	141	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Lalganj Parliamentary Constituency, Uttar Pradesh	2018-19	6	1.13	0.02	1.13	Completed
11	222	Financial Assistance to construct new hostel building for SC/ST students in campus of V.M.H.E High School, siwan through Executive Engineer, Local Area Engineering Organisation (LAEO), Work Division-1 Siwan under the CSR initiative of PFC Limited.	2018-19	36	3.84	0.31	3.13	Completed
12	148	Project for supply, installment and commissioning of 100 (White LED) SHMLS in Basti Region	2018-19	28	1.15	0.01	1.11	Completed, AMC under progress

(₹ in Crores)

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration (months)	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing
13	135	Project of creating Adarsh Panchayat project in three villages, Bhandari, Manchi and maheshpur of Bhandari Panchayat in Belsand Block, Sitamarhi District of Bihar and transformation of two Government Schools in Bhandari	2018-19	48	2.56	(0.14)	2.33	Completed. Un-utlised amount refunded
14	162	Project for Creating 100 model Anganwadi centres along with provision of other infrastructural facilities in Shravasti District, Uttar Pradesh through District administration, Shravasti	2019-20	35	4.18	0.87	2.94	Ongoing
15	189	Project for providing 5 kWp Stand Alone SPV Power Plants in each 37 nos. of ASHA Schools supported by Army Wives Welfare Association (AWWA) all over India through Rajasthan Electronics and Instruments Ltd. (REIL)	2019-20	5	1.76	0.03	1.65	Completed, AMC under progress
16	164	Supply, Installation and Commissioning of 500 nos. of Solar Photovoltaic LED Street Lighting Systems (SLSs) in various villages of Hamirpur, Himachal Pradesh	2019-20	7	1.12	0.02	1.07	Completed, AMC under progress
17	188	Project for Supply, Installation and Commissioning of Grid connected SPV Power Plants with a cumulative capacity of 100 kwP at ISKCON Temple, New Delhi through Rajasthan Electronics and Instruments Ltd. (REIL)	2019-20	9	0.48	0.01	0.46	Completed, AMC under progress
18	186	Project for construction of Ground Floor of 100 Bedded Multi Specialty Hospital at Trimbakeshwar Nashik for Shri Ramkrishna Arogya Sansthan	2019-20	30	7.82	0.42	6.28	Ongoing
		Total				**2.11**		

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS).

(a) Date of creation or acquisition of the capital asset(s) : Nil

(b) Amount of CSR spent for creation or acquisition of capital asset : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5).

Unspent CSR amount of ₹ 116.02 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/-
(Prasanna Tantri)
Chairman, CSR Committee
DIN: 06471864

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

S. 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	PFC Projects Limited (PPL) (erstwhile Coastal Karnataka Power Limited (CKPL)), Subsidiary of PFC
(b)	Nature of contracts/ arrangements/ transactions	Subject to approval of Board of PPL, PPL was allowed to provide NoC to NCLT for conducting the challenge process with the condition that expenses incurred by PPL shall be borne by successful resolution applicant (SRA) declared in the said challenge process.
(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:	January 04, 2024
(f)	Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Place: New Delhi
Date: July 30, 2024

ANNEXURE-I of BOARDS' REPORT

DEBENTURE TRUSTEES APPOINTED BY THE COMPANY FOR THE DIFFERENT SERIES OF BONDS AS ON MARCH 31, 2024

Name of Debenture Trustee	Bond Series
IDBI Trusteeship Services Ltd Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai – 400 001	8.60% TAX BOND SERIES-57 C
	8.50% TAXU BOND SERIES-61
	8.80% TAXU BOND SERIES-62B
	8.90% TAXU BONDS SERIES-63
	8.95% TAXU BOND SERIES-64
PNB Investment Services Limited, 10 Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi – 110049	8.7% TAXU Bond Series-65
	8.75% TAXU PFC BONDS-66 B SERIES
	8.85% TAXU PFC BONDS-66 C SERIES
	9.05% TAXU PFC BONDS-71-SERIES
	9.46% TAXU PFC Bond Series - 76-B
	9.45% TAXU PFC Bond Series - 77-B
	7.75% SEC TAX FREE PFC BONDS - Series 79-B
	8.16% SEC TAX FREE PFC BONDS - Series 80-B
	Infrasturcture Bond (2011-12) trache 1-Series -III
	Infrasturcture Bond (2011-12) trache 1-Series -IV
	8.43% Series III Private Placement
	8.43% Series IV Private Placement
Catalyst Trusteeship Ltd (Formerly GDA Trusteeship Ltd.) GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038	7.38% Tax Free Bond Series 94-B
	7.38% Tax Free Bonds Series 95-B
	9.00% PFC BOND SERIES 101-B
	8.90% PFC BOND SERIES 102-A (III)
	8.94% PFC BOND SERIES 103
	9.37% PFC BOND SERIES 117-B
	9.39% PFC BOND SERIES 118-B-II
	9.39% PFC BOND SERIES 118-B-III
	8.98% PFC BOND SERIES 120-A
	8.98% PFC BOND SERIES 120-B
	8.48% PFC BOND SERIES 124-C
	8.65% PFC BOND SERIES 125
	8.65% PFC BOND SERIES 126
	8.20% PFC BOND SERIES 128
	8.39% PFC BOND SERIES 130-C
	8.41% PFC BOND SERIES 131-C
	7.16% PFC BOND SERIES 136
	8.40% PFC BOND SERIES 141-B
	8.03% PFC BOND SERIES 147
	7.63% PFC BOND SERIES 150-B
	7.56% PFC BOND SERIES 151-B
	7.55% PFC BOND SERIES 152
	7.273 PFC BOND SERIES 155
	7.10% PFC BOND SERIES 156 - GoI Fully Serviced Bond
	7.10% PFC BOND SERIES 158- GoI Fully Serviced Bond
	7.60% PFC BOND SERIES 160-GoI Fully Serviced Bond
	7.75% PFC BOND SERIES 164- GoI Fully Serviced Bond
	7.44% PFC BOND SERIES 168-B
	7.44% PFC BOND SERIES 169-B

Name of Debenture Trustee	Bond Series
	7.27% TAXFREE BONDS 2A 2015-16
	7.52% TAXFREE BONDS 2B 2015-16
	7.35% TAXFREE BONDS 3A 2015-16
	7.60% TAXFREE BONDS 3B 2015-16
Vistra ITCL (India) Ltd (Formerly IL&FS Trust Company Ltd.) IL&FS Financial Centre Plot C - 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051	8.46% TAX FREE BOND SERIES 107-B
	7.36%15YRS TAX FREE BOND20 12-13 TR SERIES 2
	7.86%15YRS TAX FREE BOND20 12-13 TR SERIES 2
	7.04 TAX FREE BOND20 12-13 TR 2
	7.54 TAX FREE BOND20 12-13 TR 2
	8.54% Tax Free Bonds 13-14 Series 2A
	8.79% Tax Free Bonds 13-14 Series 2B
	8.67% Tax Free Bonds 13-14 Series 3A
	8.92% Tax Free Bonds 13-14 Series 3B
Beacon Trusteeship Ltd 4C&D, Siddhivinayak Chambers Gandhi Nagar, Opp. MIG Cricket Club Bandra (E), Mumbai 400051	8.95 TX USC BOND SRS 178
	8.67 TX USC BND SRS 179 A
	8.64 TX USC BND SRS 179 B
	8.75% TX USC BOND SRS 180
	9.25 % TX USC BOND SRS 184(A)
	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
	8.10% TX USC BOND SRS 188
	8.15% TX USC BOND SRS 189
	8.25% TX USC BOND SRS 190
	7.42% TX USC BOND SRS 192
	7.93% TX USC BOND SRS 193
	7.86% TX USB BOND SRS195
	7.41% TX USB BOND SRS196&196R
	7.41% TX USB BOND SRS197
	7 16 TX USC BND SRS 199B
	7 40 TX USC BND SRS 200
	7 68 TX USC BND SRS 201
	7 17 TX USC BND SRS 202B
	7.79 TX USC BND SRS 202C
	7 75 TX USC BND SRS 203B
	5 77 TX USC BND SRS 204A
	6 88 TX USC BND SRS 204B
	7 05 TX USC BND SRS 205A
	7 20 TX USC BND SRS 205B
	7 04 TX USC BND SRS 207&207R
	6 50 TX USC BND SRS 208
	7 34 TX USC BND SRS 209
	6 35 TX USC BND SRS 210A STRPP1
	6 35 TX USC BND SRS 210A STRPP2
	6 35 TX USC BND SRS 210A STRPP3
	7 11 TX USC BND SRS 210B
	4 05 TX USC BND SRS 211 Floating
	7 15 TX USC BND SRS 212B
	6 09 TX USC BND SRS 212 A
	6 95 TX UNS BND SRS 213

Name of Debenture Trustee	Bond Series
	6 92 TX USC BND SRS 214 BBETF
	7 13 TX UNS BND SRS 215
	7 13 TX UNS BND SRS 216
	7 42 TX UNS BND SRS 217A
	7 15 TX USC BND SRS 217B STRPP1
	7 15 TX USC BND SRS 217B STRPP2
	7 15 TX USC BND SRS 217B STRPP3
	7 59 TX UNS BND SRS 218
	7 65 TX UNS BND SRS 219
	7 58 TX UNS BND SRS 220 BBETF
	7 72 TX UNS BND SRS 221A
	7 59 TX UNS BND SRS 221B
	7 58 TX UNS BND SRS 222
	7 64 TX UNS BND SRS 223
	7 82 TX UNS BND SRS 224
	7 77 TX UNS BND SRS 225A
	7 82 TX USC BND SRS 225B STRPP I
	7 82 TX USC BND SRS 225B STRPP II
	7 82 TX USC BND SRS 225B STRPP III
	7 82 TX USC BND SRS 225B STRPP IV
	7 66 TX UNS BND SRS 226A
	7 70 TX UNS BND SRS 226B
	7 70 TX UNS BND SRS 227A
	7 77 TX UNS BND SRS 227B
	5 65 SEC TAX NCD PI TR I SER II CAT I-II
	5 80 SEC TAX NCD PI TR I SER II CAT III-IV
	6 63 SEC TAX NCD PI TR I SER III CAT I-II
	6 82 SEC TAX NCD PI TR I SER III CAT III-IV
	6 80 SEC TAX NCD PI TR I SER IV CAT I-II
	7 00 SEC TAX NCD PI TR I SER IV CAT III-IV
	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
	7 55 TX UNS BND SRS 228A
	7 62 TX UNS BND SRS 228B
	7 44 TX UNS BND SRS 229 (2Y Put Call)
	7 37 TX UNS BND SRS 230
	7 86 TX UNS BND SRS 195 R1
	6 92 TX UNS BND SRS 214 R1
	7 48 TX UNS BND SRS 231
	7 17 TX UNS BND SRS 202B R1
	7 57 TX UNS BND SRS 232

Name of Debenture Trustee	Bond Series
	7 64 TX UNS BND SRS 233B
	7 60 TX UNS BND SRS 233C
	7 70 TX UNS BND SRS 234
	7 69 TX UNS BND SRS 235
	7.60 TX UNS BND SRS 237A
	7.49 TX UNS BND SRS 237B
	7 55 TX UNS BND SRS 238
	ZCB TX UNS BND SRS 233A YTM 7 65
	7.88 PERPETUAL TX UNS BND SRS 236
	5.75% PFC 54 EC BOND SERIES III
	5.00% PFC 54 EC BOND SERIES IV
	5.00% PFC 54 EC BOND SERIES V
	5.00% PFC 54 EC BOND SERIES VI
	5.25% SEC 54EC BD SR VII 2324

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 31.03.2024, the Statement of Profit and Loss (including Other Comprehensive Income), the 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 Significant 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 31.03.2024, 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 of the Standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

3. KEY AUDIT MATTERS

Key audit matters ("KAM") are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. 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.

Sr. No.	Key Audit Matter	Auditors' Response
(i)	**Credit impairment of financial instruments- 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 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 periodically appraised by the management. The most significant areas where we identified greater levels of management judgement 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 estimates, future cash flow and asset valuations.	**Our audit procedures included:** • The Company has availed services of an independent expert for assessment of ECL, whose report has been provided to us.. We verified the criterion / framework with applicable regulatory requirement 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. • We have 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.

Sr. No.	Key Audit Matter	Auditors' Response
	The effect of these matters is that, as part of our risk assessment, we determined that the value of 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, impairment of loan assets has 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 Accounting Policy No. 5.4.1 (iii)]	We considered the credit impairment charge and provision recognised in the books of account and assessed that the related disclosures are given in the financial statements.
(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 Company's board approved currency risk management policy. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of Hedge Accounting is recognised in the other comprehensive income. We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements/ assumptions/ estimate by contracting bank could lead to a material effect on the income statement. (Refer Note No. 40.4 and 41 to the Standalone Financial Statements read with Accounting Policy No. 5.3)	**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 derivatives from the counterparty banks as on the reporting date, which are relied upon by us. Our procedure included evaluation of details of various financial derivative contracts outstanding as on 31.03.2024 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 and Sustainability Report and Report on Corporate Governance 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 in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

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 other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 Standalone 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 Standalone 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 Standalone 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) As per past practice, in respect of loan assets and undisbursed letter of comfort, the Company has provided expected credit loss (ECL) as required under Ind AS 109 based on the ECL report submitted by an independent expert appointed by the Company, which *inter alia* includes assumptions based on technical parameters / certain aspects.

(b) The Standalone Financial Information of the Company for the year ended 31.03.2023 included in the Standalone Financial Statements, were audited by the then Joint Statutory Auditors of the Company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Standalone Financial Statements vide their audit report dated 27.05.2023.

Our opinion is not modified in respect of the above matters.

8. 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. The Comptroller and Auditor General of India has issued the directions indicating the areas to be examined in terms of sub-section 5 of Section 143 of the Act, the compliance of which is set out in **"Annexure B"**.

II. 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 05.06.2015 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 05.06.2015 issued by Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to Director is not applicable to the Company, since it is a Government Company;

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 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, 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 Company.

iv. (a) The Management has represented (refer Note No. 10.3) that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that (refer Note No. 18.15), to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

v. As stated in Note No. 24.2 to the Standalone Financial Statements:

(a) The final dividend proposed for the previous year, declared and paid by the Company during the year declared is in compliance with Section 123 of the Companies Act, 2013, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013.

(c) The Board of Directors of the Company 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 Company has used 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 respective software, except that audit trail was not enabled at the database level for accounting software Oracle ERP to log any direct data changes up to 11.03.2024, which has since been enabled with effect from 12.03.2024. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 is applicable from 01.04.2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended 31.03.2024.

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No.: 520318
UDIN: 24520318BKDFCT8678

Place: Mumbai
Date: 15.05.2024

FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No.: 100770
UDIN: 24100770BKCORV9663

Annexure A

to Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 8 (I) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended 31.03.2024)

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 the Company's Property, Plant and Equipment and Intangible Assets:

(a) (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.

(B) 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 of land and buildings which are free hold, are held in the name of the Company as at the balance sheet date. Further, in respect of immovable properties of land and building 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) (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) 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)
21	10,564.14	14,139.01	24,703.15

* 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 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.

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) According to information and explanations given to us, the Company has not accepted any deposit from public to which directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of Companies Act, 2013 and rules made thereunder are applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, 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, on the basis of information and explanations given to us and on the basis of our examination of the records of the Company, we report that:

(a) 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 31.03.2024, 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 ₹108.66 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	71.91	71.91	-	AY 2016-17	CIT (Appeals), Delhi
		20.30	20.30	-	AY 2018-19	
		16.45	16.45	-	AY 2020-21	
Chapter V of Finance Act, 1994	Interest	0.09	-	-	January 2016 to November 2016	Commissioner, CE&ST, LTU, New Delhi
Chapter V of Finance Act, 1994	Interest	0.07	-	-	December 2016 to June 2017	Commissioner, CE&ST, LTU, New Delhi

(viii) As per information and explanation given to us 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) (a) According to information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowing or on the payment of interest thereon to any lender.

(b) According to the information and explanations given to us the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) As per the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

(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 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) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has raised ₹ 2,824.48 crore through Public issue of non–convertible debentures during FY 2023-24 and fully utilised the proceeds towards the purposes for which it was raised.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors 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) According to information and explanation given to us the Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order 2020 is not applicable to the Company.

(xiii) 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 Financial Statements as per the requirement of the applicable accounting standards.

(xiv) (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 for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) 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) (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) According to the information and explanations given to us, 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) According to the information and explanations given to us, 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.

(xvii) 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) There has been no resignation of statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. 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) (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.

(xxi) The clause 3 (xxi) of the order is not applicable to the Standalone Financial Statements, hence no comment is given.

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No.: 520318
UDIN: 24520318BKDFCT8678

FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No.: 100770
UDIN: 24100770BKCORV9663

Place: Mumbai
Date: 15.05.2024

Annexure B

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 8 (III) 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 31.03.2024)

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	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT system. Based on the verification carried out by us during the course of our audit and based on the information and explanations given to us we have not come across any instance having significant implications on the integrity of accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company)	There is no such case and the Company is regular in servicing its debts and borrowing obligations.
3	Whether funds (grants / subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.	Government of India funds / limits released by Ministry of Power to the Company for the projects sanctioned under RDSS Scheme, have been released onward to the concerned beneficiary DISCOMs / Power Depts. through PFMS for implementation of sanctioned Projects. Further, these assigned funds/ limits have been accounted for/ utilised as per specified Scheme guidelines and terms & conditions of the sanction.

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No.: 000425N

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CA MEENAKSHI BANSAL
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FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No.: 100770
UDIN: 24100770BKCORV9663

Place: Mumbai
Date: 15.05.2024

Annexure C

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 8 (II)(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 31.03.2024)

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 31.03.2024 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 and deemed to be prescribed under sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

3. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. OPINION

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31.03.2024, 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.

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No.: 520318
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FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No.: 100770
UDIN: 24100770BKCORV9663

Place: Mumbai
Date: 15.05.2024

Non-Banking Financial Companies Auditors' Report

for the year ended 31.03.2024

To The Board of Directors of
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi - 110 001

We have audited the accompanying Standalone Financial Statements of Power Finance Corporation Limited ('the Company'), which comprises the Balance Sheet as at 31.03.2024, 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 Significant Accounting Policies and Other Explanatory Information (hereinafter referred to as "the Standalone Financial Statements") and issued our audit report dated 15.05.2024. 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 31.03.2024.
2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
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 29.02.2024 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 2023-24.
5. The Standalone Financial Statements of the Company for the year 2023-24 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder. Accordingly, the Company is following Board approved methodology for computation of Impairment Allowance towards provisioning for its loan assets and classification thereof. In view of regulatory compliance of the Act for adoption of a mechanism for preparation of Standalone Financial Statements, the Company is required to make provision of impairment loss as per Ind AS 109 and not required to follow the Prudential norms relating to income recognition, asset classification and provisioning (IRACP norms) for Bad and Doubtful debts in terms of Directions 2016. However, in this regard, in compliance of RBI Notification No. DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, the Company has calculated provision required under IRACP Norms (including standard assets provisions) and the Company has appropriated an amount of Rs.89.18 crore to "Impairment Reserve" as on 31.03.2024.
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 2023-24 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 31.03.2024 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 PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No.: 520318
UDIN: 24520318BKDFCT8678

Place: Mumbai
Date: 15.05.2024

FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No.: 100770
UDIN: 24100770BKCORV9663

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 2024

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2024 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 15 May 2024.

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 2024 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/-
(S. Ahlladini Panda)
Director General of Audit (Energy)

Place: New Delhi
Date: 19.07.2024

Standalone Balance Sheet

as at March 31, 2024

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
ASSETS				
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	7	21.76	22.14
(b)	Bank Balance other than Cash and Cash Equivalents	8	200.05	1,595.96
(c)	Derivative Financial Instruments	9	4,462.03	4,803.40
(d)	Trade Receivables	12A	-	0.29
(e)	Loans	10	4,69,928.41	4,10,829.15
(f)	Investments	11	20,219.95	17,304.14
(g)	Other Financial Assets	12B	6,052.91	5,388.74
	Total Financial Assets (1)		**5,00,885.11**	**4,39,943.82**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	13	243.81	210.28
(b)	Deferred Tax Assets (Net)	37	3,557.16	4,033.31
(c)	Property, Plant and Equipment	14	42.08	44.00
(d)	Intangible Assets under development	14	11.20	11.20
(e)	Intangible Assets	14	0.02	0.04
(f)	Right-of-use Assets	15	33.95	34.40
(g)	Other Non-Financial Assets	16	809.68	556.01
	Total Non-Financial Assets (2)		**4,697.90**	**4,889.24**
	Total Assets (1+2)		**5,05,583.01**	**4,44,833.06**
LIABILITIES AND EQUITY				
Liabilities				
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	9	353.73	24.32
(b)	Trade Payables	20A		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.20	0.02
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		14.72	13.39
(c)	Debt Securities	17	2,94,267.80	2,59,827.05
(d)	Borrowings (other than Debt Securities)	18	1,16,606.04	1,01,228.89
(e)	Subordinated Liabilities	19	5,519.72	9,311.84
(f)	Other Financial Liabilities	20B	8,633.29	5,521.34
	Total Financial Liabilities (1)		**4,25,395.50**	**3,75,926.85**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	13	15.31	105.02
(b)	Provisions	21	412.09	323.65
(c)	Other Non-Financial Liabilities	22	556.62	275.31
	Total Non-Financial Liabilities (2)		**984.02**	**703.98**
	Total Liabilities (1+2)		**4,26,379.52**	**3,76,630.83**
3	**Equity**			
(a)	Equity Share Capital	23	3,300.10	2,640.08
(b)	Other Equity	24	75,903.39	65,562.15
	Total Equity (3)		**79,203.49**	**68,202.23**
	Total Liabilities and Equity (1+2+3)		**5,05,583.01**	**4,44,833.06**

The accompanying notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN: 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN: 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No.: 520318

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Vineet Saxena
Partner
Membership No.: 100770

Place: Mumbai
Date: 15.05.2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
	REVENUE FROM OPERATIONS			
(i)	Interest Income	25	43,641.14	37,645.31
(ii)	Dividend Income	26	2,276.01	1,744.81
(iii)	Fees and Commission Income	27	105.31	261.63
I.	**Total Revenue from Operations**		**46,022.46**	**39,651.75**
II.	Other Income	28	11.64	13.88
III.	**Total Income (I+II)**		**46,034.10**	**39,665.63**
	EXPENSES			
(i)	Finance Costs	29	28,013.78	23,282.57
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	30	(213.09)	1,975.23
(iii)	Fees and Commission Expense	31	24.40	12.06
(iv)	Net Loss / (Gain) on Fair Value changes	32	109.73	(70.56)
(v)	Impairment on Financial Instruments	33	(171.15)	(296.21)
(vi)	Employee Benefit Expenses	34	242.72	219.01
(vii)	Depreciation, Amortisation and Impairment	14/15	18.40	19.06
(viii)	Corporate Social Responsibility Expenses	35	217.51	225.30
(ix)	Other Expenses	36	166.11	128.55
IV.	**Total Expenses**		**28,408.41**	**25,495.01**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**17,625.69**	**14,170.62**
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**		**17,625.69**	**14,170.62**
	Tax Expense:	37		
	(1) Current Tax:			
	- Current Year		2,988.34	2,381.18
	- Earlier Years		(15.54)	(50.94)
	(2) Deferred Tax Expense / (Income)		285.87	234.91
VIII.	**Total Tax Expense**		**3,258.67**	**2,565.15**
IX.	**Profit/(Loss) from Continuing Operations (VII-VIII)**		**14,367.02**	**11,605.47**
X.	**Profit/(Loss) from Discontinued Operations (After Tax)**		**-**	**-**
XI.	**Profit/(Loss) (from continuing and discontinued operations) (IX+X)**		**14,367.02**	**11,605.47**
	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(5.73)	(3.62)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		1,577.82	145.74
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.46	0.94
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(190.10)	10.16
	Sub-Total (A)		**1,383.45**	**153.22**
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		(208.59)	390.02
	- Cost of Hedging Reserve		215.28	(808.14)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		52.50	(98.16)
	- Cost of Hedging Reserve		(54.18)	203.39
	Sub-Total (B)		**5.01**	**(312.89)**
XII.	**Other Comprehensive Income (A+B)**		**1,388.46**	**(159.67)**
XIII.	**Total Comprehensive Income (XI+XII)**		**15,755.48**	**11,445.80**
XIV.	**Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):**	38		
	(1) For continuing operations (in ₹)		43.53	35.17
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		43.53	35.17

The accompanying notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN: 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN: 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No.: 520318

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Vineet Saxena
Partner
Membership No.: 100770

Place: Mumbai
Date: 15.05.2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the period	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31, 2023	2,640.08	-	2,640.08	-	2,640.08
Year ended March 31, 2024	2,640.08	-	2,640.08	660.02	3,300.10

Refer note 23 for details.

B. OTHER EQUITY

FY 2023-24

(₹ 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 31.03.2023	**8,559.23**	**529.39**	**599.85**	**26,511.31**	**-**	**2,776.54**	**(467.57)**	**64.97**	**14,691.55**	**12,648.64**	**55.54**	**492.20**	**(899.50)**	**65,562.15**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	14,367.02	-	-	-	14,367.02
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(4.27)	-	-	-	(4.27)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	1,387.72	(156.09)	161.10	1,392.73
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,362.75**	**1,387.72**	**(156.09)**	**161.10**	**15,755.48**
Dividends	-	-	-	-	-	-	-	-	-	(4,818.15)	-	-	-	(4,818.15)
Transfer to / from Retained Earnings	2,873.40	715.09	-	2,767.28	89.18	-	-	-	-	(6,444.95)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(29.25)	-	-	-	-	-	-	29.25	-	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	164.76	(164.76)	-	-	-
Utilised for issue of Bonus Equity Shares	-	-	-	-	-	(660.02)	-	-	-	-	-	-	-	(660.02)
Expenses incurred on issue of Bonus Equity shares	-	-	-	-	-	(0.78)	-	-	-	-	-	-	-	(0.78)
Additions / Deletions during the period (net)	-	(2.97)	-	37.62	-	-	64.72	2.18	-	(36.84)	-	-	-	64.71
Balance as at 31.03.2024	**11,432.63**	**1,212.26**	**599.85**	**29,316.21**	**89.18**	**2,115.74**	**(402.85)**	**67.15**	**14,720.80**	**15,876.21**	**1,278.50**	**336.11**	**(738.40)**	**75,903.39**

FY 2022-23

(₹ in crore)

Particulars	Other Reserves										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	Retained Earnings	Equity Instruments through Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Cost of Hedging Reserve	
Balance as at 31.03.2022	**6,238.14**	**576.44**	**599.85**	**24,139.00**	**-**	**2,776.54**	**(513.80)**	**64.07**	**14,115.11**	**8,863.49**	**(54.23)**	**200.34**	**(294.75)**	**56,710.20**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 31.03.2022														
Profit for the year	-	-	-	-	-	-	-	-	-	11,605.47	-	-	-	11,605.47
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(2.68)	-	-	-	(2.68)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	155.90	291.86	(604.75)	(156.99)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,602.79**	**155.90**	**291.86**	**(604.75)**	**11,445.80**
Dividends	-	-	-	-	-	-	-	-	-	(2,640.08)	-	-	-	(2,640.08)
Transfer to / from Retained Earnings	2,321.09	590.10	-	2,363.47	-	-	-	-	-	(5,274.66)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(576.44)	-	-	-	-	-	-	576.44	-	-	-		-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	46.13	(46.13)	-	-	-
Additions / Deletions during the year (net)	-	(60.71)	-	8.84	-	-	46.23	0.90	-	50.97	-	-	-	46.23
Balance as at 31.03.2023	**8,559.23**	**529.39**	**599.85**	**26,511.31**	**-**	**2,776.54**	**(467.57)**	**64.97**	**14,691.55**	**12,648.64**	**55.54**	**492.20**	**(899.50)**	**65,562.15**

The accompanying notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN: 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN: 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No.: 520318

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Vineet Saxena
Partner
Membership No.: 100770

Place: Mumbai
Date: 15.05.2024

Standalone Statement of Cash Flows

for year ended March 31, 2024

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2024		Year ended 31.03.2023	
I.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before Tax	**17,625.69**		**14,170.62**	
	Adjustments for:				
	Loss / (Gain) on derecognition of Property, Plant and Equipment (net)	3.36		2.88	
	Loss / (Gain) on Fair value changes (Net)	109.73		(70.56)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	(64.92)		4,099.52	
	Depreciation and Amortisation	18.40		19.06	
	Impairment on Financial Instruments	(171.15)		(296.21)	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	(111.57)		(22.40)	
	Interest expense on Zero Coupon Bonds and Commercial Papers	(96.65)		42.06	
	Other interest expense	3.14		0.87	
	Interest accrued on investments	(28.63)		(0.42)	
	Provision for unspent CSR created	116.02		106.34	
	Provision (others) created	59.09		56.40	
	Operating profit before Working Capital Changes:	**17,462.51**		**18,108.16**	
	Increase / Decrease:				
	Loans (Net)	(59,036.70)		(50,181.78)	
	Other Financial and Non-Financial Assets	689.29		1,666.92	
	Derivative	443.13		(2,096.53)	
	Other Financial & Non-Financial Liabilities and Provisions	4,804.15		(841.69)	
	Cash used before Exceptional Items	**(35,637.62)**		**(33,344.92)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**(35,637.62)**		**(33,344.92)**	
	Income Tax paid	(3,082.78)		(2,472.02)	
	Income Tax Refund	39.97		57.89	
	Net Cash Inflow / (Outflow) from Operating Activities		**(38,680.43)**		**(35,759.05)**
II.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Proceeds from disposal of Property, Plant and Equipment	0.18		0.21	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance)	(288.24)		(83.80)	
	Sale / (Purchase) of Other Investments	(1,184.75)		(630.38)	
	Net Cash Inflow / (Outflow) from Investing Activities		**(1,472.81)**		**(713.97)**
III.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Raising of Bonds (including premium) (Net of Redemptions)	32,696.99		26,390.86	
	Raising of Long-Term Loans (Net of Repayments)	9,185.54		4,055.42	
	Raising of Foreign Currency Loans (Net of Repayments)	8,411.61		4,212.82	
	Raising of Subordinated Liabilities (Net of Redemptions)	(3,700.00)		-	
	Raising of Working Capital Demand Loan/ OD/ CC/ Line of Credit (Net of Repayments)	(1,622.35)		3,755.24	
	Expenses on issue of bonus equity shares	(0.78)		-	
	Payment of Dividend	(4,818.15)		(2,640.08)	
	Payment of Lease Liability	(0.00)		(0.01)	
	Net Cash Inflow / (Outflow) from Financing Activities		**40,152.86**		**35,774.25**
	Net Increase / (Decrease) in Cash and Cash Equivalents		**(0.38)**		**(698.77)**
	Add: Cash and Cash Equivalents at beginning of the financial year		22.14		720.91
	Cash and Cash Equivalents at the end of the period		**21.76**		**22.14**

Standalone Statement of Cash Flows

for year ended March 31, 2024

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2024		Year ended 31.03.2023	
	Details of Cash and Cash Equivalents at the end of the period:				
	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	21.76		22.14	
	- Cheques, Drafts on hand including postage and Imprest	0.00		0.00	
	Total Cash and Cash Equivalents at the end of the period		**21.76**		**22.14**

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 ₹ 101.48 crore (previous year ₹ 118.96 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	Subordinated Liabilities	Total
	Opening Balance as at 01.04.2022	**1,88,637.19**	**65,762.48**	**56,288.37**	**228.59**	**9,211.50**	**3,20,128.13**
	Cash Flow During the Year (Net)	26,390.86	4,055.42	4,212.82	3,755.24	(0.00)	38,414.34
	Non-Cash Changes due to:						
	Amortisation of discount / interest on Zero Coupon Bond / Financial Charges on Commercial Paper	42.06	-	-	-	-	42.06
	Variation in Exchange Rates	-	-	4,053.30	-	-	4,053.30
	Closing Balance as at 31.03.2023	**2,15,070.11**	**69,817.90**	**64,554.49**	**3,983.83**	**9,211.50**	**3,62,637.83**
	Cash Flow During the Year (Net)	32,696.99	9,185.54	8,411.61	(1,622.35)	(3,700.00)	44,971.79
	Non-Cash Changes due to:						
	Amortisation of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers	(96.65)	-	-	-	-	(96.65)
	Variation in Exchange Rates	-	-	(129.64)	-	-	(129.64)
	Closing Balance as at 31.03.2024	**2,47,670.45**	**79,003.44**	**72,836.46**	**2,361.48**	**5,511.50**	**4,07,383.33**

* Foreign Currency Notes form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

** Foreign Currency Loans and Foreign Currency Loans- Multilateral/Bilateral Agencies form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

The accompanying notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN: 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN: 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Meenakshi Bansal
Partner
Membership No.: 520318

Sd/-
CA Vineet Saxena
Partner
Membership No.: 100770

Place: Mumbai
Date: 15.05.2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

1. COMPANY INFORMATION

Power Finance Corporation Limited ("PFC" or "the Company") was incorporated in India in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001 and conferred with 'Maharatna' Status by the Govt. of India.

The Company is a Government Company engaged in extending financial assistance to power, logistics and infrastructure sector and is registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC-IFC is placed in Middle layer under Master Direction (NBFC-Scale Based Regulation), 2023 issued by RBI.

Equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited.

Further, various debt securities of the Company are also listed on the stock exchanges.

2. STATEMENT OF COMPLIANCE

The Standalone Financial Statements of the Company comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. The Standalone Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking Financial Companies (NBFCs). The Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

3. These Standalone Financial Statements have been approved for issue by Board of Directors (BoD) of the Company on 15.05.2024.

4. STANDARDS / AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

During the FY 2023-24, the Ministry of Corporate Affairs (MCA) has not notified any new Indian Accounting Standards (Ind AS) or made amendments thereto.

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 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 hedges.

(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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

(iv) Cash flow hedge

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

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

(vi) 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 Financial Instruments

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

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

5.4.1 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 Company while applying EIR method, generally amortises any fees, 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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 lending loans across power sector value chain and such loans are managed to realise the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Company to collect the contractual cash flows.

(ii) Classification, Measurement and Derecognition of Equity Instruments

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

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

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

(iii) Impairment of Financial Assets

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

The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

a) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

credit quality, the Company again measures the loss allowance based on 12-month ECL.

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

The Company measures impairment on commitments under LoC on similar basis as in case of Loan assets.

b) Impairment of financial assets, other than loan assets:

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

(iv) De-recognition of Financial Assets

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

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

5.4.2 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 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.

5.5 Investment in Subsidiaries, Joint Ventures and Associates

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

5.6 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 realisable value.

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(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 estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years. Residual value is estimated as 5% of the original cost of PPE.

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

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

(viii) Items of PPE costing up to ₹ 5,000/ – each are fully depreciated, in the year of purchase.

5.7 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.

5.8 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 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.

5.10 Recognition of Income and Expenditure

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

(ii) Interest on financial assets subsequently measured at fair value through profit and loss(FVTPL), is recognised on accrual basis in accordance with

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

the terms of the respective contract and disclosed separately under the head 'Interest Income'

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

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

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

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

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

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

5.11 Expenditure on issue of shares

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

5.12 Employee Benefits

(i) Defined Contribution Plan

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

(iii) Other long-term employee benefits

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

(iv) Short-term employee benefits

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

(v) Loan to employees at concessional rate

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

5.13 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(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 recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5.14 Leases

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

(i) The Company as a lessee

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

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

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

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

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

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

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

(ii) The Company as a lessor

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

5.15 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 1, 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term monetary item.

5.16 Business Combination under Common Control

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

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

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

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

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

5.17 Material Prior Period Errors

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

5.18 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.

5.19 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.

6. USE OF ESTIMATES AND MANAGEMENT JUDGEMENT

In preparation of the Standalone Financial Statements, the Management is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognised prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & future periods if it affects both current & future periods.

6.1 Significant Management Judgements

In order to enhance understanding of the Standalone Financial Statements, information about significant areas of critical judgements, apart from those involving estimation (Note 6.2), in applying accounting policies that have the most significant effect on the amounts

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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 realisation is higher than the loan amount outstanding.

(iii) Amortisation of transaction cost on credit impaired loan assets

Outstanding amount of unamortised transaction cost is credited to Statement of Profit and Loss on classification of loan asset as credit impaired.

(iv) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

a) The Company along with its subsidiary RECL is holding 21.49 % stake in equity share capital of Energy Efficiency Services Limited (EESL). However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 28'Investment in Associates and Joint Ventures', the Company does not have any significant influence , accordingly EESL has not been considered as an associate company.

b) Ultra-Mega Power Projects (UMPPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these UMPPs unilaterally. The Company therefore, considers its investment in respective UMPPs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

c) By virtue of holding Board position or equity stake in borrower companies, the rights exercised by PFC in such companies are protective in nature. Thus, the borrower companies are not considered as Associates for the purpose of financial statements.

(v) Low value leases

An assessment is required, if lessee opts not to apply the recognition and measurement requirements of Ind AS 116 'Leases' to leases where the underlying asset is of low value. For the purpose of determining low value, the Company has considered nature of assets and concept of materiality as defined in Ind AS 1 'Presentation of Financial Statements' and the conceptual framework of Ind AS which involve significant judgement.

(vi) Sundry Liabilities – Interest Capitalisation

Unrealised income on credit impaired loans, represented by Funded Interest Term Loan (FITL)/ debt/ equity instruments acquired under resolution, is transferred to a separate account titled 'Sundry Liabilities Account (Interest Capitalisation)' and is recognised in Statement of Profit and Loss on repayment of FITL or sale/ redemption of debt/ equity instruments.

(vii) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in change in recoverable amount of the assets. The Company makes significant judgement in identifying the default and significant increase in credit risk (SICR) based on available information.

6.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(i) Defined Benefit Obligation (DBO)

The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note 44.2.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, LoCs 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). In estimating the cash flows expected to be recovered from credit impaired loans, the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. are assessed.

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 14 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, 2024

7. CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(A)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	21.76	22.14
	- Cheques, Drafts on hand including Postage and Imprest	0.00	0.00
	Total Cash and Cash Equivalents	**21.76**	**22.14**

8. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Earmarked Balances with Banks for		
	- Bank Deposit (Callable) / Demand Deposits - HQLA (Refer Note 54.6)	-	1,473.26
	- Unpaid Dividend	5.48	5.63
	- Unpaid - Bonds / Interest on Bonds etc.	72.78	72.70
	- Amount received under GOI schemes	0.00	1.78
	- Current Accounts with Banks - Unspent CSR Purposes (Refer Note 35.4)	121.79	42.59
	Total Bank Balance other than Cash and Cash Equivalents	**200.05**	**1,595.96**

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 31.03.2024			As at 31.03.2023		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(i)	Currency Derivatives						
	- Spot and Forwards	-	-	-	1,014.18	20.40	21.06
	- Currency Swaps	11,219.24	318.87	128.47	4,521.93	460.12	-
	- Options	65,398.47	3,915.73	220.72	48,020.93	3,891.63	3.26
	Total Currency Derivatives (i)	**76,617.71**	**4,234.60**	**349.19**	**53,557.04**	**4,372.15**	**24.32**
(ii)	Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	15,655.69	227.43	4.54	10,549.12	431.25	-
	Total Interest Rate Derivatives (ii)	**15,655.69**	**227.43**	**4.54**	**10,549.12**	**431.25**	**-**
	Total Derivative Financial Instruments (i+ii)	**92,273.40**	**4,462.03**	**353.73**	**64,106.16**	**4,803.40**	**24.32**

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 31.03.2024			As at 31.03.2023		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(i)	Cash Flow Hedging (Designated)						
	- Currency Derivatives	76,617.71	4,234.61	349.19	47,904.29	3,986.16	3.26
	- Interest Rate Derivatives	12,506.09	196.75	4.54	7,399.52	364.11	-
	Total Cash Flow Hedging (Designated) (i)	**89,123.80**	**4,431.36**	**353.73**	**55,303.81**	**4,350.27**	**3.26**
(ii)	Undesignated Derivatives	3,149.60	30.67	-	8,802.35	453.13	21.06
	Total Undesignated Derivatives (ii)	**3,149.60**	**30.67**	**-**	**8,802.35**	**453.13**	**21.06**
	Total Derivative Financial Instruments (i+ii)	**92,273.40**	**4,462.03**	**353.73**	**64,106.16**	**4,803.40**	**24.32**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

9.1. Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

Sr. No.	Description	As at 31.03.2024	As at 31.03.2023
(i)	Notional principal of swap agreements	**15,655.69**	10,549.12
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**227.43**	431.25
(iii)	Collateral required by upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	Refer note [a] below	
(v)	Fair value of swap book (obtained from counterparty banks)	**222.89**	431.25

[a] The Company enters into swap agreements with Category-I Authorised Dealer Banks (PSU Banks, Private Indian Banks & Foreign Banks), in accordance with the RBI guidelines. All the swap agreements entered into with the banks are well within the limits defined in the Board approved "Policy for Management of Risks on Foreign Currency Borrowings".

9.2. Details of nature and terms of Forward Rate Agreements / Interest Rate Swaps

Benchmark	As at 31.03.2024	As at 31.03.2023	Terms
	Notional principal (₹ in crore)		
FBIL G-Sec	**3,149.60**	3,149.60	Fixed Receivable Vs Floating Payable
USD SOFR	**12,506.09**	7,399.52*	Fixed Payable Vs Floating Receivable
Total	**15,655.69**	**10,549.12**	

*on USD LIBOR

9.3. The Company does not hold any exchange traded Interest Rate (IR) derivatives as at 31.03.2024 (as at 31.03.2023 Nil).

9.4. Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars Currency Derivatives	As at 31.03.2024		As at 31.03.2023	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging [b] & [c]	**76,617.71**	**15,655.69** [a]	53,557.03	10,549.12[a]
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	**4,234.60**	**227.43**	4,372.15	431.25
	b) Liability (-MTM)	**349.19**	**4.54**	24.32	-
(iii)	Credit Exposure	**9,968.91**	**345.89**	8,310.48	526.47
(iv)	Unhedged Foreign Currency Exposures [b]	**8,688.98**	**13,158.21**	23,779.03	8,758.90

[a] Interest rate d(a) Interest rate derivatives include derivatives on rupee liabilities of ₹ 3,149.60 crore as at 31.03.2024 (as at 31.03.2023 ₹ 3,149.60 crore).

[b] Includes JPY loan liability hedged for one leg (USD/JPY) Nil as at 31.03.2024 (as at 31.03.2023 ₹ 5,653.18 crore).

[c] Includes JPY loan liability hedged separately for USD/JPY leg and USD/INR leg for ₹ 12,470.23 crore as at 31.03.2024 (as at 31.03.2023, Includes JPY and EURO loan liability hedged separately for USD/JPY or EURO/USD leg and USD/INR leg for ₹ 7,128 crore).

9.5. Refer Note 40.3 and Note 40.4 qualitative disclosures on Derivatives and Note 41 for disclosures related to hedge accounting.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

10. 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 31.03.2024	As at 31.03.2023
(A)	**Loans to Borrowers***		
(i)	Term Loans	4,43,873.03	3,98,800.80
(ii)	Buyer's Line of Credit	1,896.63	2,086.95
(iii)	Working Capital Loans	35,155.62	21,073.36
(iv)	Others -Deferred Payment Guarantee	536.62	536.62
(v)	**Principal Outstanding (i to iv)**	**4,81,461.90**	**4,22,497.73**
(vi)	Interest accrued but not due on Loans	4,270.07	4,077.36
(vii)	Interest accrued & due on Loans	213.41	418.14
(viii)	Unamortised Fee on Loans	(194.29)	(139.41)
	Gross Carrying Amount (v to viii)	**4,85,751.09**	**4,26,853.82**
	Less: Impairment loss allowance	(15,822.68)	(16,024.67)
	Net Carrying Amount	**4,69,928.41**	**4,10,829.15**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	2,10,196.31	1,95,573.46
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,87,653.29	1,68,744.12
(iv)	Unsecured	87,901.49	62,536.24
	Gross Security-wise classification	**4,85,751.09**	**4,26,853.82**
	Less: Impairment loss allowance	(15,822.68)	(16,024.67)
	Net Security-wise classification	**4,69,928.41**	**4,10,829.15**
(C)I	**Loans in India**		
(i)	Public Sector	3,93,489.05	3,53,941.30
(ii)	Private Sector	92,262.04	72,912.52
	Gross Carrying Amount of Loans in India	**4,85,751.09**	**4,26,853.82**
	Less: Impairment loss allowance	(15,822.68)	(16,024.67)
	Net Carrying amount of Loans in India	**4,69,928.41**	**4,10,829.15**
(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	**4,69,928.41**	**4,10,829.15**

* For details of Loans pledged as security refer Note 17.6, 17.7, 17.11 and 18.4.

10.1 During the year, the Company has sent letters to borrowers seeking confirmation of balances as at 31.03.2024 except where loans have been recalled or pending before court/NCLT. Confirmation for 100% of the said balances have been received.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

10.2 The details of resolution plans implemented during the year:

(₹ in crore)

Sr. No.	Name of Borrower	Details of Resolution Plan	Principal O/s prior to date of Resolution	Impairment allowance provided till date of Resolution	Amount written off including impairment on investments	Remarks
FY 2023-24						
1	Mytrah Vayu Tungbhadra Private Limited	Restructuring with change in ownership outside NCLT	**650.51**	**422.68**	**29.25**	Sustainable loan amounting to ₹ 581.80 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received (Refer note 11.1).
2	Dans Energy Private Limited	Restructuring without change in ownership outside NCLT	**412.99**	**127.82**	-	Sustainable debt amounting to ₹ 441.45 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received (Refer note 11.1).
	Total		**1,063.50**	**550.50**	**29.25**	
FY 2022-23						
1	Suzlon Energy Ltd.	One Time Settlement	239.04	1.07	56.66	Entire Loan Principal is realised. Loan stands settled as at 31.03.2023. Further, Optionally convertible debentures (OCDs) and Compulsorily convertible preference shares (CCPS) held were converted into equity shares of the borrower Company & of the borrower's group Company respectively (Refer note 11.1).
2	South-East UP Power Transmission Company Limited	Resolution with change in ownership through NCLT	2,262.91	1,131.47	-	Besides realisation of full loan principal, interest / delayed interest income of ₹ 298.77 crore has been received. Loan stands settled as at 31.03.2023.
3	Jhabua Power Limited	Resolution with change in ownership through NCLT	764.33	469.22	-	Resolution proceeds/ Non-convertible Debentures/ Equity Shares of the borrower Company received resulting in realisation of full loan principal and Interest/delayed interest income of ₹ 4.13 crore. Loan stands settled as at 31.03.2023.
4	Ind Barath Energy Utkal Ltd. (IBUEL)	Resolution with change in ownership through NCLT	1,367.91	1,098.57	901.25	Resolution proceeds and Equity Shares of the borrower Company received/allotted under resolution. Loan stands settled as at 31.03.2023.
	Total		**4,634.19**	**2,700.33**	**957.91**	

10.3 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.

10.4. For details of credit risk exposure and management by the Company, refer Note 40.1.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

11. INVESTMENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024 Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Sub-Total (4)=(2)+(3)	Others* (5)	Total (1)+(4)+(5)
(A)	**Investments**						
(i)	Government Securities	1,898.61	-	-	-	-	1,898.61
(ii)	Debt securities	411.78	-	46.77	46.77	-	458.55
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	14,600.70	14,600.70
	- Associates	-	-	-	-	0.55	0.55
	- Others	-	3,053.27	193.98	3,247.25	-	3,247.25
(iv)	Preference Shares	87.24	-	-	-	-	87.24
	Total Investments	**2,397.63**	**3,053.27**	**240.75**	**3,294.02**	**14,601.25**	**20,292.90**
(B)	**Geography wise investment**						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	2,397.63	3,053.27	240.75	3,294.02	14,601.25	20,292.90
	Gross Geography wise investment	**2,397.63**	**3,053.27**	**240.75**	**3,294.02**	**14,601.25**	**20,292.90**
	Less: Impairment loss allowance	(72.95)	-	-	-	-	(72.95)
	Net Geography wise investment	**2,324.68**	**3,053.27**	**240.75**	**3,294.02**	**14,601.25**	**20,219.95**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023 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	526.25	-	-	-	-	526.25
(ii)	Debt securities	422.24	-	50.00	50.00	-	472.24
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	14,500.70	14,500.70
	- Associates	-	-	-	-	0.55	0.55
	- Others	-	1,722.21	69.36	1,791.57	-	1,791.57
(iv)	Preference Shares	85.78	-	-	-	-	85.78
	Total Investments	**1,034.27**	**1,722.21**	**119.36**	**1,841.57**	**14,501.25**	**17,377.09**
(B)	**Geography wise investment**						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	1,034.27	1,722.22	119.36	1,841.58	14,501.25	17,377.09
	Gross Geography wise investment	**1,034.27**	**1,722.22**	**119.36**	**1,841.58**	**14,501.25**	**17,377.09**
	Less: Impairment loss allowance	(72.95)	-	-	-	-	(72.95)
	Net Geography wise investment	**961.32**	**1,722.21**	**119.36**	**1,841.57**	**14,501.25**	**17,304.14**

* 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

11.1 Details of Investments

Sr. No.	Particulars	Measured at	As at 31.03.2024 Number	As at 31.03.2024 Face Value (₹)	As at 31.03.2024 Amount	As at 31.03.2023 Number	As at 31.03.2023 Face Value (₹)	As at 31.03.2023 Amount
(i)	**Government Securities ******	Amortised Cost	17,95,02,700	100	1,898.61	5,00,00,000	100	526.25
(ii)	**Debt securities ******							
	- Bonds from State Power Corporation-Quoted	Amortised Cost	3,000	10,00,000	300.25	3,000	10,00,000	300.08
	Debentures - Unquoted							
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	FVTPL	6,13,23,236	10	33.34	6,77,98,654	10	35.64
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	FVTPL	2,47,00,125	10	13.43	2,73,08,331	10	14.36
	- Essar Power Transmission Company Ltd. - Series C - OCD	FVTPL	68,79,504	10	0.00	68,79,504	10	0.00
	- RKM Powergen Pvt. Ltd. - Series A - OCD	FVTPL	41,93,96,250	100	0.00	41,93,96,250	100	0.00
	- RKM Powergen Pvt. Ltd. - Series B - OCD	FVTPL	1,34,71,484	100	0.00	1,34,71,484	100	0.00
	- RKM Powergen Pvt. Ltd. - Series AI - OCD	FVTPL	2,32,72,410	100	0.00	2,32,72,410	100	0.00
	- Mytrah Vayu Tungbhadra Pvt. Ltd. - Series A- OCD	FVTPL	29,25,000	100	0.00	-	-	-
	- Mytrah Vayu Tungbhadra Pvt .Ltd. - Series B- OCD	FVTPL	1,86,24,000	100	0.00	-	-	-
	- DANS Energy Pvt. Ltd. - OCD	FVTPL	2,37,42,000	100	0.00	-	-	-
	- Jhabua Power Limited - NCD	Amortised Cost	1,11,53,499	100	111.53	1,24,81,294	100	122.16
(iii)	**Equity Instruments**							
	Subsidiaries							
	- REC Ltd. - Quoted	Cost	1,38,59,93,662	10	14,500.50	1,38,59,93,662	10	14,500.50
	- PFC Consulting Ltd. - Unquoted *	Cost	52,246	10	0.15	52,246	10	0.15
	- PFC Projects Ltd. - Unquoted *	Cost	50,000	10	0.05	50,000	10	0.05
	- PFC Infra Finance IFSC Limited - Unquoted *****	Cost	10,00,00,000	10	100.00	-	-	-
	Associates							
	- Companies for development of Ultra Mega Power Projects (11 companies) - Unquoted *	Cost	5,50,000	10	0.55	5,50,000	10	0.55
	Others							
	- PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	223.14	1,20,00,000	10	102.06
	- Coal India Limited - Quoted ****	Designated - FVTOCI	1,39,64,530	10	606.20	1,39,64,530	10	298.35
	- NHPC Limited - Quoted	Designated - FVTOCI	11,76,79,192	10	1,055.58	15,53,24,170	10	624.40
	- Power Exchange India Limited - Unquoted *	Designated - FVTOCI	32,20,000	10	4.78	32,20,000	10	3.59
	- Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	537.74	13,31,04,997	2	105.15
	- Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	24,55,00,000	10	181.06	24,55,00,000	10	158.08
	- Jhabua Power Limited - Unquoted ***	Designated - FVTOCI	6,90,45,455	10	440.04	6,90,45,455	10	429.40
	- Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	239	10	4.73	239	10	1.18
	- RattanIndia Power Limited - Quoted	FVTPL	23,51,27,715	10	193.98	23,51,27,715	10	69.36
	- RKM PowerGen Pvt. Ltd. - Unquoted	FVTPL	40,39,15,920	10	0.00	40,39,15,920	10	0.00
(iv)	**Preference Shares - Unquoted**							
	- Adani Power Limited - RPS **	Amortised Cost	59,82,371	100	14.29	59,82,371	100	12.83
	- 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				**20,292.90**			**17,377.09**
	Less: Impairment Loss Allowance				**(72.95)**			**(72.95)**
	Net Investments				**20,219.95**			**17,304.14**

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, CCPS - Compulsorily Convertible Preference Shares, OCD - Optionally Convertible Debenture, NCD - Non-Convertible Debentures

* Investment held in physical form.

** Formerly Raipur Energen Ltd. (REL), a wholly-owned subsidiary, merged with its Holding Company i.e. Adani Power Limited.

*** Equity shares held by the lender's trustee on behalf of Company.

**** Earmarked for HQLA. Refer Note 54.6 for disclosure regarding High Quality Liquid Assets (HQLA).

*****Equity shares subscribed but not paid in respect of wholly-owned subsidiary M/s PFC Infra Finance IFSC Limited (PIFIL) incorporated on 11.02.2024. The amount has been remitted by PFC to PIFIL on 10.04.2024 and accordingly shown as Other Financial Liabilities as on 31.03.2024.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

11.2 Movement of impairment loss allowance on investments

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Opening Balance	72.95	73.15
Add: Impairment loss allowance recognised during the year	-	-
Less: Reversal of excess impairment loss allowance during the year	-	(0.20)
Closing Balance	**72.95**	**72.95**

11.3 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	
			31.03.2024	31.03.2023
A.	**Subsidiaries:**			
(i)	REC Limited	India	52.63%	52.63%
(ii)	PFC Consulting Limited	India	100%	100%
(iii)	PFC Projects Limited	India	100%	100%
(iv)	PFC Infra Finance IFSC Limited (PIFIL) (Refer note 11.4)	India	100%	-
B	**Associates*:**			
(i)	Orissa Integrated Power Limited	India	100%	100%
(ii)	Coastal Tamil Nadu Power Limited	India	100%	100%
(iii)	Sakhigopal Integrated Power Company Limited	India	100%	100%
(iv)	Ghogarpalli Integrated Power Company Limited	India	100%	100%
(v)	Deoghar Mega Power Limited	India	100%	100%
(vi)	Cheyyur Infra Limited	India	100%	100%
(vii)	Odisha Infrapower Limited	India	100%	100%
(viii)	Deoghar Infra Limited	India	100%	100%
(ix)	Bihar Infrapower Limited	India	100%	100%
(x)	Bihar Mega Power Limited	India	100%	100%
(xi)	Jharkhand Infrapower Limited	India	100%	100%

* Investment in each associate is ₹ 0.05 crore as at 31.03.2024 and 31.03.2023. These associates are companies incorporated as SPVs under mandate from GoI for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process.

11.4 The Company has received NoC from RBI on 09.01.2024 for setting up wholly-owned subsidiary financial company at IFSC Gift City, Gujarat, India. Accordingly, a wholly-owned subsidiary namely "PFC Infra Finance IFSC Limited "has been incorporated on 11.02.2024. Equity shares subscribed but not paid has been remitted by PFC to PIFIL on 10.04.2024 and accordingly shown as Other Financial Liabilities as on 31.03.2024.

11.5 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, 2024

Details of FVTOCI instruments derecognised during the year:

Details of investment	No. of shares / units derecognised	Fair Value as on date of de-recognition	Cumulative gain / (loss) on de-recognition
FY 2023-24			
NHPC Limited[(a)]	3,76,44,978	246.76	164.76
FY 2022-23			
NHPC Limited[(a)]	3,09,62,813	113.57	46.13

[(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.

11.6 Refer Note 42 for details of fair valuation of investments.

12A 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 31.03.2024	As at 31.03.2023
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured	-	0.29
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables- credit impaired	0.81	0.81
	Sub-Total (i to iv)	**0.81**	**1.10**
(v)	Less: Impairment loss allowance on receivables -credit impaired	(0.81)	(0.81)
	Total Trade Receivables	**-**	**0.29**

12A.1 Trade Receivables ageing schedule

Particulars	As at 31.03.2024					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	0.81	0.81
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**0.81**	**0.81**

Particulars	As at 31.03.2023					
	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	0.24	0.05	-	-	-	0.29
(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	**0.24**	**0.05**	**-**	**-**	**0.81**	**1.10**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

12B 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 31.03.2024	As at 31.03.2023
(i)	Recoverable on account of Government of India Serviced Bonds	5,038.72	5,038.21
(ii)	Advances to Subsidiaries and Associates	220.24	200.45
(iii)	Security Deposits	3.72	2.82
(iv)	Advances to Employees	1.20	1.03
(v)	Loans to Employees	137.12	121.86
(vi)	Dividend Receivable	623.70	-
(vii)	Others	49.67	41.94
	Less: Impairment loss allowance on Others	(21.46)	(17.57)
	Total Other Financial Assets	**6,052.91**	**5,388.74**

12B.1 Detail of Loans & Advances to KMPs (Included in Note 12B (iv) & (v) above)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Loans & Advances to KMPs (including interest accrued)	1.26	0.31
(ii)	Loans & Advances to KMPs (including interest accrued) as a % of Employee Loans & Advances	0.91%	0.25%

12B.2 Movement of Impairment on Trade Receivables & Other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
(i)	Opening Balance	18.38	24.79
(ii)	Add: Creation during the year	4.80	6.27
(iii)	Less: Reversal during the year	(0.91)	(12.68)
	Closing Balance	**22.27**	**18.38**

13. CURRENT TAX ASSETS / LIABILITIES (NET)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Advance income tax and TDS net of Provision	149.40	133.83
(ii)	Tax deposited on income tax demands under contest	94.41	76.45
	Current Tax Assets (Net)	**243.81**	**210.28**
(i)	Provision for income tax net of Advance Tax	15.31	105.02
	Current Tax Liabilities (Net)	**15.31**	**105.02**

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14. PROPERTY, PLANT AND EQUIPMENT (PPE), INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

FY 2023-24

(₹ in crore)

Particulars	Property, Plant and Equipment							Intangible assets under development	Intangible Assets
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2023	**3.38**	**24.92**	**31.93**	**33.16**	**19.23**	**0.13**	**112.75**	**11.20**	**10.38**
Additions / Adjustments	-	-	5.61	10.50	3.44	-	19.55	-	-
Deductions / Adjustments	-	-	(4.19)	(7.04)	(3.14)	-	(14.37)	-	-
Gross Carrying Amount as on 31.03.2024 (A)	**3.38**	**24.92**	**33.35**	**36.62**	**19.53**	**0.13**	**117.93**	**11.20**	**10.38**
Accumulated Depreciation / Amortisation as on 01.04.2023	**-**	**14.17**	**22.86**	**20.48**	**11.16**	**0.08**	**68.75**	**-**	**10.34**
For the period	-	0.52	6.25	8.93	2.22	0.02	17.94	-	0.02
On Assets Sold / Written off from books	-	-	(3.36)	(5.75)	(1.73)	-	(10.84)	-	-
Accumulated Depreciation / Amortisation as on 31.03.2024 (B)	**-**	**14.69**	**25.75**	**23.66**	**11.65**	**0.10**	**75.85**	**-**	**10.36**
Net Carrying Amount as on 31.03.2024 (A-B)	**3.38**	**10.23**	**7.60**	**12.96**	**7.88**	**0.03**	**42.08**	**11.20**	**0.02**

FY 2022-23

(₹ in crore)

Particulars	Property, Plant and Equipment							Intangible assets under development	Intangible Assets
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2022	**3.38**	**24.92**	**28.03**	**28.93**	**18.61**	**0.13**	**104.00**	**-**	**10.38**
Additions / Adjustments	-	-	7.48	9.86	3.55	-	20.89	11.20	-
Deductions / Adjustments	-	-	(3.58)	(5.63)	(2.93)	-	(12.14)	-	-
Gross Carrying Amount as on 31.03.2023 (A)	**3.38**	**24.92**	**31.93**	**33.16**	**19.23**	**0.13**	**112.75**	**11.20**	**10.38**
Accumulated Depreciation / Amortisation as on 01.04.2022	**-**	**13.57**	**18.17**	**17.10**	**10.39**	**0.05**	**59.28**	**-**	**10.25**
For the period	-	0.60	7.53	8.03	2.33	0.03	18.52	-	0.09
On Assets Sold/Written off from books	-	-	(2.84)	(4.65)	(1.56)	-	(9.05)	-	-
Accumulated Depreciation / Amortisation as on 31.03.2023 (B)	**-**	**14.17**	**22.86**	**20.48**	**11.16**	**0.08**	**68.75**	**-**	**10.34**
Net Carrying Amount as on 31.03.2023 (A-B)	**3.38**	**10.75**	**9.07**	**12.68**	**8.07**	**0.05**	**44.00**	**11.20**	**0.04**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

14.1 The estimated useful life and depreciation on property, plant and equipment (PPE) is in line with the Accounting Policy contained in Note 5.6 (v).

14.2 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	Cell Phone	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	2	10	8	5
Residual value as a % of original Cost	5%	5%	5%	5%	5%	5%	5%	-

14.3 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.

14.4 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 31.03.2024	As at 31.03.2023
Gross Carrying Value	4.12	4.12
Net Carrying Value	3.36	3.40

For details of borrowings against which above assets are pledged as security refer note 17.6 and 17.7.

14.5 Title deeds of immovable properties (Freehold land) are held in the name of the Company.

14.6 There has been no revaluation of PPE and Intangible assets during the year.

14.7 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 31.03.2024					
Projects in progress	-	11.20	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**11.20**	**-**	**-**	**11.20**
As at 31.03.2023					
Projects in progress	11.20	-	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	**11.20**	**-**	**-**	**-**	**11.20**

15 RIGHT-OF-USE ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Opening Balance of Leasehold Land	34.40	34.85
(ii)	Additions	-	-
(iii)	Less: Depreciation*	(0.45)	(0.45)
	Closing Balance of Leasehold Land	**33.95**	**34.40**

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

16 OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Prepaid Expenses	8.70	4.51
(ii)	Deferred employee costs	52.65	48.68
(iii)	Advance towards Capital assets	651.39	382.70
(iv)	Others*	96.94	120.12
	Total Other Non-Financial Assets	**809.68**	**556.01**

* It majorly includes advance towards contractual obligations (CSR) and amount recoverable from tax authorities.

17. DEBT SECURITIES

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	**Secured Bonds / Debenture**		
	- Infrastructure Bonds (Refer note 17.5)	38.51	38.51
	- Tax Free Bonds (Refer note 17.8)	7,485.57	8,259.12
	- 54EC Capital Gain Tax Exemption Bonds (Refer note 17.9)	8,994.11	6,599.69
	- Taxable Bonds (Refer note 17.10)	7,251.51	4,428.99
	Sub-Total (i)	**23,769.70**	**19,326.31**
(ii)	**Unsecured Bonds / Debenture**		
	- Taxable Bonds (Refer note 17.12)	2,23,900.74	1,95,743.80
	- Foreign Currency Notes (Refer note 17.13)	37,723.57	37,219.33
	Sub-Total (ii)	**2,61,624.31**	**2,32,963.13**
(iii)	**Total Principal Outstanding of Debt Securities (i+ii)**	**2,85,394.01**	**2,52,289.44**
(iv)	Interest accrued but not due on (iii) above	9,088.98	7,685.44
(v)	Unamortised Transaction Cost on (iii) above	(215.19)	(147.83)
	Total Debt Securities (iii to v)	**2,94,267.80**	**2,59,827.05**
	Geography wise Debt Securities		
(i)	Debt Securities in India	2,56,273.48	2,22,368.63
(ii)	Debt Securities outside India	37,994.32	37,458.42
	Total Geography wise Debt Securities	**2,94,267.80**	**2,59,827.05**

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, 2024

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 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	For Security, Refer Note	Redemption details
1	Infrastructure Bonds (2010-11) - Series III	8.50%	**5.27**	5.27	31.03.2026	17.6	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	**19.33**	19.33	31.03.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	**2.86**	2.86	21.11.2026	17.7	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	**7.77**	7.77	21.11.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds 86 C Series	8.72%	**0.87**	0.87	30.03.2027		Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds 86 D Series	8.72%	**2.40**	2.40	30.03.2027		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
	Total		**38.51**	**38.51**			

17.6 Infrastructure Bonds (2010-11) Series III and IV are secured by charge on specific book debt of ₹ 116.25 crore as on 31.03.2024 (₹ 254.91 crore as on 31.03.2023) of the Company along with first charge on immovable property situated at Jangpura, New Delhi.

17.7 These bond series are secured by first *pari passu* charge on present and future receivables (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 17.6) 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 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	For Security, Refer Note	Redemption details
1	Tax Free Bonds Series 107A	8.01%	-	113.00	30.08.2023	17.11	Repaid in FY 2023-24
2	Tax Free Bonds Series IB	8.43%	-	335.47	16.11.2023		
3	Tax Free Bonds Series 1A	8.18%	-	325.07	16.11.2023		
4	Tax Free Bonds Series 136	7.16%	**300.00**	300.00	17.07.2025		Redeemable at par on maturity
5	Tax Free Bonds (2015-16) Series 1B	7.36%	**79.35**	79.35	17.10.2025		
6	Tax Free Bonds (2015-16) Series 1A	7.11%	**75.09**	75.09	17.10.2025		
7	Tax Free Bond Series 79-B	7.75%	**217.99**	217.99	15.10.2026		
8	Tax Free Bond Series 80-B	8.16%	**209.34**	209.34	25.11.2026		
9	Tax Free Bonds (2011-12) Public Issue	8.30%	**1,280.58**	1,280.58	01.02.2027		
10	Tax Fee Bond Series 94B	7.38%	**25.00**	25.00	22.11.2027		
11	Tax Free Bonds Series 95B	7.38%	**100.00**	100.00	29.11.2027		
12	Tax Free Bonds (2012-13) Tranch-I Series 2	7.86%	**177.01**	180.79	04.01.2028		
13	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	**179.99**	176.21	04.01.2028		
14	Tax Free Bonds (2012-13) Tranch II	7.54%	**54.03**	55.85	28.03.2028		
15	Tax Free Bonds (2012-13) Tranch II	7.04%	**15.18**	13.35	28.03.2028		
16	Tax Free Bonds Series 107-B	8.46%	**1,011.10**	1,011.10	30.08.2028		
17	Tax Free Bonds Series 2-B	8.79%	**353.32**	353.32	16.11.2028		
18	Tax Free Bonds Series 2-A	8.54%	**932.70**	932.70	16.11.2028		
19	Tax Free Bonds (2015-16) Series 2-B	7.52%	**45.18**	45.18	17.10.2030		
20	Tax Free Bonds (2015-16) Series 2-A	7.27%	**131.32**	131.33	17.10.2030		
21	Tax Free Bonds Series 3-B	8.92%	**861.96**	861.96	16.11.2033		
22	Tax Free Bonds Series 3-A	8.67%	**1,067.37**	1,067.38	16.11.2033		
23	Tax Free Bonds (2015-16) Series 3-B	7.60%	**155.48**	155.48	17.10.2035		
24	Tax Free Bonds (2015-16) Series 3-A	7.35%	**213.58**	213.58	17.10.2035		
	Total		**7,485.57**	**8,259.12**			

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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
			31.03.2024	31.03.2023		
1	Series II (FY 2018-19)	5.75%	145.38	491.95	17.11	Repaid in FY 2023-24 (₹145.38 cr repaid on 02.04.2024).
2	Series III (FY 2019-20)	5.75%	1,134.44	1,134.44		Redeemable at par during FY 2024-25
3	Series IV (FY 2020-21)	5.75%	252.38	252.38		Redeemable at par during FY 2025-26
4	Series IV (FY 2020-21)	5.00%	685.41	685.41		Redeemable at par during FY 2025-26
5	Series V (FY 2021-22)	5.00%	1,434.64	1,434.64		Redeemable at par during FY 2026-27
6	Series VI (FY 2022-23)	5.00%	2,600.87	2,600.87		Redeemable at par during FY 2027-28
7	Series VII (FY 2023-24)	5.25%	2,740.99	-		Redeemable at par during FY 2028-29
	Total		**8,994.11**	**6,599.69**		

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
			31.03.2024	31.03.2023			
1	Secured Public Issue (2020-21) tranche I Series I Category III-IV	4.80%	-	1.95	22.01.2024		Repaid in FY 2023-24
2	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	27.05	27.05	22.01.2026	17.11	Redeemable at par on maturity
3	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	3.50	3.50	22.01.2026		
4	7 45 SEC TAX NCD 2324 PI TR I SR I CAT I-II	7.45%	62.17	-	01.08.2026		
5	7 50 SEC TAX NCD 2324 PI TR I SR I CAT III-IV	7.50%	59.93	-	01.08.2026		
6	Secured Public Issue (2020-21) Tranche I Series V Category III-IV	6.83% (10 YR GSEC Link)	1,250.73	1,250.73	22.01.2031		
7	Secured Public Issue (2020-21) Tranche I Series V Category I-II	6.58% (10 YR GSEC Link)	10.35	10.35	22.01.2031		
8	Secured Public Issue (2020-21) Tranche I Series IV Category III-IV	7.00%	1,635.53	1,635.53	22.01.2031		
9	Secured Public Issue (2020-21) Tranche I Series IV Category I-II	6.80%	33.67	33.67	22.01.2031		
10	Secured Public Issue (2020-21) Tranche I Series III Category III-IV	6.82%	28.74	28.74	22.01.2031		
11	Secured Public Issue (2020-21) Tranche I Series III Category I-II	6.63%	0.50	0.50	22.01.2031		
12	7 47 SEC TAX NCD 2324 PI TR I SR II CAT I-II	7.47%	362.51	-	01.08.2033		
13	7 53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV	7.53%	45.48	-	01.08.2033		
14	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	1,330.05	1,330.05	22.01.2036		
15	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	50.05	50.05	22.01.2036		
16	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	53.36	53.36	22.01.2036		
17	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	3.51	3.51	22.01.2036		
18	7 50 SEC TAX NCD 2324 PI TR I SR III CAT I-II	7.50%	183.70	-	01.08.2038		
19	7 55 SEC TAX NCD 2324 PI TR I SR III CAT III-IV	7.55%	2,110.68	-	01.08.2038		
	Total		**7,251.51**	**4,428.99**			

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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 (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 17.6), 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
			31.03.2024	31.03.2023		
1	Series 194	7.04%	-	1,400.00	14.04.2023	Repaid in FY 2023-24
2	Series 85 D	9.26%	-	736.00	15.04.2023	
3	Series 198	6.98%	-	3,160.00	20.04.2023	
4	Series 199A	6.83%	-	1,970.00	24.04.2023	
5	Series 202A	6.75%	-	2,145.00	22.05.2023	
6	Series 203A	6.72%	-	2,206.00	09.06.2023	
7	Series 206	5.47%	-	3,000.00	19.08.2023	
8	Series 188	8.10%	**691.10**	691.10	04.06.2024	Redeemable at par on maturity
9	Series 211 (3M TB Link)	4.38%	**1,985.00**	1,985.00	02.08.2024	
10	Series 57- B	8.60%	**866.50**	866.50	07.08.2024	
11	Series 117 Option B	9.37%	**855.00**	855.00	19.08.2024	
12	Series 118 Option B II	9.39%	**460.00**	460.00	27.08.2024	
13	Series Option 120 B	8.98%	**950.00**	950.00	08.10.2024	
14	Series 120 Option A	8.98%	**961.00**	961.00	08.10.2024	
15	Series 192	7.42%	**3,000.00**	3,000.00	19.11.2024	
16	Series 124 C	8.48%	**1,000.00**	1,000.00	09.12.2024	
17	Series 61	8.50%	**351.00**	351.00	15.12.2024	
18	Series 125	8.65%	**2,826.00**	2,826.00	28.12.2024	
19	Series 126	8.65%	**5,000.00**	5,000.00	04.01.2025	
20	Series 62-B	8.80%	**1,172.60**	1,172.60	15.01.2025	
21	Series 128	8.20%	**1,600.00**	1,600.00	10.03.2025	
22	Series 63-III	8.90%	**184.00**	184.00	15.03.2025	
23	Series 131-C	8.41%	**5,000.00**	5,000.00	27.03.2025	
24	Series 64	8.95%	**492.00**	492.00	30.03.2025	
25	Series 204A	5.77%	**900.00**	900.00	11.04.2025	
26	Series 130-C	8.39%	**925.00**	925.00	19.04.2025	
27	Series 199B	7.16%	**1,320.00**	1,320.00	24.04.2025	
28	Series 65 III	8.70%	**1,337.50**	1,337.50	14.05.2025	
29	Series 202B	7.17%	**810.00**	810.00	22.05.2025	
30	7 17 TX UNS BND SRS 202B R1	7.17%	**3,100.00**	-	22.05.2025	
31	Series 66-B	8.75%	**1,532.00**	1,532.00	15.06.2025	
32	Series 210A - STRPP1	6.35%	**405.60**	405.60	30.06.2025	
33	Series 215	7.13%	**2,420.00**	2,420.00	08.08.2025	
34	Series 217B STRPP I	7.15%	**276.40**	276.40	08.09.2025	
35	Series 208	6.50%	**2,806.00**	2,806.00	17.09.2025	
36	Series 141-B	8.40%	**1,000.00**	1,000.00	18.09.2025	
37	Series 218	7.59%	**1,450.00**	1,450.00	03.11.2025	
38	Series 71	9.05%	**192.70**	192.70	15.12.2025	
39	Series 222	7.58%	**2,540.00**	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 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
40	Series 147	8.03%	**1,000.00**	1,000.00	02.05.2026	Redeemable at par on maturity
41	7 37 TX UNS BND SRS 230	7.37%	**2,990.00**	-	22.05.2026	
42	Series 210A - STRPP2	6.35%	**540.80**	540.80	30.06.2026	
43	Series 216	7.13%	**3,000.00**	3,000.00	15.07.2026	
44	Series 225A	7.77%	**3,262.70**	3,262.70	15.07.2026	
45	7 55 TX UNS BND SRS 228A	7.55%	**2,330.00**	-	15.07.2026	
46	Series - 76-B	9.46%	**1,105.00**	1,105.00	01.08.2026	
47	Series 150-B	7.63%	**1,675.00**	1,675.00	14.08.2026	
48	7 64 TX UNS BND SRS 233B	7.64%	**2,500.00**	-	25.08.2026	
49	ZCB TX UNS BND SRS 233A YTM 7 65	7.65%	**501.04**	-	25.08.2026	
50	Series 212A	6.09%	**2,450.00**	2,450.00	27.08.2026	
51	Series - 77-B	9.45%	**2,568.00**	2,568.00	01.09.2026	
52	Series 217B STRPP II	7.15%	**276.40**	276.40	08.09.2026	
53	Series 227A	7.70%	**1,200.00**	1,200.00	15.09.2026	
54	Series 151-B	7.56%	**210.00**	210.00	16.09.2026	
55	Series 152	7.55%	**4,000.00**	4,000.00	25.09.2026	
56	Series 155	7.23%	**2,635.00**	2,635.00	05.01.2027	
57	7 55 TX UNS BND SRS 238	7.55%	**2,754.00**	-	15.04.2027	
58	Series 168-B	7.44%	**1,540.00**	1,540.00	12.06.2027	
59	Series 210A - STRPP3	6.35%	**405.60**	405.60	30.06.2027	
60	Series 169-B	7.30%	**1,500.00**	1,500.00	07.08.2027	
61	Series 217B STRPP III	7.15%	**276.40**	276.40	08.09.2027	
62	Series 170-B	7.65%	**2,001.00**	2,001.00	22.11.2027	
63	Series 171	7.62%	**5,000.00**	5,000.00	15.12.2027	
64	Series 221B	7.59%	**3,500.00**	3,500.00	17.01.2028	
65	Series 172	7.74%	**850.00**	850.00	29.01.2028	
66	Series 101 B	9.00%	**1,370.00**	1,370.00	11.03.2028	
67	Series 102 A (III)	8.90%	**403.00**	403.00	18.03.2028	
68	Series 103	8.94%	**2,807.00**	2,807.00	25.03.2028	
69	Series 177	7.85%	**3,855.00**	3,855.00	03.04.2028	
70	Series 227B	7.77%	**1,390.00**	1,390.00	15.04.2028	
71	7 44 TX UNS BND SRS 229 (2Y Put Call)	7.44%	**1,550.00**	-	10.05.2028	
72	Series 178	8.95%	**3,000.00**	3,000.00	10.10.2028	
73	Series 179-A	8.67%	**1,007.40**	1,007.40	19.11.2028	
74	7.60 TX UNS BND SRS 237A	7.60%	**3,000.00**	-	13.04.2029	
75	Series 187 B	8.85%	**1,982.10**	1,982.10	27.05.2029	
76	Series 118 Option B III	9.39%	**460.00**	460.00	27.08.2029	
77	Series193	7.93%	**4,710.50**	4,710.50	31.12.2029	
78	Series 196R1	7.41%	**1,500.00**	1,500.00	25.02.2030	
79	Series 196	7.41%	**2,500.00**	2,500.00	25.02.2030	
80	Series 225B STRPP I	7.82%	**625.00**	625.00	13.03.2030	
81	Series 195	7.86%	**1,100.00**	1,100.00	12.04.2030	
82	7 86 TX UNS BND SRS 195 R1	7.86%	**1,260.00**	-	12.04.2030	
83	Series 200	7.40%	**2,920.00**	2,920.00	08.05.2030	
84	Series 197	7.41%	**5,000.00**	5,000.00	15.05.2030	
85	Series 203B	7.75%	**3,318.00**	3,318.00	11.06.2030	
86	Series 66-C	8.85%	**633.00**	633.00	15.06.2030	
87	Series 201	7.68%	**3,101.30**	3,101.30	15.07.2030	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2024	31.03.2023		
88	Series 202C	7.79%	**1,936.00**	1,936.00	22.07.2030	Redeemable at par on maturity
89	Series 205A	7.05%	**1,610.10**	1,610.10	09.08.2030	
90	Series 71	9.05%	**192.70**	192.70	15.12.2030	
91	Series 207R1	7.04%	**2,549.10**	2,549.10	16.12.2030	
92	Series 207	7.04%	**1,097.40**	1,097.40	16.12.2030	
93	Series 225B STRPP II	7.82%	**625.00**	625.00	13.03.2031	
94	Series 204B	6.88%	**1,300.00**	1,300.00	11.04.2031	
95	Series 213	6.95%	**1,988.00**	1,988.00	01.10.2031	
96	Series 225B STRPP III	7.82%	**625.00**	625.00	12.03.2032	
97	Series 214 (BBETF)	6.92%	**1,180.00**	1,180.00	14.04.2032	
98	6 92 TX UNS BND SRS 214 R1	6.92%	**1,330.00**	-	14.04.2032	
99	Series 217A	7.42%	**4,000.00**	4,000.00	08.09.2032	
100	Series 223	7.64%	**3,500.00**	3,500.00	22.02.2033	
101	Series 225B STRPP IV	7.82%	**625.00**	625.00	11.03.2033	
102	Series 220	7.58%	**470.00**	470.00	15.04.2033	
103	Series 226A	7.66%	**1,200.00**	1,200.00	15.04.2033	
104	Series 226B	7.70%	**583.50**	583.50	15.04.2033	
105	7 57 TX UNS BND SRS 232	7.57%	**3,000.00**	-	12.07.2033	
106	7 62 TX UNS BND SRS 228B	7.62%	**2,102.00**	-	15.07.2033	
107	7 60 TX UNS BND SRS 233C	7.60%	**3,500.00**	-	25.08.2033	
108	Series 179-B	8.64%	**528.40**	528.40	19.11.2033	
109	7 70 TX UNS BND SRS 234	7.70%	**2,625.00**	-	30.11.2033	
110	Series 180	8.75%	**2,654.00**	2,654.00	22.02.2034	
111	7.49 TX UNS BND SRS 237B	7.49%	**3,000.00**	-	22.02.2034	
112	Series 186	8.79%	**2,578.90**	2,578.90	30.04.2034	
113	Series 189	8.15%	**4,035.00**	4,035.00	08.08.2034	
114	Series 190	8.25%	**4,016.00**	4,016.00	06.09.2034	
115	Series 205B	7.20%	**1,605.70**	1,605.70	10.08.2035	
116	Series 209	7.34%	**1,711.00**	1,711.00	29.09.2035	
117	Series 210B	7.11%	**1,933.50**	1,933.50	30.06.2036	
118	Series 212B	7.15%	**2,343.68**	2,343.69	27.08.2036	
119	Series 219	7.65%	**4,000.00**	4,000.00	13.11.2037	
120	Series 221A	7.72%	**2,782.70**	2,782.70	19.12.2037	
121	Series 224	7.82%	**3,468.50**	3,468.50	06.03.2038	
122	7 48 TX UNS BND SRS 231	7.48%	**3,896.90**	-	20.06.2038	
123	7 69 TX UNS BND SRS 235	7.69%	**3,335.00**	-	15.12.2038	
	Total		**2,23,900.74**	**1,95,743.80**		

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
			31.03.2024	31.03.2023		
1	3.75% USD Bonds 2024	3.75%	**3,334.95**	3,288.68	18.06.2024	Redeemable at par on maturity
2	3.25% USD Bonds 2024	3.25%	**2,501.21**	2,466.51	16.09.2024	
3	3.75% USD Green Bonds 2027	3.75%	**3,334.96**	3,288.68	06.12.2027	
4	5.25% USD Bonds 2028	5.25%	**2,501.22**	2,466.51	10.08.2028	
5	1.841% EUR Bonds 2028	1.84%	**2,706.53**	2,688.23	21.09.2028	
6	6.15% USD Bonds 2028	6.15%	**4,168.70**	4,110.85	06.12.2028	
7	4.50% USD Bonds 2029	4.50%	**5,002.43**	4,933.01	18.06.2029	
8	3.90% USD Bonds 2029	3.90%	**3,751.83**	3,699.76	16.09.2029	
9	3.95% USD Bonds 2030	3.95%	**6,253.04**	6,166.27	23.04.2030	
10	3.35% USD Bonds 2031	3.35%	**4,168.69**	4,110.84	16.05.2031	
	Total		**37,723.57**	**37,219.33**		

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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 31.03.2024	As at 31.03.2023
(A)	**Secured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Rupee Term Loans (Refer note 18.3)	6,127.50	13,476.25
	Sub-Total (A)	**6,127.50**	**13,476.25**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 18.5)	34,132.87	26,696.58
	- Rupee Term Loans (Refer note 18.6)	65,375.94	48,841.65
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans - Multilateral / Bilateral Agencies (Refer note 18.7)	980.02	638.58
	- Rupee Term Loans - NSSF (Refer note 18.10)	7,500.00	7,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan/ Overdraft/ Cash Credit/ Line of Credit (Refer note 18.11)	2,361.48	3,983.83
	Sub-Total (B)	**1,10,350.31**	**87,660.64**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) - (A+B)**	**1,16,477.81**	**1,01,136.89**
(D)	Interest accrued but not due on (C) above	525.53	392.31
(E)	Unamortised Transaction Cost on (C) above	(397.30)	(300.31)
	Total Borrowings (other than Debt Securities) (C to E)	**1,16,606.04**	**1,01,228.89**
	Geography wise Borrowings		
(i)	Borrowings in India	81,567.12	74,000.92
(ii)	Borrowings outside India	35,038.92	27,227.97
	Total Geography wise Borrowings	**1,16,606.04**	**1,01,228.89**

18.1 Wherever required, the Company has registered the charges with respective Registrars of Companies (ROC) within the statutory timelines.

18.2 The Company has not borrowed any funds on the specific security of current assets, where there is any requirement of filing of quarterly returns or statements.

18.3 Details of Secured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2024	31.03.2023		
1	Union Bank of India	-	200.00	21.08.2023	Repaid in FY 2023-24
2	Indian Bank	-	1,800.00	20.11.2023	
3	Indian Bank	-	500.00	20.11.2023	
4	Indian Bank	-	937.50	20.11.2023	
5	Canara Bank	-	1,000.00	20.02.2024	
6	Canara Bank T-1	500.00	500.00	21.06.2024	Bullet Repayment at the end of the tenor
7	Canara Bank T-2	500.00	500.00	24.06.2024	
8	Canara Bank	1,000.00	1,000.00	29.06.2024	
9	State Bank of India	2,140.00	3,570.00	10.07.2024	The loan is to be repaid in 3 half yearly instalments comprising 2 instalments of ₹715 crore each and thereafter final instalment of ₹710 crore each starting from 10-Jul-2024 and ending on 10-Jul-2025

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
10	Punjab National Bank	**112.50**	168.75	30.09.2024	The loan is to be repaid in 02 annual instalments of ₹56.25 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
11	Union Bank of India	**900.00**	1,350.00	30.09.2024	The loan is to be repaid in 02 annual instalments of ₹450 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
12	Union Bank of India	**100.00**	200.00	30.09.2024	The loan is to be repaid in 1 instalment of ₹100 crore on 30-Sep-2024
13	Punjab National Bank	**375.00**	750.00	25.02.2025	The loan is to be repaid in 01 annual instalment of ₹375 crore on 25-Feb-2025
14	Bank of India	**500.00**	1,000.00	02.03.2025	The loan is to be repaid in 01 annual instalment of ₹500 crore on 02-Mar-2025
	Total Secured Rupee Term Loans	**6,127.50**	**13,476.25**		

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 except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formerly known as GDA Trusteeship Limited). Refer Note 10 for carrying values of the receivable pledged as security against secured rupee term loans.

18.5 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 31.03.2024	31.03.2023	Date of Redemption	Redemption details
1	SLN 26	-	2,055.42	26.09.2023	Repaid in FY 2023-24
2	1 FCNR USD 110M 151222	-	904.39	15.12.2023	
3	2 FCNR EUR 94M 291222	-	844.48	29.12.2023	
4	4 FCNR EUR 56M 290323	-	499.54	29.12.2023	
5	SLN 27	-	1,014.18	01.02.2024	
6	3 FCNR EUR 93M 270323	-	833.03	27.03.2024	
7	5 FCNR EUR 92M 280323	-	828.79	28.03.2024	
8	6 FCNR EUR 93M 290323	-	831.47	29.03.2024	
9	7 FCNR EUR 138M 310323	-	1,235.67	31.03.2024	
10	8 FCNR JPY 21539M 300623	**1,186.56**	-	30.06.2024	Bullet Repayment at the end of the tenor
11	SLN 29	**2,084.35**	2,055.42	20.12.2024	
12	9 FCNR USD 110M 271223	**917.11**	-	27.12.2024	
13	10 FCNR JPY 37850M 280324	**2,085.16**	-	28.03.2025	
14	SLN 30	**833.74**	822.17	13.10.2025	
15	SLN 30	**2,501.22**	2,466.51	05.11.2025	
16	31 A FCTL USD 525M 301121	**4,377.13**	4,316.40	30.11.2026	
17	31 B FCTL USD 100M 301121	**833.74**	822.17	30.11.2026	
18	32 A FCTL JPY 89208M 281222	**4,914.47**	5,513.05	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.
19	33 A FCTL USD 500M 250923	**4,168.70**	-	25.09.2028	Redeemable in 2 instalments: 50% loan amount on 25.09.2028 & balance outstanding on 27.09.2028.
20	33 B FCTL USD 600M 191223	**5,002.43**	-	19.12.2028	Bullet Repayment at the end of the tenor
21	34 A FCTL USD 250M 220324	**2,084.35**	-	22.03.2029	
22	34 B FCTL JPY 7577M 220324	**417.40**	-	22.06.2029	
23	32 B FCTL JPY 26762M 050123	**1,474.32**	1,653.89	05.01.2030	
24	34 C FCTL JPY 22730M 220324	**1,252.21**	-	22.03.2031	
	Total Foreign Currency Loans	**34,132.87**	**26,696.58**		

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for the year ended March 31, 2024

18.6 Details of Unsecured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
1	UCO Bank	-	200.00	26.05.2023	Repaid in FY 2023-24
2	HDFC Bank Ltd.	-	1,000.00	09.06.2023	
3	HDFC Bank Ltd.	-	650.00	13.06.2023	
4	HDFC Bank Ltd.	-	20.00	16.06.2023	
5	HDFC Bank Ltd.	-	7.00	16.06.2023	
6	HDFC Bank Ltd.	-	55.00	16.06.2023	
7	HDFC Bank Ltd.	-	33.00	16.06.2023	
8	HDFC Bank Ltd.	-	1,000.00	16.06.2023	
9	HDFC Bank Ltd.	-	235.00	21.06.2023	
10	HDFC Bank Ltd.	-	3,000.00	21.06.2023	
11	HDFC Bank Ltd.	-	1,000.00	02.08.2023	
12	State Bank of India	-	2,999.98	27.09.2023	
13	HDFC Bank Ltd.	-	750.00	05.10.2023	
14	Punjab National Bank		995.00	25.10.2023	
15	Canara Bank	-	875.00	20.12.2023	
16	Canara Bank	-	500.00	28.12.2023	
17	Canara Bank	-	500.00	15.01.2024	
18	Bank of India	-	2,000.00	21.01.2024	
19	Union Bank of India	**400.00**	800.00	15.04.2024	The loan is to be repaid in 4 quarterly instalments of ₹100 crore each starting from 15-Apr-2024 and ending on 15-Jan-2025
20	Bank of Baroda	**82.00**	-	23.04.2024	The loan is to be repaid in 3 monthly instalments of ₹27.33 crore each starting from 23-Apr-2024 and ending on 23-Jun-2024
21	Bank of Baroda	**1,418.00**	-	28.04.2024	The loan is to be repaid in 3 monthly instalments of ₹472.67 crore each starting from 28-Apr-2024 and ending on 28-Jun-2024
22	Karnataka Bank	**250.00**	-	08.05.2024	The loan is to be repaid in 8 quarterly instalments of ₹31.25 crore each starting from 08-May-2024 and ending on 08-Feb-2026
23	KEB Hana Bank	**100.00**	100.00	31.05.2024	The loan is to be repaid in 4 halfyearly instalments of ₹25 crore each starting from 31-May-2024 and ending on 30-Nov-2025
24	HDFC Bank Ltd.	**1,862.50**	-	20.06.2024	Bullet Repayment at the end of the tenor
25	Canara Bank	**1,000.00**	1,400.00	22.06.2024	The loan is to be repaid in 14 quarterly instalments of ₹100 crore each starting from 22-Jun-2024 and ending on 22-Sep-2026
26	HDFC Bank Ltd.	**521.50**	-	26.06.2024	Bullet Repayment at the end of the tenor
27	HDFC Bank Ltd.	**247.50**	-	27.06.2024	Bullet Repayment at the end of the tenor
28	HDFC Bank Ltd.	**644.00**	-	04.07.2024	Bullet Repayment at the end of the tenor
29	Bank of India	**750.00**	1,000.00	11.09.2024	The loan is to be repaid in 4 annual instalments of ₹250 crore each starting from 11-Sep-2024 and ending on 11-Sep-2026
30	Bank of India	**500.00**	500.00	18.09.2024	The loan is to be repaid in 5 annual instalments of ₹100 crore each starting from 18-Sep-2024 and ending on 18-Sep-2028
31	Canara Bank	**200.00**	300.00	23.09.2024	The loan is to be repaid in 4 half-yearly instalments of ₹50 crore each starting from 23-Sep-2024 and ending on 23-Mar-2026
32	State Bank of India	**3,000.00**	3,000.00	19.12.2024	Bullet Repayment at the end of the tenor
33	Punjab National Bank	**333.33**	666.67	20.03.2025	The loan is to be repaid in 1 annual instalment of ₹333.33 crore on 20-Mar-2025
34	Union Bank of India	**625.00**	1,250.00	23.03.2025	The loan is to be repaid in 1 annual instalments of ₹625 crore each on 23-Mar-2025
35	HDFC Bank Ltd.	**3,000.00**	-	30.06.2025	The loan is to be repaid in quarterly instalments starting from 30-Jun-2025 and ending on 05-Sep-2030.
36	HDFC Bank Ltd.	**3,000.00**	3,000.00	30.09.2025	Bullet Repayment at the end of the tenor

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for the year ended March 31, 2024

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2024	31.03.2023		
37	South Indian Bank	**200.00**	-	30.03.2026	Bullet Repayment at the end of the tenor
38	Bank of Baroda	**5,000.00**	5,000.00	17.05.2026	The loan is to be repaid in 8 halfyearly instalments of ₹625 crore each starting from 17-May-2026 and ending on 17-Nov-2029
39	UCO Bank	**1,000.00**	1,000.00	24.09.2026	Bullet Repayment at the end of the tenor
40	Punjab National Bank	**500.00**	500.00	27.09.2026	Bullet Repayment at the end of the tenor
41	Punjab National Bank	**5.00**	5.00	29.09.2026	Bullet Repayment at the end of the tenor
42	Punjab National Bank	**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
43	India Infrastructure Finance Company Limited	**1,000.00**	1,000.00	30.09.2026	Bullet Repayment at the end of the tenor
44	Bank of India	**2,000.00**	-	02.03.2027	Bullet Repayment at the end of the tenor
45	Central Bank	**1,000.00**	1,000.00	31.03.2027	Bullet Repayment at the end of the tenor
46	Union Bank	**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 31.03.2027 and ending on 31.03.2028
47	Canara Bank	**2,250.00**	2,250.00	28.06.2027	The loan is to be repaid in 2 annually instalments of ₹1125 crore each starting from 28-Jun-2027 and ending on 28-Jun-2028
48	Canara Bank	**250.00**	250.00	30.06.2027	The loan is to be repaid in 2 annually instalments of ₹125 crore each starting from 30-Jun-2027 and ending on 30-Jun-2028
49	Indian Overseas Bank	**1,000.00**	1,000.00	30.09.2027	The loan is to be repaid in 2 yearly instalments of ₹500 crore each starting from 30-Sep-2027 and ending on 30-Sep-2028
50	UCO Bank	**1,000.00**	1,000.00	30.03.2028	Bullet Repayment at the end of the tenor
51	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
52	South Indian Bank	**199.96**	-	31.05.2028	Bullet Repayment at the end of the tenor
53	HDFC Bank Ltd.	**4,000.00**	-	05.07.2028	Bullet Repayment at the end of the tenor
54	South Indian Bank	**199.96**	-	19.09.2028	Bullet Repayment at the end of the tenor
55	Union Bank of India	**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
56	Indian Overseas Bank	**500.00**	500.00	30.09.2028	The loan is to be repaid in 2 yearly instalments of ₹250 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029
57	State Bank of India	**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.
58	India Infrastructure Finance Company Limited	**2,000.00**	-	28.02.2029	Bullet Repayment at the end of the tenor
59	National Bank for Financing Infrastructure and Development	**3,500.00**	3,500.00	31.03.2029	The loan is to be repaid in 10 yearly instalments of ₹350 crore each starting from 31-Mar-2029 and ending on 31-Mar-2038
60	National Bank for Financing Infrastructure and Development	**1,000.00**	-	01.03.2030	The loan is to be repaid in 10 annual instalments of ₹100 crore each starting from 01-Mar-2030 and ending on 01-Mar-2039
61	HDFC Bank Ltd.	**4,000.00**	-	25.09.2030	The loan is to be repaid in quarterly instalments starting from 31-Dec-2026 and ending on 05-Sep-2030.
	Total Unsecured Rupee Term Loans	**65,375.94**	**48,841.65**		

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18.7 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
		31.03.2024	31.03.2023		
1	ADB (Guaranteed by Government of India)	**40.14**	51.35	15.04.2024	Semi Annual Instalments till 15.10.2028
2	JBIC PLA 1	**145.99**	-	22.04.2024	Semi Annual Instalments till 20.04.2038
3	KfW EUR 200M 030123	**690.26**	526.42	15.05.2024	Semi Annual Instalments till 15.11.2031
4	Credit National (Guaranteed by Government of India)	**10.06**	18.86	30.06.2024	Semi Annual Instalments till 30.06.2028
5	KFW I (Guaranteed by Government of India)	**38.84**	41.95	30.06.2024	Semi Annual Instalments till 30.06.2035
6	JBIC PLA 2	**54.73**	-	20.07.2024	Semi Annual Instalments till 20.07.2036
	Total Foreign Currency Loans	**980.02**	**638.58**		

18.8 Floating Rate Foreign Currency Loans in above Note No. 18.5 and 18.7 carries an interest rate spread ranging from 5 bps to 150 bps over 6 month SOFR / TONA (Secured Overnight Financing Rate / Tokyo Overnight Average Rate) except for Foreign Currency Loans from Credit National, KFW-I , FCNR and FCTL31A & B which are at fixed rate of interest.

18.9 Borrowings as at 31.03.2024 in Note 18.3 and 18.6 above were raised at respective bank's Benchmark rate plus spread ranging from 100 to 200 bps.

18.10 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
		31.03.2024	31.03.2023		
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**		

18.11 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
		31.03.2024	31.03.2023		
1	HDFC Bank	-	1,555.28	10.04.2023	Repaid in FY 2023-24
2	Indian Bank	-	500.00	15.04.2023	
3	Canara Bank	-	300.00	15.04.2023	
4	Canara Bank	-	1,628.55	30.06.2023	
5	State Bank of India	**1,861.48**	-	06.04.2024	Bullet Repayment at the end of the tenor
6	IndusInd Bank	**500.00**	-	29.04.2024	
	Total WCDL / OD / CC / Line of Credit	**2,361.48**	**3,983.83**		

18.12 None of the borrowings have been guaranteed by Directors.

18.13 There has been no default in repayment of borrowings and interest during periods presented above.

18.14 The amounts raised during the year have been utilised for the stated objects in the offer document/ Information memorandum/ facility agreement.

18.15 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.

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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 31.03.2024	As at 31.03.2023
(A)	**Subordinated Liabilities (Unsecured)**		
(i)	Perpetual Debt Instruments (Principal Outstanding) (Refer note 19.1)	100.00	-
(ii)	Subordinated Bonds (Principal Outstanding) (Refer note 19.2)	5,411.50	9,211.50
(iii)	Total Principal Outstanding of Subordinated Laibilities	**5,511.50**	**9,211.50**
(iv)	Interest accrued but not due on (iii) above	9.73	102.30
(v)	Unamortised Transaction Cost on (iii) above	(1.51)	(1.96)
	Total Subordinated Liabilities	**5,519.72**	**9,311.84**
(B)	**Geography wise Subordinated Liabilities**		
(i)	Subordinated Liabilities in India	5,519.72	9,311.84
(ii)	Subordinated Liabilities outside India	-	-
	Total Geography wise Subordinated Liabilities	**5,519.72**	**9,311.84**

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
			31.03.2024	31.03.2023		
1	7.88 PERPETUAL TX UNS BND SRS 236 with 10 years call option	7.88%	100.00	-	NA	Perpetual bonds callable only at the option of the Company after minimum 10 years with prior approval of RBI.
Total Perpetual Debt			**100.00**	**-**		

During the year the Company had issued Perpetual Debt Instruments (PDI) of ₹ 100 crore having face value of ₹ 1 crore each, with no maturity and callable only at the option of the Company after minimum 10 years with prior approval of RBI. The claims of the holders of the PDI are:

(a) Superior to the claims of the holders of the equity shares issued by the Company and perpetual non-cumulative preference shares, if any, of the Company; and

(b) Subordinated to the claims of all other creditors of the Company (but *pari passu inter se* the holders of the PDIs). The Company may defer the payment of Coupon, if:

  (i) The capital to risk assets ratio ("CRAR") of the Company is below the minimum regulatory requirement prescribed by RBI; or

  (ii) the impact of such payment results in CRAR of the Company falling below or remaining below the minimum regulatory requirement prescribed by RBI. Further, it also has certain unique features which, *inter alia*, grant PFC, in consultation with RBI a discretion in terms of writing down the principal / interest, to skip interest payments, to make an early recall etc. without commensurate right for investors to legal recourse, even if such actions might result in potential loss to investors. As these securities are perpetual in nature and claim of PDI holders is subordinate to claim of all other creditors and further as the Company does not have an unconditional right not to pay the coupon, these have been classified under subordinated liabilities.

Notes to the Standalone Financial Statements

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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 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
1	Bond Series 105	8.19%	-	800.00	14.06.2023	Repaid in FY 2023-24
2	Bond Series 111	9.65%	-	1,000.00	13.01.2024	
3	Bond Series 114	9.70%	-	2,000.00	21.02.2024	
4	Bond Series 184A	9.25%	**2,000.00**	2,000.00	25.09.2024	Redeembale at par in FY 2024-25
5	Bond Series 184 B	9.10%	**2,411.50**	2,411.50	25.03.2029	Redeembale at par in FY 2028-29
6	Bond Series 185	8.98%	**1,000.00**	1,000.00	28.03.2029	Redeembale at par in FY 2028-29
Total Subordinated Debt			**5,411.50**	**9,211.50**		

20A 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 31.03.2024	As at 31.03.2023
(i)	Total outstanding dues of micro, small and medium enterprises	**0.20**	0.02
(ii)	Total outstanding dues of creditors other than micro, small and medium enterprises	**14.72**	13.39
	Total Trade Payables	**14.92**	**13.41**

20A.1 Trade Payables ageing schedule

Particulars	As at 31.03.2024				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**0.20**	-	-	-	**0.20**
(ii) Others	**11.94**	**1.37**	**0.01**	**1.40**	**14.72**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Other	-	-	-	-	-
Total	**12.14**	**1.37**	**0.01**	**1.40**	**14.92**

Particulars	As at 31.03.2023				
	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	0.02	-	-	-	0.02
(ii) Others	10.84	0.88	0.05	1.62	13.39
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Other	-	-	-	-	-
Total	**10.86**	**0.88**	**0.05**	**1.62**	**13.41**

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20B 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 31.03.2024	As at 31.03.2023
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 20B.1)	**5,038.72**	5,038.21
(ii)	Advance received from Subsidiaries and Associates	**179.56**	177.16
(iii)	Amount payable to Subsidiary (Refer note 20B.2)	**100.00**	-
(iv)	Unclaimed Dividends (Refer note 20B.3)	**5.48**	5.63
(v)	Unpaid - Bonds and Interest Accrued thereon (Refer note 20B.3)		
	- Unclaimed Bonds	**0.92**	0.92
	- Unclaimed Interest on Bonds	**71.86**	71.78
(vi)	Others		
	- Interest on application money and interest accrued thereon	**0.20**	0.71
	- Lease Liability (Refer note 45.1)	**8.81**	8.81
	- Derivative Liability -Variation Margin	**792.88**	-
	- Other liabilities*	**2,434.86**	218.12
	Total Other Financial Liabilities	**8,633.29**	**5,521.34**

* Includes amount received from borrowers which are subject to appropriation as per contractual terms of loan agreement.

20B.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds)

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2024	As at 31.03.2023
(i)	7.10% Bond Series 156 -Redeemable at par on 11.01.2027	**200.00**	200.00
(ii)	7.18% Bond Series 158 - Redeemable at par on 20.01.2027	**1,335.00**	1,335.00
(iii)	7.60% Bond Series 160 - Redeemable at par on 20.02.2027	**1,465.00**	1,465.00
(iv)	7.75% Bond Series 164 - Redeemable at par on 22.03.2027	**2,000.00**	2,000.00
(v)	Interest accrued but not due on above	**38.72**	38.21
	Total GoI Serviced Bonds	**5,038.72**	**5,038.21**

20B.2 Equity shares subscribed but not paid in respect of wholly-owned subsidiary M/s PFC Infra Finance IFSC Limited (PIFIL) incorporated on 11.02.2024.The amount has been remitted by PFC to PIFIL on 10.04.2024 and accordingly shown as Other Financial Liabilities as on 31.03.2024.

20B.3 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.

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21. PROVISIONS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	For Employee Benefits (Refer note 44)		
	- Gratuity	1.22	1.02
	- Leave Encashment	51.20	50.14
	- Economic Rehabilitation of Employees	7.86	7.82
	- Provision for Bonus / Incentive	39.63	43.26
	- Provision for Staff Welfare Expenses	25.74	21.55
(ii)	Impairment Loss Allowance - Letter of Comfort (Refer note 21.1)	48.63	50.93
(iii)	Provision for Unspent CSR Expense (Refer note 35)	237.81	148.93
	Total Provisions	**412.09**	**323.65**

21.1 Movement of Impairment loss allowance on Letter of Comfort

(₹ in crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
(i)	Opening balance	50.93	77.21
(ii)	Creation during the year	2.53	0.12
(iii)	Reversal during the year	(4.83)	(26.40)
	Closing balance	**48.63**	**50.93**

22. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Unamortised Fee - Undisbursed Loan Assets	358.08	189.15
(ii)	Statutory dues payable	79.43	31.56
(iii)	Sundry Liabilities Account (Interest Capitalisation)	76.31	26.27
(iv)	Others	42.80	28.33
	Total Other Non-Financial Liabilities	**556.62**	**275.31**

23. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2024		As at 31.03.2023	
		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	2,64,00,81,408	2,640.08
(C)	**Reconciliation of Equity Share Capital**				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period*	66,00,20,352	660.02	-	-
	Closing Equity Share Capital	**3,30,01,01,760**	**3,300.10**	**2,64,00,81,408**	**2,640.08**

*Refer Note 23.4

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.

Notes to the Standalone Financial Statements
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23.2 Shares in the Company held by each shareholder holding more than 5% of the shares

Sr. No.	Particulars	As at 31.03.2024		As at 31.03.2023	
		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%	1,47,82,91,778	55.99%
(ii)	HDFC Trustee Company Ltd.	10,25,97,717	3.11%	16,38,70,959	6.21%

23.3 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount: Nil

23.4 During FY 2023-24, the Company has issued 66,00,20,352 equity shares of ₹ 10/- each as fully paid-up bonus shares in the ratio of one bonus equity share for every four existing fully paid-up equity shares outstanding on the record date i.e. 21.09.2023. Further, the Company has not bought back any shares.

23.5 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

23.6 Calls unpaid (showing aggregate value of calls unpaid by directors and officers): Nil

23.7 Forfeited shares (amount originally paid up): Nil

23.8 Refer Note 39 for Capital Management.

24. OTHER EQUITY

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
(A)	**Other Reserves**			
(i)	Securities Premium	24.1 (i)	2,115.74	2,776.54
(ii)	Foreign Currency Monetary Item Translation Difference Account	24.1 (ii)	(402.85)	(467.57)
(iii)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	24.1 (iii)	11,432.63	8,559.23
(iv)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	24.1 (iv)	1,212.26	529.39
(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)	29,316.21	26,511.31
(vii)	Interest Differential Reserve - KfW Loan	24.1 (vi)	67.15	64.97
(viii)	General Reserve	24.1 (vii)	14,720.80	14,691.55
(ix)	Impairment Reserve	24.1 (viii)	89.18	-
(B)	**Retained Earnings**	24.1 (ix)	**15,876.21**	**12,648.64**
(C)	**Other Comprehensive Income (OCI) Reserves**			
(i)	Equity Instruments through Other Comprehensive Income	24.1 (x)	1,278.50	55.54
(ii)	Effective portion of Cash Flow Hedges	24.1 (xi)	336.11	492.20
(iii)	Cost of Hedging Reserve	24.1 (xii)	(738.40)	(899.50)
	Total Other Equity		**75,903.39**	**65,562.15**

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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	2,776.54	2,776.54
Add: Transferred from Retained Earnings	-	-
Less: Utilised for issue of Bonus Equity Shares (including expense thereof)	(660.80)	-
Balance as at the end of the year	**2,115.74**	**2,776.54**

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for the year ended March 31, 2024

(ii) Foreign Currency Monetary Item Translation Difference Account:

It represents unamortised foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortised over the tenure of the respective borrowings.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	**(467.57)**	(513.80)
Add: Foreign Currency Translation Gain/ Loss (-) on long-term monetary items during the year	**(47.10)**	(721.29)
Less: Amortisation during the year	**111.82**	767.52
Balance as at the end of the year	**(402.85)**	**(467.57)**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	**8,559.23**	6,238.14
Add: Transferred from Retained Earnings	**2,873.40**	2,321.09
Less: Transferred to General Reserve	**-**	-
Balance as at the end of the year	**11,432.63**	**8,559.23**

(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.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	**529.39**	576.44
Add: Transferred from Retained Earnings	**715.09**	590.10
Less: Transferred to General Reserve	**(29.25)**	(576.44)
Less: Adjustments during the year	**(2.97)**	(60.71)
Balance as at the end of the year	**1,212.26**	**529.39**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	**26,511.31**	24,139.00
Add: Transferred from Retained Earnings	**2,767.28**	2,363.47
Less: Transferred to General Reserve	**-**	-
Add: Adjustments during the year	**37.62**	8.84
Balance as at the end of the year	**29,316.21**	**26,511.31**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	64.97	64.07
Add: Addition during the year	2.18	2.17
Less: Deletion during the year	-	(1.27)
Balance as at the end of the year	**67.15**	**64.97**

(vii) General Reserve:

General Reserve includes the amounts appropriated from the profits of the Company before declaration of dividend (as was required under erstwhile Companies Act, 1956). It also includes the amount transferred from Statutory Reserves on utilisation / reversal of such Reserves. Further the Company appropriates profit to General Reserve in order to avail full eligible deduction of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	14,691.55	14,115.11
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	29.25	576.44
Balance as at the end of the year	**14,720.80**	**14,691.55**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	-	-
Add: Transferred from Retained Earnings	89.18	-
Less: Transferred to General Reserve		
Balance as at the end of the year	**89.18**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	12,648.64	8,863.49
Add: Profit for the year	14,367.02	11,605.47
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(4.27)	(2.68)
Add: Reclassification of gain/ (loss) on sale / extinguishment of FVOCI equity instrument	164.76	46.13
Add: Transferred from Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	2.97	60.71
Less: Transferred to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	(37.62)	(8.84)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(2,767.28)	(2,363.47)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(715.09)	(590.10)
Less: Transferred to Impairment Reserve	(89.18)	-
Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(2,873.40)	(2,321.09)
Less: Transferred to Interest Differential Reserve - KFW Loan	(2.18)	(0.90)
Less: Dividend paid during the year	(4,818.15)	(2,640.08)
Balance as at the end of the year	**15,876.21**	**12,648.64**

(x) Reserve for Equity Instruments through Other Comprehensive Income:

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognised, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognised in statement of profit & loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	55.54	(54.23)
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	1,387.72	155.90
Less: Reclassification of (gain)/ loss on sale / extinguishment of FVOCI equity instrument (net of taxes)	(164.76)	(46.13)
Balance as at the end of the year	**1,278.50**	**55.54**

(xi) Reserve for Effective portion of Cash Flow Hedges

The intrinsic value of hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognised in this reserve. The amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	492.20	200.34
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(156.09)	291.86
Balance as at the end of the year	**336.11**	**492.20**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

(xii) Cost of Hedging Reserve:

The fair value of the time value of a hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognised in this reserve. The amounts recognised in such reserve are amortised to the Statement of Profit and Loss on a systematic basis.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	(899.50)	(294.75)
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	161.10	(604.75)
Balance as at the end of the year	**(738.40)**	**(899.50)**

24.2 Dividend declared / proposed by the Company for Equity Shares of ₹ 10/- each

(i)	Particulars	FY 2023-24			FY 2022-23		
		% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
	Interim Dividend	110.00%	11.00	3,630.11	87.50%	8.75	2,310.07
	Final Dividend	25.00%	2.50	825.03	45.00%	4.50	1,188.04
	Total Dividend	135.00%	13.50	4,455.14	132.50%	13.25	3,498.11
	Total Dividend as % of profit for the year (Total Dividend / PAT)			**31.01%**			**30.14%**

During the current year ended 31.03.2024, an amount of ₹ 2,697.88 crores (Previous year ₹ 1,478.29 crore) has been paid to Government of India as dividend (being proportionate share in final dividend for FY 22-23 and interim dividend for FY 23-24).

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 15.05.2024 has recommended final dividend @ 25% on the paid up equity share capital i.e. ₹ 2.50 /- per equity share of ₹ 10/- each for the FY 2023-24 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 31.03.2024	Year ended 31.03.2023
(A)	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	43,536.57	37,659.34
	Less: Rebate for Timely Payment to Borrowers	(252.71)	(282.32)
(ii)	Interest on Deposits with Banks	203.48	171.27
(iii)	Interest on Investment	105.60	52.44
(iv)	Other Interest Income	35.01	29.36
	Sub-Total (A)	**43,627.95**	**37,630.09**
(B)	**On Financial Assets Classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	7.31	9.07
(ii)	Other Income	5.88	6.15
	Sub-Total (B)	**13.19**	**15.22**
	Total Interest Income ((A)+(B))	**43,641.14**	**37,645.31**

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26. DIVIDEND INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Dividend on equity investments designated at FVTOCI		
	- held at the end of the year	65.34	90.19
	- derecognised during the year	0.90	0.90
	Sub-Total	**66.24**	**91.09**
(ii)	Dividend on equity investments at cost (Subsidiaries)	2,209.76	1,653.70
(iii)	Dividend on preference Shares	0.01	0.02
	Total Dividend Income (i+ii+iii)	**2,276.01**	**1,744.81**

27. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Prepayment Premium on Loans	1.28	67.03
(ii)	Fee based Income on Loans	58.30	123.02
(iii)	Fee for implementation of GoI Schemes (Refer note 51)	45.73	71.58
	Total Fees and Commission Income	**105.31**	**261.63**

28. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Miscellaneous Income	11.64	13.88
	Total Other Income	**11.64**	**13.88**

29. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings**		
	- Term Loans and Others	6,885.65	5,225.78
(ii)	**Interest on Debt Securities**		
	- Bonds / Debentures	19,317.50	16,371.05
	- Commercial Papers	34.00	-
(iii)	**Interest on Subordinated Liabilities**	757.59	850.84
(iv)	**Other Interest Expense**		
	- Interest on advances received from Subsidiaries	5.81	4.66
	- Interest under Income Tax Act, 1961	3.15	0.88
	- Interest expense on variation margin	9.06	-
	- Other interest expense*	0.25	0.78
(v)	**Swap Premium (Net)**	1,000.77	828.58
	Total Finance Costs	**28,013.78**	**23,282.57**

* Refer note 45.1 for interest on lease liability.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

30. NET TRANSLATION/ TRANSACTION EXCHANGE LOSS/ (GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	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	(279.04)	1,359.59
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	65.95	615.64
	Total Translation/ Transaction Exchange Loss/ (Gain)	**(213.09)**	**1,975.23**

30.1 The foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2024	As at 31.03.2023
USD / INR	83.3739	82.2169
Euro / INR	90.2178	89.6076
JPY / INR	0.5509	0.6180

31. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Agency Fees	2.97	1.45
(ii)	Guarantee, Listing and Trusteeship fees	2.40	2.40
(iii)	Credit Rating Fees	3.21	7.18
(iv)	Other Finance Charges	15.82	1.03
	Total Fees and Commission Expense	**24.40**	**12.06**

32. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	On financial instruments at Fair value through Profit or Loss:		
(i)	On trading Portfolio	-	-
(ii)	Others		
	- Change in Fair Value of Derivatives	234.34	(123.36)
	- Change in Fair Value of Investments	(124.61)	52.80
	Sub-Total (ii)	**109.73**	**(70.56)**
	Total Net Loss / (Gain) on Fair Value changes (i+ii)	**109.73**	**(70.56)**
	Fair value changes:		
(i)	- Realised	(33.86)	97.47
(ii)	- Unrealised	143.59	(168.03)
	Total Net Loss / (Gain) on Fair Value changes	**109.73**	**(70.56)**

Notes to the Standalone Financial Statements

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32.1 Fair value changes in this note are other than those arising on account of accrued interest income / expense.

33. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans*	(172.74)	(319.98)
(ii)	Other Financial Assets	3.89	(6.41)
(iii)	Letter of Comfort	(2.30)	(26.28)
B	**On Financial Assets measured at Cost**		
(i)	Investment	-	(0.20)
C	**On Financial Assets measured through P&L**		
(i)	Write Off - Investments*	-	56.66
	Total Impairment on Financial Instruments	**(171.15)**	**(296.21)**

* Including write off of loans and investment acquired under loan settlement of ₹ 29.25 crore (previous year ₹ 957.91 crore) and corresponding reversal of impairment loss allowance of ₹ 550.50 crore (previous year ₹ 2700.33 crore).

33.1 Refer Note 40.1 for details of impairment on financial assets.

34. EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Salaries and Wages	159.53	151.16
(ii)	Contribution to Provident and other Funds/ Schemes	24.05	18.99
(iii)	Staff Welfare Expenses	46.29	40.24
(iv)	Rent for Residential Accommodation of Employees	12.85	8.62
	Total Employee Benefit Expenses	**242.72**	**219.01**

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. Any unspent CSR amount, other than for any ongoing project, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, if the Company spends an amount in excess of the requirement under statute, the excess amount may be carried forward and set off in three succeeding financial years against the amount to be spent.

As the notification was made effective during FY 2020-21, the Company complied with the amended provisions of Section 135 of the Companies Act, 2013 with effect from the FY 2020-21. Accordingly, the unspent CSR amount up to 31.03.2020 would continue to be dealt with in accordance with the pre-amendment framework.

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35.1 Details of amount required to be spent by the Company on CSR activities during the year:

(₹ in crore)

Sr. No.	Particulars	FY 2023-24			FY 2022-23		
		For FY 2023-24	For period up to 31.03.2020	Total	For FY 2022-23	For period up to 31.03.2020	Total
(i)	Opening unspent / (Excess) amount	106.34	52.43*	158.77	54.87	99.15*	154.02
(ii)	Amount transferred to unspent CSR bank account out of opening unspent amount	106.34	-	106.34	54.87	-	54.87
(iii)	Balance Opening unspent / (Excess) amount (i-ii)	-	52.43	52.43	-	99.15	99.15
(iv)	Amount required to be spent as per Section 135 (5) of Companies Act, 2013	215.39	-	215.39	178.58	-	178.58
(v)	Amount approved by the Board out of (iv) above to be spent during the year	215.39	-	215.39	178.58	-	178.58
(vi)	Surplus arising out of the CSR projects	-	-	-	-	-	-
(vii)	**Sub-Total (v + vi)**	**215.39**	**-**	**215.39**	**178.58**	**-**	**178.58**
(viii)	Amount required to be spent after set off excess spent of earlier years (iii+vii)	215.39	52.43	267.82	178.58	99.15	277.73
(ix)	Amount spent during the year	99.37$	2.11	101.48	72.24$	46.72	118.96
(x)	**Closing Unspent / (Excess) amount (viii – ix)**	**116.02@**	**50.32**	**166.34**	**106.34@**	**52.43**	**158.77**

* Sanctioned to various projects where disbursement is being made as per agreed terms.

$ includes ₹ 10.84 crore (Previous year ₹ 6.52 crore) disbursed where utilisation is pending.

@ Since amount pertains to ongoing projects, it has been transferred to unspent CSR Account on 30.04.2024 (previous year on 28.04.2023).

35.2 Unspent CSR amount of ₹ 116.02 crore (Previous year ₹ 106.34 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.

35.3 Activity wise detail of amount spent during the year on CSR activities:

(₹ in crore)

Sr. No.	Particulars	FY 2023-24			FY 2022-23		
		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$	78.76	-	78.76	2.27	-	2.27
(iib)	Education / Vocational Skill development	0.28	-	0.28	16.81	-	16.81
(iic)	Environmental Sustainability (Solar Applications/ Afforestation/ Energy efficient LED lighting)	1.90	-	1.90	0.50	-	0.50
(iid)	Sports	-	-	-	-	-	-
(iie)	Others#	14.03	-	14.03	92.55	-	92.55
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	6.51	-	6.51	6.83	-	6.83
(iii)	**Total Amount Spent during FY (i +ii)**	**101.48**	**-**	**101.48***	**118.96**	**-**	**118.96***
(iv)	Add: To be transferred to Unspent CSR Account			116.02			106.34
(v)	Add/Less: Excess amount adjusted/(spent)						-
(vi)	**CSR Expenses charged to Standalone Statement of Profit and Loss (iii + iv + v)**			**217.51**			**225.30**

$ Includes a contribution of ₹77.46 crore to Swachh Bharat Kosh (previous year Nil).

Includes a contribution of Nil to PM CARES Fund (previous year ₹ 51.94 crore).

* Includes ₹ 2.11 crore (previous year ₹ 46.72 crore) for the period up to 31.03.2020.

Notes to the Standalone Financial Statements
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35.4 Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:-

For FY 2023-24

(₹ in crore)

Opening Balance		Amount required to be spent during the year	Interest earned on balance in Unspent CSR A/c	Amount spent during the year		Closing Balance		For ongoing projects pertaining to	Details of ongoing projects
With Company	In Separate CSR Unspent A/c			From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c		
-	-	215.39	NA	99.37	NA	116.02*	-	FY 2023-24	Various projects to support research, training, solar power, sanitation, skill development, Health care etc.
-	106.34	NA	4.38	NA	23.49	-	87.23	FY 2022-23	
-	42.59	NA	1.80	NA	9.83	-	34.56	FY 2021-22	

* Transferred on 30.04.2024 to unspent CSR Account with scheduled bank.

For FY 2022-23

(₹ 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 A/c			From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c		
-	-	178.58	NA	72.24	-	106.34*	-	FY 2022-23	Various projects to support research, training, solar power, sanitation, skill development, Health care etc.
-	54.87	NA	1.65	-	13.93	-	42.59	FY 2021-22	

* Transferred on 28.04.2023 to unspent CSR Account with scheduled bank.

36. OTHER EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Rent, Taxes and Energy Cost	**8.59**	5.45
(ii)	Repairs and Maintenance	**6.92**	5.65
(iii)	Communication Costs	**2.19**	2.53
(iv)	Printing and Stationery	**1.30**	1.55
(v)	Advertisement and Publicity	**15.85**	13.79
(vi)	Directors Fees, Allowance and Expenses	**0.42**	0.41
(vii)	Auditor's fees and expenses (Refer note 36.1)	**1.69**	1.29
(viii)	Legal & Professional charges	**25.75**	18.67
(ix)	Insurance	**0.46**	0.35
(x)	Travelling and Conveyance	**22.46**	20.45
(xi)	Net Loss/ (Gain) on sale/ derecognition of PPE	**3.36**	2.88
(xii)	Govt. scheme monitoring expense	**10.05**	7.63
(xiii)	Conference and Meeting Expenses	**7.91**	7.27
(xiv)	Security Expenses	**3.45**	3.63
(xv)	Other Expenditure	**55.71**	37.00
	Total Other Expenses	**166.11**	**128.55**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

36.1 Auditor's fees and expenses are as under:

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	As Auditor	0.65	0.58
(ii)	For Taxation matters	0.16	0.15
(iii)	For Company Law Matters (includes Limited Review Fees)	0.38	0.35
(iv)	For Other services	0.37	0.11
	Sub-Total	**1.56**	**1.19**
(v)	Non-recoverable GST credit in respect of fees paid to auditors	0.13	0.10
	Total Auditor's fees and expenses	**1.69**	**1.29**

37. DISCLOSURES RELATED TO 'INCOME TAXES':

37.1 Income tax expense recognised in Standalone Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Current Tax Expense / (Income)		
Current Year	2,988.34	2,381.18
Earlier Years	(15.54)	(50.94)
(A) Total Current Tax Expense	**2,972.80**	**2,330.24**
Deferred Tax Expense / (Income)		
Origination and reversal of temporary differences	285.87	234.91
(B) Total Deferred Tax Expense / (Income)	**285.87**	**234.91**
Total Income Tax Expense (A+B)	**3,258.67**	**2,565.15**

37.2 Income tax expense recognised in Other Comprehensive Income:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Current Tax Expense / (Income)		
Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	0.03	0.06
(A) Total Current Tax Expense / (Income)	**0.03**	**0.06**
Deferred Tax Expense / (Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(1.49)	(1.00)
Net Gain / (Loss) on Fair Value of Equity Instruments	190.10	(10.16)
(ii) Items that will be reclassified to Profit and Loss		
Effective portion of Gains and Losses on Hedging Instruments in Cash flow Hedge	(52.50)	98.16
Cost of hedging reserve	54.18	(203.39)
(B) Total Deferred Tax Expense / (Income) (i+ii)	**190.29**	**(116.39)**
Total Tax Expense / (Income) recognised in OCI (A+B)	**190.32**	**(116.33)**

Notes to the Standalone Financial Statements
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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 2023-24	FY 2022-23
Profit before Tax	17,625.69	14,170.62
Corporate Tax Rate	25.168%	25.168%
Tax expense using the Corporate tax rate	**4,436.03**	**3,566.46**
Increase/(Decrease) on account of:		
Non-deductible tax expenses	(58.12)	50.56
Deduction u/s 80M of Income Tax Act, 1961	(415.86)	(439.13)
Deduction under 36(1)(viii) of Income Tax Act, 1961	(696.47)	(594.84)
Others	8.63	33.04
Tax expense pertaining to earlier years	(15.54)	(50.94)
Total tax expense in the Standalone Statement of Profit and Loss	**3,258.67**	**2,565.15**

37.4 Movement in Deferred Tax balances:

FY 2023-24

(₹ in crore)

Description	Opening balance as at 01.04.2023	Recognised in Profit and Loss	Recognised in OCI	Closing balance as at 31.03.2024
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	30.52	(3.76)	1.49	28.25
(ii) Unamortised income on loans to borrowers	82.70	56.33	-	139.03
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	3,917.29	(222.30)	-	3,694.99
(iv) Depreciation and amortisation	5.00	1.91		6.91
(v) Fair value of derivatives (Net)	169.64	(71.77)	(1.68)	96.19
(vi) Others	49.59	(31.06)	(190.10)	(171.57)
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(118.26)	16.50	-	(101.76)
(ii) Unamortised expenditure on loan liabilities	(103.14)	(31.72)	-	(134.86)
(iii) Others	(0.03)	-	-	(0.03)
Net Deferred Tax Assets / (liabilities)	**4,033.31**	**(285.87)**	**(190.29)**	**3,557.16**

FY 2022-23

(₹ in crore)

Description	Opening balance as at 01.04.2022	Recognised in Profit and Loss	Recognised in OCI	Closing balance as at 31.03.2023
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	28.94	0.57	1.00	30.52
(ii) Unamortised income on loans to borrowers	62.61	20.09	-	82.70
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	4,227.43	(310.14)	-	3,917.29
(iv) Depreciation and amortisation	2.95	2.05	-	5.00
(v) Fair value of derivatives (Net)	16.56	47.85	105.23	169.64
(vi) Others	26.39	13.04	10.16	49.59
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(129.87)	11.61	-	(118.26)
(ii) Unamortised expenditure on loan liabilities	(83.16)	(19.98)	-	(103.14)
(iii) Others	(0.03)	-	-	(0.03)
Net Deferred Tax Assets / (liabilities)	**4,151.82**	**(234.91)**	**116.39**	**4,033.31**

Notes to the Standalone Financial Statements
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38. DISCLOSURE AS PER IND AS 33 "EARNINGS PER SHARE"

Sr. No.	Particulars	FY 2023-24	FY 2022-23
(A)	Profit for the period used as numerator (basic & diluted) (₹ in crore):		
(i)	from continuing operations	**14,367.02**	11,605.47
(ii)	from discontinued operations	**-**	-
(iii)	from continuing and discontinued operations	**14,367.02**	11,605.47
(B)	Weighted average number of equity shares used as denominator (basic & diluted)*	**330,01,01,760**	330,01,01,760
(C)	Earning per equity share (basic & diluted), face value ₹ 10 each (in ₹):		
(i)	for continuing operations	**43.53**	35.17
(ii)	for discontinued operations	**-**	-
(iii)	for continuing and discontinued operations	**43.53**	35.17

* During the year, the Company has issued 66,00,20,352 equity shares of ₹10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 4 (Four) equity shares outstanding on the record date i.e.21.09.2023. Accordingly, as required by Ind AS 33, Earnings per share of current and previous year have been restated.

39. CAPITAL MANAGEMENT

The Company maintains a capital base that is adequate to support the Company's risk profile, regulatory and business needs. The Company sources funds from domestic and international financial markets, *inter alia* leading to diverse investor base and optimised cost of capital. Refer Note 17, 18 and 19 for details w.r.t. sources of funds and refer Standalone Statement of Changes in Equity for details w.r.t. Equity.

As contained in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company regularly monitors the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company is also guided, *inter alia*, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

39.1 Certain key financial parameters of the Company are as under:

Ratios	Numerator*	Denominator*	As at 31.03.2024	As at 31.03.2023	% variance
Total Capital to risk – weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	**25.41%**	24.37%	4.27%
CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	**23.18%**	21.61%	
CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	**2.23%**	2.76%	
Liquidity Coverage Ratio (LCR) (Refer Note 54.6)	Total High Quality Liquid Assets	Total Net Cash Outflows	**85.00%**	70.00%	NA

* Computed as per applicable RBI guidelines.

** The amount of perpetual debt instruments of the Tier-I Capital is 0.16 % (previous year Nil).

39.2 Details of Tier II capital and perpetual debt instruments raised during the year are as under:

(₹ in crore)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Amount of Subordinated Debt raised as Tier-II capital	**-**	-
Amount raised by issue of Perpetual Debt Instruments	**100.00**	-

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for the year ended March 31, 2024

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.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, the Company is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under extant legal provisions. Though, the Company endeavours to declare dividend as per these guidelines, it may propose to MoP, a lower dividend after analysis of various financial parameters like net-worth, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the Company; other regulatory requirements etc. 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, cash and cash equivalents, other financial assets	Ageing analysis	Detailed appraisal process, credit concentration limits and collateral including government guarantee
40.2	Liquidity Risk	Debt securities, Borrowings (other than debt securities), subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
40.3	Market Risk – Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis	Derivative contracts for hedging currency risk
40.4	Market Risk – Interest Rate Risk	Debt securities, Borrowings (other than debt securities), subordinated liabilities and loans at variable interest rates	Interest rate sensitivity analysis	Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc.
40.5	Market Risk – Price Risk	Investments in quoted equity instruments	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the Company has put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in the Company, the Company has a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The Company also has a Board level Risk Management Committee (BLRMC), whose main function is to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities. The Chief Risk Officer (CRO) is a permanent invitee to all the meetings of Risk Management Committee. The risk management approach i.e. Company's objectives, policies and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

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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 31.03.2024	As at 31.03.2023
Low Credit Risk	-	-
Cash and cash equivalents [(a)]	21.76	22.14
Bank balances other than included in cash and cash equivalents [(a)]	200.05	1,595.96
Loans (Principal Outstanding) [(c)]	4,34,204.39	3,89,559.35
Investments (Excluding equity investments) [(a)]	2,371.46	1011.32
Other financial assets [(b)]	6,052.91	5,388.74
Trade receivables [(b)]	-	0.29
Moderate Credit Risk		
Loans (Principal Outstanding) [(c)]	31,184.29	16,436.73
High Credit Risk		
Loans (Principal Outstanding) [(c)]	16,073.22	16,501.65
Investments (Excluding equity investments) [(a)]	72.95	72.95
Other financial assets [(b)]	21.46	17.57
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 its investments, the Company manages its exposure to credit risk by periodically monitoring such investments, and applying the appropriate valuation techniques to arrive at the carrying value. The Company carries an impairment loss allowance of ₹ 72.95 crore on its investments as at 31.03.2024 (as at 31.03.2023 ₹ 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 ₹ 22.27 crore on its other financial assets and trade receivables as at 31.03.2024 (as at 31.03.2023 ₹ 18.38 crore).

[(c)] The Company is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below.

40.1.1 Credit Risk Management for Lending Operations

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e. project appraisal & project monitoring. The Company selects the borrowers in accordance with the Company's approved credit policy, which *inter alia*, defines factors to be considered for rating of the borrower / project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, *inter alia*, based on internal rating awarded by the Company.

(i) Appraisal of Projects

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(a) Appraisal for Private Sector Projects

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the *prima facie* preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology whereby Integrated

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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 sound and compatible with integrated power development & expansion plans of the State.

The Company classifies state power generation utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, the Company adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, the Company's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of Company's rating structure. The categorisation of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out on the basis of recommendations of the Internal Committee considering the strengths and weaknesses of the project.

Such categories / ratings are used to determine credit exposure limits, 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 single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, 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 or State Government Guarantees

(b) Collateral Securities – Corporate guarantee, Personal guarantee of promoters, Pledge of shares, Charge on assets/ revenues of group/ other companies

(c) Payment Security Mechanism – Escrow Account / Letter of Credit, Trust and Retention Account (TRA)

(d) Other covenants – Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

(iii) Project Monitoring

The Company has comprehensive project/loan monitoring guidelines that captures aspects relating to monitoring, tracking of project construction, implementation, identifies risks where intervention is required to minimise the time/ cost overruns/ consequent slippages in disbursements and including progress of commissioned projects.

For State sector projects, monitoring is carried out based on project progress details obtained regularly from borrowers through progress monitoring reports, 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) and Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The LEs conduct periodic site visits, review relevant documents, discusses with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilisation of funds in the project periodically. In cases the Company is not the lead FI, the tasks related to LEs and LFAs services are coordinated with the concerned lead lender. From FY 2022-23 onwards the Company has started empanelling Project Management Agency (PMA), as a single entity, for private sector projects, thereby facilitating better coordination of project monitoring activities.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project construction / implementation etc. and is reviewed by the Company on a regular basis.

The Company continuously monitors delays and / or default of borrowers and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularisation of the account by recovering all over dues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP) under IBC – 2016, sale of the exposures to other entities / investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, etc. and other actions as specified under regulatory / legal framework.

40.1.2 Credit Risk Measurement – Impairment Assessment for Lending Operations

(i) Staging of loans

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

– A financial asset that is not credit impaired on initial recognition is classified in 'Stage 1'.

– If a significant increase in credit risk (SICR) is identified, the financial asset is moved to 'Stage 2'.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial assets. In accordance with Ind AS 109 'Financial Instruments', the Company has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk.

– If the financial asset is credit-impaired, it is moved to 'Stage 3' category.

In case of Stage 3 financial assets, after implementation of the resolution plan (except for change of ownership and / or resolution through NCLT), the financial asset is upgraded and classified as Stage 2 for two quarters from the date of implementation of resolution plan.

(ii) Default

In accordance with Ind AS 109 'Financial Instruments', the Company considers the rebuttable presumption to define a financial asset as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.

(iii) Measurement of Expected Credit Loss (ECL)

The Company recognises impairment loss allowance for the financial assets in accordance with a Board-approved expected credit loss (ECL) policy. ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Company has appointed an independent agency, CRISIL Ltd., during the financial year for assessment of ECL in accordance with Ind AS 109 'Financial Instruments'. The brief methodology of computation of ECL is as follows:

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(a) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12-month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage 1 accounts, 12 months PD is used.

For Stage 2 (significantly increased credit risk accounts), Lifetime PD is used.

For Stage 3 (credit impaired accounts), 100% PD is taken.

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos/ Transcos/ Others, PFC's internal rating grades have been considered. For Discoms / Power Department borrowers, PFC has adopted the MoP ratings. The ratings as above has been mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various CRAs have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs . If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt / Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS / ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

(b) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, the Company considers the credit worthiness of the states on various parameters while estimating the LGD for state utilities. For estimating the credit worthiness of the state, parameters like State GDP per capita, Fiscal deficit / GDP ratio and Proportion on Revenue Expenditure on Energy Sector, etc. are used as key inputs. The state utilities are bifurcated into Low, Medium and High-risk category based on the state category. In case of Private sector borrowers, LGD has been assessed considering 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 etc. A stress factor was also applied as a haircut to arrive at the realisable value.

For Stage 3 borrowers, LGD has been assessed project wise based on Bid value/resolution plan amount/ OTS amount/ any other value/ discounted cash flows etc. as applicable.

(c) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal and interest accrued (including delayed charges) in respect of the loan. As per Note no. 6.1.(ii) , income on credit impaired assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding, therefore, the same is not used in computation of Exposure at default.

(d) Key assumptions used in measurement of ECL

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance and interest of the loan as on the reporting date.

(e) The calculation of ECL incorporates forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and

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favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as Power demand, GDP growth, monthly weighted average prices of traded power and current account to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

40.1.3 Credit risk analysis for Lending Operations

(i) Exposure to credit risk

For loans recognised in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 10 '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 31.03.2024				As at 31.03.2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	4,34,204.39	441.45*	-	4,34,645.84	3,89,559.28	674.51#	-	3,90,233.79
1-30 days	-	-	-	-	0.07	-	-	0.07
31-60 days	-	30,742.84	-	30,742.84	-	-	-	-
61-90 days	-	-	-	-	-	15,111.71	-	15,111.71
More than 90 days	-	-	16,073.22	16,073.22	-	650.51@	16501.65	17152.16
Total	**4,34,204.39**	**31,184.29**	**16,073.22**	**4,81,461.90**	**3,89,559.35**	**16,436.73**	**16,501.65**	**4,22,497.73**
Impairment loss allowance	**3,732.95**	**175.83**	**11,962.53**	**15,871.31**	**2,893.68**	**1,182.54**	**11,999.38**	**16,075.60**

Pending transfer of ownership, the account has been classified as Stage 2.

* Classified in Stage-II pursuant to resolution plan implemented without change in ownership.

@ Refer Note 40.1.6.

(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 31.03.2024		As at 31.03.2023	
	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)	3,89,525.42	3,059.63	3,49,765.78	2,551.42
Loans to private sector	91,936.48	12,811.68	72,731.95	13,524.18
Total	**481,461.90**	**15,871.31**	**4,22,497.73**	**16,075.60**

* Including impairment loss allowance on Letter of Comfort of ₹ 48.63 crore (as at 31.03.2023 ₹ 50.93 crore).

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Company considers that these loans have a low credit risk in comparison to

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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 31.03.2024		As at 31.03.2023	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes				
Generation	1,71,922.56	11,330.74	1,74,660.92	11,219.39
Renewable	60,208.17	2,473.14	48,197.75	3,120.12
Transmission	35,144.18	270.68	30,841.01	152.35
Distribution	1,95,001.74	1,674.62	1,55,871.68	1,484.10
Others	19,185.25	122.13	12,926.37	99.64
Total	**481,461.90**	**15,871.31**	**4,22,497.73**	**16,075.60**

* Including impairment loss allowance on Letter of Comfort of ₹ 48.63 crore (as at 31.03.2023 ₹ 50.93 crore).

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

(iii) Details regarding Concentration of Loans

(a) Concentration of Loans:

Particulars	As at 31.03.2024	As at 31.03.2023
Total Loans (Principal Outstanding) to twenty largest borrowers (₹ in crore)	2,75,865.69	2,57,648.80
Percentage of Loans to twenty largest borrowers to Total Loans of the Company	57.30%	60.98%

(b) Concentration of Credit impaired accounts (Stage 3 accounts):

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Principal outstanding of top four Stage 3 accounts	10,296.14	10,296.14

(iv) Details of Stage wise Principal outstanding and Impairment loss Allowance

(₹ in crore)

Particulars	As at 31.03.2024			As at 31.03.2023		
	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage (%)	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage (%)
Stage 1	434,204.39	3,732.95	0.86	3,89,559.35	2,893.68	0.74
Stage 2	31,184.29	175.83	0.56	16,436.73	1,182.54	7.19
Stage 3	16,073.22	11,962.53	74.43	16,501.65	11,999.38	72.72
Total	**4,81,461.90**	**15,871.31**	**3.30**	**4,22,497.73**	**16,075.60**	**3.80**

* Including impairment loss allowance on Letter of Comfort of ₹ 48.63 crore (as at 31.03.2023 ₹ 50.93 crore).

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(v) **The following tables explain the changes in the loans and the corresponding impairment loss allowance (including impairment loss allowance on Letter of Comfort and Guarantees) between the beginning and the end of the reporting period:**

(₹ in crore)

FY 2023-24	Stage 1		Stage 2		Stage 3		Total	
Particulars	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance
Opening Balance	3,89,559.35	2,893.68	16,436.73	1,182.54	16,501.65	11,999.38	4,22,497.73	16,075.60
Transfer to Stage 1	16,436.73	1,182.54	(16,436.73)	(1,182.54)	-	-	-	-
Transfer to Stage 2	(32,887.08)	(132.80)	33,300.07	260.62	(412.99)	(127.82)	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net change in Principal / ECL during the year within the same stage	3,436.06	276.48	-	-	(15.44)	90.97	3,420.62	367.45
New financial assets originated	67,267.52	565.76	-	-	-	-	67,267.52	565.76
Financial assets derecognised (includes loans repaid / pre-payment with stage movement)	(9,608.19)	(1,052.71)	(2,145.03)	(84.79)	-	-	(11,753.22)	(1,137.50)
Financial Assets derecognised (Write Off)	-	-	29.25	-	-	-	29.25	-
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-
Closing Balance	**4,34,204.39**	**3,732.95**	**31,184.29**	**175.83**	**16,073.22**	**11,962.53**	**4,81,461.90**	**15,871.31**

(₹ in crore)

FY 2022-23	Stage 1		Stage 2		Stage 3		Total	
Particulars	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance
Opening Balance	3,25,704.99	2,058.82	26,514.34	945.32	20,915.28	14,344.38	3,73,134.61	17,348.52
Transfer to Stage 1	9,221.57	348.13	(9,221.56)	(348.13)	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(24.64)	(2.52)	(13.67)	(3.36)	38.31	5.88	-	-
Net change in Principal/ECL during the year within the same stage	(8,952.62)	368.70	(708.96)	588.78	(55.53)	345.34	(9,717.11)	1,302.82
New financial assets originated	67,807.42	400.68	-	-	-	-	67,807.42	400.68
Financial assets derecognised (includes loans repaid / pre-payment with stage movement)	(4,197.36)	(280.12)	(133.42)	(0.08)	(2,916.51)	(1,512.61)	(7,247.30)	(1,792.81)
Financial Assets derecognised (Write Off)	-	-	-	-	(901.25)	(901.25)	(901.25)	(901.25)
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	(578.64)	(282.36)	(578.64)	(282.36)
Closing Balance	**3,89,559.35**	**2,893.68**	**16,436.73**	**1,182.54**	**16,501.65**	**11,999.38**	**4,22,497.73**	**16,075.60**

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(vi) Movement of Credit Impaired Accounts (Stage 3 accounts)

(₹ in crore)

Sr. No.	Description	As at 31.03.2024	As at 31.03.2023
(i)	Net Credit Impaired accounts to Gross Loans (%)	**0.85**	1.07
(ii)	Net Credit Impaired accounts to Net Loans (%)	**0.88**	1.10
		FY 2023-24	**FY 2022-23**
(iii)	Movement of Gross Credit Impaired accounts		
	(a) Opening balance	**16,501.65**	20,915.28
	(b) Additions during the year	**0.32**	45.78
	(c) Reductions during the year	**(428.75)**	(4,459.42)
	(d) Closing balance	**16,073.22**	16,501.65
(iv)	Movement of Net Credit Impaired accounts		
	(a) Opening balance	**4,502.27**	6,570.90
	(b) Additions during the year	**-**	28.13
	(c) Reductions during the year	**(391.58)**	(2096.76)
	(d) Closing balance	**4110.69**	4,502.27
(v)	Movement of impairment loss allowance on Credit Impaired accounts		
	(a) Opening balance	**11,999.38**	14,344.38
	(b) Provisions made during the year	**106.73**	425.99
	(c) Write-off / write-back of excess provisions	**(143.58)**	(2770.99)
	(d) Closing balance	**11,962.53**	11,999.38

(vii) Percentage of Gross Credit Impaired Assets (Stage 3) to Gross Loans – sector wise

Description	As at 31.03.2024	As at 31.03.2023
Financing to power, logistics and infrastructure sector	**3.34%**	3.91%

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 Disclosure in respect of accounts that are beyond 90 days overdue but not treated as credit impaired

Description	As at 31.03.2024	As at 31.03.2023
Number of Borrowers	-	1
Amount of loan outstanding(₹ in crore)	-	650.51
Amount overdue*(₹ in crore)	-	160.91
Amount of Impairment Loss allowance (₹ in crore)	-	422.68

* Excluding overdue interest of ₹ Nil as at 31.03.2024 (as at 31.03.2023 ₹ 186.06 crore).

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As at 31.03.2023, Pursuant to Ad-interim order from Hon'ble High Court(s) one borrower account had not been classified as Credit impaired. During FY 2023-24, the borrower account was upgraded to Stage 1 on implementation of resolution plan. As at 31.03.2024, there is no borrower account beyond 90 days overdue which has not been treated as credit impaired.

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 31.03.2024

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	434,363.00	3,398.17	430,964.83	2,424.42	973.75
	Stage 2	31,255.87	125.02	31,130.85	122.97	2.05
	Stage 3	-	-	-	-	-
Sub-Total		**465,618.87**	**3,523.19**	**462,095.68**	**2,547.39**	**975.80**
Non-Performing Assets (NPA)						
Substandard	Stage 1	725.91	3.45	722.46	72.05	(68.60)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-Total for Substandard		**725.91**	**3.45**	**722.46**	**72.05**	**(68.60)**
Doubtful – up to 1 year	Stage 1	-	-	-	-	-
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	2,891.63	282.72	2,608.91	1,416.95	(1,134.23)
Doubtful – up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
More than 3 years	Stage 2	441.45	50.80	390.65	220.73	(169.93)
Doubtful – up to 1 year	Stage 3	37.37	37.37	-	18.47	18.90
1 to 3 years	Stage 3	1,312.74	706.86	605.88	463.22	243.64
More than 3 years	Stage 3	11,653.18	8,148.36	3,504.82	8,151.75	(3.39)
Sub-Total for doubtful		**16,336.37**	**9,226.11**	**7,110.26**	**10,271.12**	**(1,045.01)**
Loss	Stage 3	3,069.93	3,069.93	-	3,069.93	-
Sub-Total for NPA		**20,132.21**	**12,299.49**	**7,832.72**	**13,413.10**	**(1,113.61)**
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	48.63	(48.63)	-	48.63
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-Total		**-**	**48.63**	**(48.63)**	**-**	**48.63**
Total	**Stage 1**	**437,980.54**	**3,732.95**	**434,247.59**	**3,913.42**	**(180.47)**
	Stage 2	**31,697.32**	**175.83**	**31,521.49**	**343.70**	**(167.87)**
	Stage 3	**16,073.22**	**11,962.53**	**4,110.69**	**11,703.37**	**259.16**
	Total	**485,751.08**	**15,871.31**	**469,879.77**	**15,960.49**	**(89.18)**

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As at 31.03.2023

(₹ 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	3,89,880.43	2,542.86	3,87,337.57	2,062.73	480.13
	Stage 2	16,956.30	1,182.54	15,773.76	390.50	792.04
	Stage 3	-	-	-	-	-
Sub-Total		**4,06,836.73**	**3,725.40**	**4,03,111.33**	**2,453.23**	**1,272.16**
Non-Performing Assets (NPA)						
Substandard	Stage 1	453.88	1.82	452.06	45.30	(43.48)
	Stage 2	-	-	-	-	-
	Stage 3	37.04	16.38	20.66	3.70	12.68
Sub-Total for Substandard		**490.92**	**18.20**	**472.72**	**49.01**	**(30.80)**
Doubtful – up to 1 year	Stage 1	-	-	-	-	-
1 to 3 years	Stage 1	79.76	0.04	79.72	23.43	(23.39)
More than 3 years	Stage 1	2,981.80	298.03	2,683.77	1,462.20	(1,164.17)
Doubtful – up to 1 year	Stage 3	1,142.64	572.64	570.00	256.41	316.23
1 to 3 years	Stage 3	170.10	133.51	36.59	89.70	43.80
More than 3 years	Stage 3	12,066.17	8,191.15	3,875.02	8,329.22	(138.07)
Sub-Total for doubtful		**16,440.46**	**9,195.37**	**7,245.10**	**10,160.96**	**(965.59)**
Loss	Stage 3	3,085.70	3,085.70	-	3,085.70	-
Sub-Total for NPA		**20,017.09**	**12,299.27**	**7,717.82**	**13,295.66**	**(996.40)**
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	-	50.93	(50.93)	-	50.93
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-Total			**50.93**	**(50.93)**	**-**	**50.93**
Total	**Stage 1**	**3,93,395.86**	**2,893.68**	**3,90,502.18**	**3,593.67**	**(699.98)**
	Stage 2	**16,956.30**	**1,182.54**	**15,773.76**	**390.50**	**792.04**
	Stage 3	**16,501.65**	**11,999.38**	**4,502.27**	**11,764.73**	**234.65**
	Total	**4,26,853.81**	**16,075.60**	**4,10,778.22**	**15,748.90**	**326.70**

40.1.8 In accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, NPA ratios duly considering the loans which would have been otherwise required to be classified as NPA as per RBI norms is as under:

Particulars	As at 31.03.2024	As at 31.03.2023
Gross NPA to Gross Loans	4.17%	4.72%
Net NPA to Net Loans	1.66%	1.87%

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.

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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 31.03.2024				
Domestic borrowings				
Principal	61,852.33	1,50,460.84	1,22,330.34	3,34,643.51
Interest	25,114.13	66,583.42	45,537.36	1,37,234.91
Foreign Currency borrowings				
Principal	12,191.90	37,897.81	22,746.75	72,836.46
Interest	2,883.60	8,806.88	896.07	12,586.55
Total	**1,02,041.96**	**2,63,748.95**	**1,91,510.52**	**5,57,301.43**
As at 31.03.2023				
Domestic borrowings				
Principal	46,280.00	1,35,581.86	1,16,221.48	2,98,083.34
Interest	21,838.37	59,803.45	37,412.88	1,19,054.71
Foreign Currency borrowings				
Principal	9,101.96	19,834.55	35,617.98	64,554.49
Interest	2,361.78	6,508.92	2,026.65	10,897.35
Total	**79,582.11**	**2,21,728.78**	**1,91,278.99**	**4,92,589.89**

* In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

(ii) The following table analyses the maturity pattern of Derivative financial liabilities*:

(₹ in crore)

Particulars	Up to 1 year	1 – 5 years	More than 5 years	Total
As at 31.03.2024				
Forward	-	-	-	-
Option/ swaps	47.82	305.91	-	353.73
Total	**47.82**	**305.91**	**-**	**353.73**
As at 31.03.2023				
Forward	21.06	-	-	21.06
Option / swaps	3.26			3.26
Total	**24.32**	**-**	**-**	**24.32**

* 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.

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(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 31.03.2024				
Loan assets				
Principal	73,417.94	1,57,731.78	2,38,349.65	4,69,499.37
Interest	43,540.93	1,26,940.80	1,16,636.46	2,87,118.19
Total	**1,16,958.87**	**2,84,672.58**	**3,54,986.11**	**7,56,617.56**
As at 31.03.2023				
Loan assets				
Principal	52,942.67	1,41,277.13	2,16,278.54	4,10,498.35
Interest	37,705.85	1,11,246.88	97,226.08	2,46,178.81
Total	**90,648.52**	**2,52,524.01**	**3,13,504.62**	**6,56,677.16**

* 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.

(iv) The Company has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, the Company has the highest domestic Credit Rating of AAA, thereby enabling it to mobilise funds from the domestic market within a short span of time. The Company has access to the following undrawn short-term borrowing facilities:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
CC/ OD/ LoC/ WCDL limits	11,888.52	8,116.17

(v) The Company also maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed by RBI for NBFCs. Refer note 54.6 for disclosure in this regard.

40.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

(i) The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Company's foreign currency denominated borrowings is as follows:

Description	As at 31.03.2024		As at 31.03.2023	
	Crore in respective currency	₹ in crore	Crore in respective currency	₹ in crore
USD Loans	**693.98**	**57,859.94**	**584.12**	**48,024.91**
- Hedged	633.50	52,817.37	403.50	33,174.52
- Unhedged	60.48	5,042.57	180.62	14,850.39
Euro Loans	**38.19**	**3,445.69**	**93.17**	**8,348.44**
- Hedged	-	-	56.61	5,072.98
- Unhedged	38.19	3,445.69	36.56	3,275.46
JPY Loans	**20,930.90**	**11,530.83**	**13,238.08**	**8,181.14**
- Hedged	20,566.55	11,330.11	4,090.53	2,527.96
- Unhedged#	364.35	200.72	9,147.55	5,653.18
Total		**72,836.46**		**64,554.49**
- Hedged		**64,147.48**		**40,775.46**
- Unhedged		**8,688.98**		**23,779.03**

Includes JPY loan liability hedged for one leg (USD/JPY) Nil as at 31.03.2024 (as at 31.03.2023 ₹5,653.18 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(ii) Foreign currency risk monitoring and management

The Company has put in place a Board approved "Policy for Management of Risks on Foreign Currency Borrowings" to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organisation for management of associated risks.

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 31.03.2024		As at 31.03.2023	
	Decrease	Increase	Decrease	Increase
	On account of change in foreign exchange rate			
USD	252.13	(252.13)	742.52	(742.52)
Euro	172.28	(172.28)	163.77	(163.77)
JPY	10.04	(10.04)	282.66	(282.66)
Total	**434.45**	**(434.45)**	**1,188.95**	**(1,188.95)**

(iv) Refer Note 41 for disclosures related to hedge accounting.

40.4 Market Risk – Interest Rate Risk

40.4.1 Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

(i) Interest rate risk is managed with the objective to control market risk exposure while optimising the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which *inter alia* covers aspects like reset periods; repayment periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing, market scenario, ALM gap position etc. The Company also enters into various derivatives transactions like interest rate swaps, cross-currency interest rate swaps to hedge its interest rate risk.

(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 (+/-) ₹ 315.68 crore (as at 31.03.2023 (+/-) ₹ 194.52 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

40.4.2 Disclosures in respect of Interest Rate Benchmark Reform

The Company has variable interest rate borrowings whose interest rate is based on interest rate benchmarks. Also, to hedge the variability of cash flows on these borrowings, the Company has entered into multiple interest rate swaps with key terms (principal amount, payment dates, repricing dates, currency) that match those of the debt on which it pays a fixed rate and receives a variable rate. Pursuant to successful transition to alternative benchmark rate, significant interest rate benchmark used in the Company's borrowings is Overnight Compounded SOFR (Secured Overnight Financing rate).

(i) Exposure directly affected by the interest rate benchmark reform

The total amount of exposure that is directly affected by Interest Rate Benchmark Reform (IBOR) i.e. after June 2023 is USD 654.81 million (as at 31st March, 2023: USD 656.24 million).

Following is the detail of the foreign currency borrowings which has been impacted based on LIBOR transition from 6 month USD LIBOR as made effective after June 2023:-

Benchmark	As at 31.03.2024				As at 31.03.2023			
	Amount in respective currency (million)	Amount (₹in crore)	Of which, have yet to transition to an alternative benchmark rate		Amount in respective currency (million)	Amount (₹ in crore)	Of which, have yet to transition to an alternative benchmark rate	
			Amount in respective currency (million)	Amount (₹ in crore)			Amount in respective currency (million)	Amount (₹ in crore)
Non-derivative financial liabilities								
6 month USD LIBOR	-	-	-	-	656.24	5,395.44	650.00	5,344.10
Overnight Compounded SOFR	**654.81**	**5,459.44**	NA	NA	-	-	-	-
Derivatives								
6 month USD LIBOR	-	-	-	-	650.00	5,344.10	650.00	5,344.10
Overnight Compounded SOFR	**650.00**	**5,419.30**	NA	NA	-	-	-	-

(ii) Managing the process of transition to alternative benchmark rates

The Company has in place a Board approved Policy for undertaking Libor Transition namely "Framework for transition from London Inter Bank Offered Rate (LIBOR) to Alternative Reference Rate (ARR)'. The framework *inter alia* covers aspects such as assessment of exposure linked to LIBOR, identification of risk arising out of LIBOR transition, contracts remediation, operational readiness, governing structure, regulatory compliance & reporting, etc. Further, the Company undertook all the transition activities as per the process/ guidelines detailed in the policy. The process of transition from 6 month USD LIBOR to Alternative Reference Rate (i.e. SOFR) has been duly completed within available timelines.

(iii) Significant assumptions for exposure affected by the interest rate benchmark reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the interest rate benchmark reform. The alternative reference rate / benchmarks for the LIBOR linked loans and their derivatives agreed with the lenders and the derivative bankers are similar. Further, as a result of such reform there has been no change in the relationship of the hedged items, hedged instruments and its corresponding hedge effectiveness.

40.5 Market Risk – Price risk

(i) The Company is exposed to price risks arising from investments in listed equity shares. Refer Note 11 '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 equity investments, outside the group:

(₹ in crore)

Foreign Currency Liabilities	As at 31.03.2024		As at 31.03.2023	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	**9.70**	**(9.70)**	3.47	(3.47)
Impact on OCI	**121.13**	**(121.13)**	56.50	(56.50)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

41. HEDGE ACCOUNTING

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

(i) Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

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 31.03.2024							
1.	Currency Derivatives	Forwards	-	-	-		
		Principal Only Swaps	11,219.24	318.87	128.47	Sep 2024 - Dec 2027	80.66
		Call Spread Option	5,419.30	499.24	-	June 2024 - Dec 2024	73.81
		Seagull Option	59,979.17	3,416.50	220.72	June 2024 - June 2029	USD / INR 79.91 USD / JPY 138.24
	Sub-Total		**76,617.71**	**4,234.61**	**349.19**		
2.	Interest rate Derivatives	Interest Rate Swap	12,506.09	196.75	4.54	April 2024 - March 2029	2.56%
	Sub-Total		**12,506.09**	**196.75**	**4.54**		
3.	**Total (1+2)**		**89,123.80**	**4,431.36**	**353.73**		
As at 31.03.2023							
1.	Currency Derivatives	Forward	507.09	20.40	-	Feb 2024	0.6303
		Principal Only Swaps	4,521.93	460.12	-	Sep 2023- Sep 2024	71.91
		Call Spread Option	13,705.76	679.45	-	Oct 2023- Dec 2024	76.99
		Seagull Option	29,169.51	2,826.19	3.26	Dec 2023- Dec 2027	USD / INR 76.5202 EUR / USD 1.0775 USD / JPY 130.83
	Sub-Total		**47,904.29**	**3,986.16**	**3.26**		
2.	Interest rate Derivatives	Interest Rate Swap	7,399.52	364.11	-	Sep 2023-Jun 2024	1.27%
	Sub-Total		**7,399.52**	**364.11**	**-**	**-**	
3.	**Total (1+2)**		**55,303.81**	**4,350.27**	**3.26**		

[(1)] Forms part of the line item 'Derivative Financial Instruments' in the Standalone Balance Sheet.

Notes to the Standalone Financial Statements
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(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge *

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Currency derivatives		
Up to 1 year	24,615.43	16,901.55
1 – 5 years	51,167.91	31,002.74
More than 5 years	834.37	-
Sub-Total (A)	**76,617.71**	**47,904.29**
Interest rate derivatives		
Up to 1 year	5,419.30	2,055.42
1 – 5 years	7,086.79	5,344.10
More than 5 years	-	-
Sub-Total (B)	**12,506.09**	**7,399.52**
Total (A+B)	**89,123.80**	**55,303.81**

* 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 31.03.2024					
1.	Currency Derivatives	(937.73)	-	1,307.32	Finance Costs
				(160.02)	Net Translation/ Transaction Exchange Loss/ (Gain)
2.	Interest rate Derivatives	103.66	-	(306.54)	Finance Costs
As at 31.03.2023					
1.	Currency Derivatives	504.02	-	945.75	Finance Costs
				1,972.41	Net Translation/ Transaction Exchange Loss/ (Gain)
2.	Interest rate Derivatives	221.69	-	(117.17)	Finance Costs

(v) Reconciliation of Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve

(₹ in crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
	Effective Portion of Cash flow Hedges		
(a)	**Opening balance of Reserves (net of tax)**	**492.20**	**200.34**
(b)	Changes in intrinsic value of options contracts	278.50	2026.95
(c)	Changes in fair value of PoS/Forwards/IRS contracts	(21.59)	452.66
(d)	Amount reclassified from OCI to P&L	(465.50)	(2089.59)
(e)	**Net amount recognised in OCI during the year (b + c + d)**	**(208.59)**	**390.02**
(f)	Deferred Tax on (e) above	52.50	(98.16)
(g)	**Net amount recognised in OCI during the year (Net of Tax) (e + f)**	**(156.09)**	**291.86**
(h)	**Closing balance of Reserves (net of Tax) (a + g)**	**336.11**	**492.20**
	Cost of Hedging Reserve		
(a)	**Opening balance of Reserves (net of tax)**	**(899.50)**	**(294.75)**
(b)	Changes in deferred time value of options/PoS/Forward contracts	(1,092.04)	(1753.90)
(c)	Amortisation of time value	1,307.32	945.76
(d)	**Net amount recognised in OCI during the year (b + c)**	**215.28**	**(808.14)**
(e)	Deferred Tax on (d) above	(54.18)	203.39
(f)	**Net amount recognised in OCI during the year (Net of Tax) (d + e)**	**161.10**	**(604.75)**
(g)	**Closing balance of Reserves (net of Tax) (a + f)**	**(738.40)**	**(899.50)**

Notes to the Standalone Financial Statements
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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 31.03.2024	Fair Value as at 31.03.2023	Fair value hierarchy (Refer Note 5.1)	Valuation technique(s) & Key input(s)
1)	**Quoted Equity investments***				
	– PTC India Limited	223.14	102.06	Level 1	Quoted market price
	– Coal India Limited	606.20	298.35		
	– NHPC Limited	1,055.58	624.40		
	– Suzlon Energy Limited	537.74	105.15		
	– RattanIndia Power Limited	193.98	69.36		
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.
	– Power Exchange India Limited	4.78	3.59		Fair value has been determined using the Ind AS financials of the investee company.
	– Energy Efficiency Services Ltd. (EESL)	181.06	158.08		
	– Jhabua Power Limited	440.04	429.40		
	– Ind Barath Energy Utkal Limited	4.73	1.18		
3)	**Investment in preference shares**				
	– RattanIndia Power Limited-OCCRPS	-	-	Level 3	Owing to default in redemption of RPS of RattanIndia Power Ltd., PFC estimates material amount to be realised from these investments is remote.
4)	**Investment in debentures**				
	– Essar Power Transmission Company Ltd. – Series A3 – OCD	33.34	35.64	Level 3	Fair valued using discounted future cash flow as per terms of agreement.
	– Essar Power Transmission Company Ltd. – Series B3 – OCD	13.43	14.36		
	– Essar Power Transmission Company Ltd. – Series C – OCD	0.00	0.00		Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	– RKM Powergen Pvt. Ltd. – Series 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	-		
	– Dans Energy Private Limited - OCD	0.00	-		
5)	**Derivative Financial Instruments**				
	– Assets	4,462.03	4,803.40	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	**353.73**	24.32		

* Refer note 11.5

(ii) There were no transfers between Level 1 and Level 2 during the year.

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(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 2023-24		FY 2022-23	
	FVTOCI	FVTPL	FVTOCI	FVTPL
	Investment in Unquoted Equity Shares	Investment in Debentures	Investment in Unquoted Equity Shares	Investment in Debentures
Opening Balance	592.25	50.00	241.73	155.72
Investment made during the year	-	-	451.17	-
Settlement	-	(10.54)	-	-
Transfer in Level 3	-	-	-	-
Transfer from Level 3	-	-	-	-
Interest income[1]	-	3.27	-	9.07
Fair Value gain / (loss)	38.36[2]	4.04	(100.65)[2]	(114.79)
Closing Balance	**630.61**	**46.77**	**592.25**	**50.00**
Unrealised gains/(loss) on assets held at the end of the year	38.36	4.04	(100.65)	4.24

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.

(iv) Fair Value of financial assets / liabilities measured at amortised cost:

The fair value of the following financial assets and liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.

(₹ in crore)

Asset / Liability	Fair value hierarchy	As at 31.03.2024		As at 31.03.2023	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	Level 3	4,69,928.41	4,75,901.80	4,10,829.15	4,19,054.16
Investments[(a)]	Level 1/3	2324.68	2,347.16	961.32	967.04
Other Financial Assets	Level 2	6,052.91	6,047.74	5,389.03	5,398.09
Debt Securities[(a)]	Level 1 / 2	2,94,267.80	2,89,991.47	2,59,827.05	2,55,207.19
Borrowings other than debt securities[(b)]	Level 2	1,16,606.04	1,13,858.90	1,01,228.89	96,575.09
Subordinated Liabilities	Level 2	5,519.72	5,738.23	9,311.84	9,625.45

(a) Includes listed instruments with Level 1 fair value hierarchy.

Investment in G-Sec being fair valued using market price as at reporting date.

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

(b) Includes foreign currency loans linked to Floating rate of interest and multilateral agencies loans being valued at par. In accordance with the interest rate benchmark reform, the fair value as at 31st March, 2024 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.

Notes to the Standalone Financial Statements
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43. RELATED PARTY DISCLOSURES

43.1 Related Parties

Subsidiaries:			
1	PFC Consulting Limited (PFCCL)	2	REC Limited (RECL) (formerly Rural Electrification Corporation Limited))
3	REC Power Development & Consultancy Limited (through RECL) (formerly REC Power Distribution Company Ltd.)	4	PFC Projects Limited (formerly Coastal Karnataka Power Ltd.) (w.e.f. 01.07.2022)
5	PFC Infra Finance IFSC Limited (w.e.f.11.02.2024)		
Associates:			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited		
	Through PFCCL		
12	Bijawar-Vidarbha Transmission Limited (Struck off from the records of Registrar of Companies on 13.01.2024)	13	Ananthpuram Kurnool Transmission Limited (Transferred on 27.09.2023)
14	Chhatarpur Transmission Limited	15	Siot Transmission Limited
16	Fatehgarh III Beawar Transmission Limited (Transferred on 01.08.2023)	17	Beawar Dausa Transmission Limited (Transferred on 30.10.2023)
18	Fatehgarh III Transmission Limited (Transferred on 02.08.2023)	19	Bhadla III Transmission Limited (Transferred on 27.09.2023)
20	Fatehgarh IV Transmission Limited (Transferred on 02.08.2023)	21	Tirwa Transmission Limited (Incorporated on 14.06.2023 and Transferred on 07.03.2024)
22	Bikaner III Neemrana Transmission Limited (Incorporated on 08.06.2023 and Transferred on 27.12.2023)	23	Neemrana II Kotputli Transmission Limited (Incorporated on 19.06.2023 and Transferred on 27.12.2023)
24	Bikaner III Neemrana II Transmission Limited (Incorporated on 13.06.2023 and Transferred on 27.12.2023)	25	Neemrana II Bareilly Transmission Limited (Incorporated on 08.06.2023 and Transferred on 27.12.2023)
26	Joda Barbil Transmission Limited (Incorporated on 13.06.2023)	27	Jewar Transmission Limited (Incorporated on 06.07.2023 and Transferred on 07.03.2024)
28	Koppal II Gadag II Transmission Limited (Incorporated on 21.07.2023 and Transferred on 26.12.2023)	29	Gola B – Ramgarh B Transmission Limited (Incorporated on 15.12.2023)
30	Halvad Transmission Limited (Incorporated on 31.10.2023 and Transferred on 26.12.2023)	31	Khavda PS1 and 3 Transmission Limited (Incorporated on 22.12.2023)
32	Paradeep Transmission Limited (Incorporated on 30.11.2023)	33	Ramakanali B – Panagarh Transmission Limited (Incorporated on 21.11.2023)
34	Solapur Transmission Limited (Incorporated on 14.12.2023 and Transferred on 20.03.2024)	35	Vataman Transmission Limited (Incorporated on 15.11.2023 and Transferred on 26.12.2023)
36	Angul Sundargarh Transmission Limited (Incorporated on 01.03.2024)	37	Barmer I Transmission Limited (Incorporated on 18.01.2024)
38	Beawar – Mandsaur Transmission Limited (Incorporated on 19.01.2024)	39	Bhadla-III & Bikaner-III Transmission Limited (Incorporated on 06.02.2024)
40	Bhuj II Transmission Limited (Incorporated on 01.03.2024)	41	Jamnagar Transmission Limited (Incorporated on 06.02.2024)
42	KPS III HVDC Transmission Limited (Incorporated on 18.01.2024)	43	Pune – III Transmission Limited (Incorporated on 16.01.2024)
44	Sirohi Transmission Limited (Incorporated on 19.01.2024)	45	South Olpad Transmission Limited (Incorporated on 19.01.2024)
	Through RECL		
46	Chandil Transmission Limited	47	Dumka Transmission Limited
48	Mandar Transmission Limited	49	Koderma Transmission Limited
50	Luhri Power Transmission Limited	51	NERES XVI Power Transmission Limited
52	Khavda II-D Transmission Limited (under the process of striking off the name of Company from the records of Registrar of Companies)	53	KPS1 Transmission Limited (transferred on 20.04.2023)
54	Beawar Transmission Limited (transferred on 20.09.2023)	55	Ramgarh II Transmission Limited (transferred on 26.10.2023)

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Subsidiaries:			
56	Bidar Transmission Limited (transferred on 09.02.2024)	57	Sikar Khetri Transmission Limited (transferred on 09.02.2024)
58	Meerut Shamli Power Transmission Limited	59	Dhule Power Transmission Limited (incorporated on 08.06.2023 and transferred on 09.02.2024)
60	Ishanagar Power Transmission Limited (incorporated on 09.06.2023 and transferred on 09.02.2024)	61	Karera Power Transmission Limited (incorporated on 14.06.2023 and transferred on 09.02.2024)
62	Pachora Power Transmission Limited (incorporated on 20.07.2023 and transferred on 14.02.2024)	63	Jalpura Khurja Power Transmission Limited (incorporated on 28.04.2023)
64	Kallam Transco Limited (incorporated on 15.09.2023)	65	Rajasthan Part I Power Transmission Limited (incorporated on 30.04.2023)
66	Shongtong Power Transmission Limited (incorporated on 14.06.2023)	67	Khavda IV C Power Transmission Limited (incorporated on 27.09.2023)
68	Khavda IV-E2 Power Transmission Limited (incorporated on 05.10.2023)	69	Khavda IVA Power Transmission Limited (incorporated on 09.10.2023)
70	Khavda V-A Power Transmission Limited (incorporated on 10.10.2023)	71	Rajasthan IV A Power Transmission Limited (incorporated on 10.10.2023)
72	Rajasthan IV C Power Transmission Limited (incorporated on 11.10.2023)	73	Rajasthan IV H1 Power Transmission Limited (incorporated on 13.10.2023)
74	Rajasthan IV E Power Transmission Limited (incorporated on 14.10.2023)	75	Tumkur-II REZ Power Transmission Limited (incorporated on 13.12.2023)
76	NERGS-I Power Transmission Limited (incorporated on 13.12.2023)	77	Kankani Power Transmission Limited (incorporated on 18.12.2023)
78	ERES-XXXIX Power Transmission Limited (incorporated on 27.03.2024)		
Key Managerial Personnel (KMP) of the Company & their relatives :		**Designation**	
1	Smt Parminder Chopra	Chairman and Managing Director (w.e.f.14.08.2023) and additional charge Director (Finance)	
2	Shri Ravinder Singh Dhillon (up to 31.05.2023)	Chairman and Managing Director	
3	Shri Rajiv Ranjan Jha	Director (Projects)	
4	Shri Manoj Sharma	Director (Commercial)	
5	Shri Ajay Tewari	Government Nominee Director	
8	Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director	
9	Shri Prasanna Tantri	Part Time Non-Official Independent Director	
10	Smt Usha Sanjeev Nair	Part Time Non-Official Independent Director	
11	Shri Manohar Balwani (up to 30.04.2023)	CGM & Company Secretary	
12	Shri Manish Kumar Agrawal (w.e.f. 01.05.2023)	GM & Company Secretary	
Trusts / Funds under control of the Company			
1	PFC Employees Provident Fund	2	PFC 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		

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

43.2 Transactions with the Related Parties are as follows:

(₹ in crore)

Particulars	During FY 2023-24	During FY 2022-23
Subsidiaries:		
REC Ltd.		
Dividend Income	2,127.50	1,642.40
Directors' sitting fee received	0.05	-
Sharing of Expense	3.03	0.46
PFC Consulting Ltd.		
Interest income on Loan	0.90	1.27
Repayment of Loan	0.34	-
Repayment of Advances by subsidiary (including interest)	0.71	2.91
Purchase of PPE	0.05	0.06
Sale of PPE	-	0.14
Dividend Income	82.26	11.30
Allocation of employee benefits	16.01	5.72
Professional charges paid	12.34	-
PFC Projects Ltd.		
Amount Recoverable from subsidiary	0.02	0.35
PFC Infra Finance IFSC Ltd.		
Recoverable Advances (including interest)	2.56	-
Subscription of equity shares of subsidiary	100.00	-
Associates		
Repayment of advance taken from Associate	0.32	2.27
Interest income on advances to associates	21.37	17.97
Interest expenses on advances from associates	5.81	4.66
Trusts / Funds under control of the Company		
Contributions made during the year	19.08	17.39
Finance cost on bonds paid	0.10	0.10
Trusts / Funds under control of the REC		
Finance cost on bonds paid	1.90	1.78
Key Managerial Personnel		
(i) Short-term employee benefits	3.99	3.68
(ii) Post-employment benefits	0.47	0.50
(iii) Other long-term benefits	0.80	0.14
Sub-Total (i+ii+iii)	**5.26**	**4.32**
Repayment / Recovery of loans and advances	0.34	0.51
Redemption of bonds	0.07	-
Directors' Sitting Fees paid		
- Executive Directors	-	-
- Non-Executive Directors	0.45	0.42
Finance cost on bonds paid	0.01	0.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

43.3 Outstanding balances with Related Parties are as follows:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Amount recoverable towards loans & advances (including interest) and others from:		
Subsidiaries		
REC Ltd.	623.70	-
PFC Consulting Ltd.	10.67	12.72
PFC Projects Ltd.	0.37	0.35
PFC Infra Finance IFSC Ltd.	2.56	-
Associates	216.36	197.43
Key managerial personnel	1.26	0.31
Amount payable towards loans & advances (including interest) and others to :		
Associates	179.56	177.10
Subsidiaries		
REC Ltd.	0.20	0.46
PFC Consulting Ltd.	4.84	0.06
PFC Infra Finance IFSC Ltd.	100.00	-
Debt Securities of the Company held by:		
Key managerial personnel	0.00	0.13
Trusts/ Funds under control of the Company	1.10	1.10
Trusts/ Funds under control of the REC	21.40	21.40
Provisions made w.r.t Trusts / Funds under control of the Company	10.62	15.27
Investments made in:		
Subsidiaries	14,600.70	14,500.70
Associates	0.55	0.55

43.4 Maximum amount of loans / investments outstanding are as follows:

(₹ in crore)

Particulars	Loans		Investments	
	During FY 2023-24	During FY 2022-23	During FY 2023-24	During FY 2022-23
REC	-	-	14,500.50	14,500.50
PFCCL	9.18	9.52	0.15	0.15
PFC Projects Limited	-	-	0.05	0.05
PFC Infra Finance IFSC Limited	-	-	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

Neyveli UP Power Ltd.	Damodar Valley Corporation
Raichur Power Corporation Ltd.	Mumbai Metro Rail Corporation Limited
Power Foundation of India	Bihar Grid Company Ltd.
SJVN Thermal Pvt. Ltd.	Coal India Ltd.
PTC India Limited	NHPC Ltd.
National High Power Test Laboratory Pvt. Ltd.	Tehri Hydro Development Corporation
Neyveli lignite Corporation Limited	NLC Tamilnadu Private Limited
Meja Urja Nigam Private Limited	HPCL Rajasthan Refinery Limited

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

Significant transactions with entities under the control of same government:

(₹ in crore)

Nature of Transaction	During FY 2023-24	During FY 2022-23
Dividend Income	**66.24**	69.85
Disbursement of loans	**7,313.86**	5,362.77
Interest Income received	**2,856.69**	2,435.11
Repayment of principal received	**2,973.17**	2,213.85
Membership Fees	**5.00**	5.40

Refer Note 12B, 18.7,18.10, 20B.1, 24.2 and 51 in respect of material transactions with the Central Govt.

Above transactions with the Government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, lease rental and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All the transactions have been carried out on market terms.

43.6 Major terms and conditions of transactions with related parties

(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) Loans and 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 ₹ 9.18 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 Account (Pension Account) of the employees.

(b) 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. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

An amount of ₹ 22.60 crore (previous year ₹ 17.10 crore) for the year is recognised as expense in the Standalone Statement of Profit and Loss on account of the Company's contribution to the defined contribution plans.

44.2 Defined benefit plans:

(a) Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

(₹ in crore)

Particulars		As at 31.03.2024	As at 31.03.2023
(a)	Present value of Defined benefit obligation	31.18	29.54
(b)	Fair Value of Plan Assets	29.96	28.42
(c)	Net Defined Benefit (Asset) / Liability (a-b)	1.22	1.12

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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
I. Opening Balance	29.54	27.53	28.42	27.50	1.12	0.03
Included in profit and loss					-	
Current service Cost	1.37	1.48	-	-	1.37	1.48
Past service cost		-		-	-	-
Interest cost / income	2.13	2.04	2.08	2.05	0.05	(0.01)
II. Total amount recognised in profit and loss	**3.50**	**3.52**	**2.08**	**2.05**	**1.42**	**1.47**
Included in OCI						
Re-measurement loss / (gain):	-	-	-		-	-
Actuarial loss (gain) arising from changes in financial assumptions	0.32	0.30	-	-	0.32	0.30
Actuarial loss (gain) arising from experience adjustment	0.01	(0.21)	-	-	0.01	(0.21)
Actuarial loss (gain) arising from changes in demographic assumptions	-	--	-	-	-	-
Return on plan assets excluding interest income	-	-	0.53	0.44	(0.53)	(0.44)
III. Total amount recognised in OCI	**0.33**	**0.09**	**0.53**	**0.44**	**(0.20)**	**(0.35)**
IV. Contribution by participants	-	-	-	-	-	-
V. Contribution by employer	-	-	1.12	0.03	(1.12)	(0.03)
VI. Benefits paid	(2.19)	(1.60)	(2.19)	(1.60)	-	-
VII. Closing Balance (I+II+III+IV+V+VI)	**31.18**	**29.54**	**29.96**	**28.42**	**1.22**	**1.12**

(b) Post-Retirement Medical Scheme (PRMS)

The Company has a Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated employees, dependent family members of superannuated and deceased employees. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees. However, any short fall has to be compensated by the Company. The Company estimates 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 31.03.2024	As at 31.03.2023
(a)	Present value of Defined benefit obligation	74.46	64.31
(b)	Fair Value of Plan Assets	66.59	58.80
(c)	Net Defined Benefit (Asset)/ Liability (a-b)	7.87	5.51

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
I. Opening Balance	64.31	56.39	58.80	50.12	5.51	6.27
Included in profit and loss						
Current service Cost	3.10	3.10	-	-	3.10	3.10
Past service cost	-	-	-	-	-	-
Interest cost / income	4.74	4.24	4.31	3.75	0.43	0.50
II. Total amount recognised in profit and loss	**7.84**	**7.34**	**4.31**	**3.75**	**3.53**	**3.60**
Included in OCI						
Re-measurement loss / (gain)	-	-	-	-	-	-
Actuarial loss (gain) arising from changes in financial assumptions	2.98	1.29	-	-	2.98	1.29
Actuarial loss (gain) arising from Experience adjustment	3.01	1.64	-	-	3.01	1.64
Actuarial loss (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	0.13	0.10	(0.13)	(0.10)
III. Total amount recognised in OCI	**5.99**	**2.93**	**0.13**	**0.10**	**5.86**	**2.83**
IV. Contribution by participants	0.04	0.33	0.04	0.04	-	0.29
V. Contribution by employer	-	-	6.43	7.53	(6.43)	(7.53)
VI. Benefits paid	(3.73)	(2.68)	(3.13)	(2.74)	(0.60)	0.06
VII. Closing Balance (I+II+III+IV+V+VI)	**74.45**	**64.31**	**66.58**	**58.80**	**7.87**	**5.51**

(c) 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 31.03.2024	As at 31.03.2023
Present value of Defined benefit obligation	7.86	7.82

Movement in defined benefit obligation

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2024	31.03.2023
I. Opening Balance	7.82	6.76
Included in profit and loss		
Current service Cost	0.52	0.42
Past service cost	-	-
Interest cost / income	0.56	0.49
II. Total amount recognised in profit and loss	**1.08**	**0.91**
Included in OCI		
Actuarial loss (gain) arising from changes in financial assumptions	0.84	0.20
Actuarial loss (gain) arising from Experience adjustment	(0.77)	0.96
Actuarial loss (gain) arising from changes in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
III. Total amount recognised in OCI	**0.07**	**1.16**
IV. Contribution by participants	-	-
V. Contribution by employers	-	-
VI. Benefits paid	(1.11)	(1.01)
VII. Closing Balance (I+II+III+IV+V+VI)	**7.86**	**7.82**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(d) 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 matching i.e. the cash flow for plan assets does not match with cash flow for plan liabilities.

ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

iii) Mortality rate risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

v) Turnover rate / Withdrawal rate of employee

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

(e) Plan Assets

The value of plan assets for each category is as follows:

(₹ in crore)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Gratuity	PRMS	Gratuity	PRMS
Cash & Cash Equivalents	0.10	1.07	0.21	0.96
State / Central Government Debt Securities	16.81	40.80	15.43	35.60
Corporate Bonds/ Debentures	12.08	24.72	11.34	22.24
Others	0.97	-	1.44	-
Total	**29.96**	**66.59**	**28.42**	**58.80**

As at 31.03.2024 – Nil (as at 31.03.2023 – Nil) 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 ₹ 7.65 crore (previous year ₹ 6.32 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(f) 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 31.03.2024 by TransValue Consultants. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method. The principal assumptions used for actuarial valuation are:

Particulars	Gratuity		PRMS		ERS	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Discount Rate & expected return on plan assets, if funded	**7.09%**	7.33%	**7.09%**	7.33%	**7.09%**	7. 33%
Salary Escalation Rate/Medical inflation rate	**5.00%**	6.00%	**6.00%**	6.00%	**5.00%**	6.00%
Mortality Rate	**As per IALM (2012-14) Ultimate**	As per IALM (2012-14) Ultimate	**As per IALM (2012-14) Ultimate**	As per IALM (2012-14) Ultimate	**As per IALM (2012-14) Ultimate**	As per IALM (2012-14) Ultimate
Withdrawal rate	**0.01%**	0.01%	**0.01%**	0.01%	**0.01%**	0.01%

(g) 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 31.03.2024		As at 31.03.2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	**(1.28)**	**1.38**	(1.21)	1.30
- PRMS	**(6.01)**	**6.85**	(4.62)	5.33
- ERS	**(0.36)**	**0.39**	(0.28)	0.31
Salary Escalation / Medical inflation Rate (0.50% movement)				
- Gratuity	**0.14**	**(0.17)**	0.19	(0.14)
- PRMS	**4.57**	**(4.35)**	2.72	(2.51)
- ERS	**0.28**	**(0.26)**	0.29	(0.25)
Medical Cost (10% movement)				
- PRMS	**7.43**	**(7.10)**	5.79	(5.09)

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.

(h) Expected maturity analysis of the defined benefit plans in future years

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Up to 1 year	**2.27**	1.85	**2.48**	2.26	**1.13**	0.99
1 to 5 years	**12.06**	10.77	**17.93**	15.25	**3.30**	3.17
Over 5 years	**53.72**	52.82	**100.61**	72.45	**9.05**	8.72
Total	**68.05**	**65.44**	**121.02**	**89.96**	**13.48**	**12.88**

The table above is drawn on the basis of expected cash flows.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

(i) Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Gratuity		PRMS	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Expected contribution	**2.67**	2.49	**11.52**	8.61

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.13 years (as at 31.03.2023: 13.14 years).

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 ₹ 6.84 crore) for the year has been made at the year end and debited to the Standalone Statement of Profit and Loss.

(b) Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 1.51 crore for the year (previous year ₹ 4.57 crore) has been made on the basis of actuarial valuation and debited to 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 31.03.2024	As at 31.03.2023
Opening balance	**8.81**	8.81
Additions during the year	**-**	-
Finance cost accrued during the period	**0.77**	0.77
Payment of lease liabilities	**(0.77)**	(0.77)
Closing balance	**8.81**	8.81

45.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Up to 1 year	**0.77**	0.77
1-5 years	**3.09**	3.09
More than 5 years	**53.97**	54.74

45.3 During the year 2023-24, the expenses relating to short-term/low value leases amounting to ₹ 17.12 crore (Previous year ₹ 9.81 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 ₹ 15.41 crore (previous year ₹ 10.11 crore).

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

46. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)

Sr. No.	Description	As at 31.03.2024	As at 31.03.2023
Contingent Liabilities			
(i)	Bank Guarantee[a]	0.94	0.94
(ii)	Claims against the Company not acknowledged as debts	-	-
(iii)	Additional demands raised by the Income Tax Department of earlier years which are being contested	91.78	91.78
(iv)	Service Tax /GST demand or show cause notices raised by Service Tax Department / GST department in respect of earlier years which are being contested.	28.19	25.98
	Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	53.95	50.90
(v)[b]	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,638.09	2,427.96
(vi)	Penalty imposed by NSE & BSE	1.59	1.31
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for		
	Towards purchase of building	907.90	128.50
	Towards Implementation of SAP	11.02	11.02
(ii)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	50.32	52.43
Total		**2,783.78**	**2,790.82**

[a] Bank guarantee submitted to DMRC against co-branding license of Barakhamba Metro Station.

[b] Necessary impairment loss allowance has been made. Refer note 21.1.

47. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2024 (Nil as at 31.03.2023). 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 available with the Company.

48. In the context of reporting business / geographical segment as required by Ind AS 108 – 'Operating Segments', the Company's operations comprise of only one business segment – lending to power, logistics and infrastructure sector. All activities revolve around the main business. Hence, there are no reportable segments as per Ind AS 108.

49. MODIFICATIONS IN THE MATERIAL ACCOUNTING POLICY INFORMATION:

No modifications have been carried out in the standalone material accounting policy information during the year and hence the Company continued to follow the same Accounting Policies as was followed during the financial year ended 31.03.2023, except the policy that the functional currency of the Company is Indian Rupees has been included in Note No. 5.1 and deleted from Note 5.15 and the term 'significant accounting policies", wherever appearing has been substituted by " material accounting policy information" as per amendment in Ind AS 1. There is no financial impact of such modifications.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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 31.03.2024			As at 31.03.2023		
		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	21.76	-	21.76	22.14	-	22.14
(b)	Bank Balance other than included in Cash & Cash Equivalents	200.05	-	200.05	1,595.96	-	1,595.96
(c)	Derivative Financial Instruments	1,145.51	3,316.52	4,462.03	605.51	4,197.89	4,803.40
(d)	Trade receivables	-	-	-	0.29	-	0.29
(e)	Loans	86,218.68	3,83,709.73	4,69,928.41	68,452.06	3,42,377.09	4,10,829.15
(f)	Investments	2,664.07	17,555.88	20,219.95	1,219.11	16,085.03	17,304.14
(g)	Other Financial Assets	930.46	5,122.45	6,052.91	84.64	5,304.10	5,388.74
	Total financial assets (1)	**91,180.53**	**4,09,704.58**	**5,00,885.11**	**71,979.71**	**3,67,964.11**	**4,39,943.82**
2	**Non-Financial Assets**						
(a)	Current Tax Assets (Net)	-	243.81	243.81	-	210.28	210.28
(b)	Deferred Tax Assets (Net)	-	3,557.16	3,557.16	-	4,033.31	4,033.31
(c)	Property, Plant and Equipment	-	42.08	42.08	-	44.00	44.00
(d)	Intangible assets under development	-	11.20	11.20	-	11.20	11.20
(e)	Intangible Assets	-	0.02	0.02	-	0.04	0.04
(f)	Right-of-use asset	-	33.95	33.95	-	34.40	34.40
(g)	Other Non-Financial Assets	134.60	675.08	809.68	129.87	426.14	556.01
	Total non-financial assets (2)	**134.60**	**4,563.30**	**4,697.90**	**129.87**	**4,759.37**	**4,889.24**
	Total Asset (1+2)	**91,315.53**	**4,14,267.88**	**5,05,583.01**	**72,109.58**	**3,72,723.48**	**4,44,833.06**
	LIABILITIES						
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	47.82	305.91	353.73	24.32	-	24.32
(b)	Trade Payables						
(i)	Total outstanding dues of Micro,Small and Medium Enterprises	0.20	-	0.20	0.02	-	0.02
(ii)	Total outstanding dues of creditors other than Micro,Small and Medium Enterprises	11.94	2.78	14.72	10.84	2.56	13.39
(c)	Debt Securities	29,401.54	2,64,866.25	2,94,267.80	23,522.04	2,36,305.01	2,59,827.05
(d)	Borrowings (other than Debt Securities)	18,819.88	97,786.16	1,16,606.04	32,211.00	69,017.89	1,01,228.89
(e)	Subordinated Liabilities	2,004.37	3,515.35	5,519.72	3,902.30	5,409.54	9,311.84
(f)	Other Financial Liabilities	3,624.28	5,009.01	8,633.29	418.82	5,102.52	5,521.34
	Total financial liabilities (1)	**53,910.03**	**3,71,485.47**	**4,25,395.50**	**60,089.34**	**3,15,837.52**	**3,75,926.86**
2	**Non-Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	-	15.31	15.31	-	105.02	105.02
(b)	Provisions	363.46	48.63	412.09	272.72	50.93	323.65
(c)	Other Non-Financial Liabilities	314.28	242.34	556.62	251.12	24.19	275.31
	Total non-financial liabilities (2)	**677.74**	**306.28**	**984.02**	**523.84**	**180.14**	**703.98**
	Total liabilities (1+2)	**54,587.77**	**3,71,791.75**	**4,26,379.52**	**60,613.17**	**3,16,017.66**	**3,76,630.83**

51. GOVERNMENT OF INDIA (GOI) SCHEMES BEING IMPLEMENTED BY THE COMPANY

The Company is a designated Nodal Agency for operationalisation and implementation of RDSS Scheme. The role of Nodal Agency *inter alia* includes transfer onward the GoI funds received from MoP to project implementing agencies i.e. State Power Distribution Utilities / Power Departments as per the Scheme guidelines issued by MoP. The release of the funds under GoI Scheme is being done through Treasury Single Account (TSA) maintained with RBI, as per the office memorandum issued by MoF, GoI dated March 9, 2022.This ensures that funds of these schemes are released to project implementing agencies 'Just in time' from the Consolidated Fund of India (CFI).

Notes to the Standalone Financial Statements
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51.1 Revamped Distribution Sector Scheme (RDSS)

This Scheme was launched by GoI in July, 2021 to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs. It is a Reform based and result linked Distribution sector scheme. PFC along with REC is the nodal agency for operationalisation of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26) with the sunset date of 31.03.2026. 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% by 2024-25.

iii) Reduce ACS-ARR gap to zero by 2024-25.

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 grant received and administered to the eligible entities (net of lapses / surrendered by power utilities) during FY 2023-24 is ₹ 2,834.87 crore (previous year ₹ 212.06 crore) and the cumulative grant administered (net of lapses / surrendered by power utilities) till 31.03.2024 is ₹ 3,308.23 crore (till 31.03.2023 is ₹ 473.37 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 2023-24 stands at ₹ 45.73 crore. (Previous year ₹ 71.58 crore)

Further, no amount of grant remained undisbursed as on 31.03.2024 and 31.03.2023.

52. (a) Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir

After the bifurcation of the State of Jammu & Kashmir into two Union territories – Jammu & Kashmir UT and Ladakh UT , the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

(b) Status of documentation subsequent to reorganisation of the State of Andhra Pradesh

Subsequent to the reorganisation of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification except for assets and liabilities of TSSPDCL which have been transferred to APSPDCL for R-APDRP loans only amounting to ₹ 8.95 crore.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans (except for above R-APDRP loans) with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the utilities and the respective portions are being paid by utilities in Telangana and Andhra Pradesh.

53. DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AS AMENDED FROM TIME TO TIME

Being a Government owned NBFC the Company is subject to guidelines as prescribed under RBI Master Directions (NBFC-Scale based Regulation) as applicable for the NBFC-ML (Middle Layer).

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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 31.03.2024	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	-	3,544.24	1,861.48	-	-
8 to 14 days	-	3,563.42	-	-	-
15 days to 30/31 Days	-	4,906.12	1,148.91	-	10.97
Over 1 Month up to 2 Months	2,616.64	5,429.27	628.97	-	-
Over 2 Months up to 3 Months	4.96	5,860.18	6,004.33	-	4,527.18
Over 3 Months & up to 6 Months	14.26	19,960.60	20,088.05	-	2,503.41
Over 6 Months & up to 1 Year	28.22	30,154.11	32,120.59	-	5,150.35
Over 1 Year & up to 3 Years	108.57	80,868.22	82,344.83	-	10,426.07
Over 3 Years & up to 5 Years	106.06	76,863.56	68,116.02	-	27,471.74
Over 5 Years	17,341.24	2,38,349.65	1,22,330.34	-	22,746.74
Total	**20,219.95**	**4,69,499.37**	**3,34,643.52**	**-**	**72,836.46**

(₹ in crore)

Bucket as at 31.03.2023	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	-	588.78	-	-	-
8 to 14 days	-	2,500.44	2,955.28	-	-
15 days to 30/31 Days	1,471.96	3,324.89	6,472.54	-	5.89
Over 1 Month up to 2 Months	1,199.36	2,248.07	2,652.04	-	-
Over 2 Months up to 3 Months	5.09	2,982.71	10,963.41	-	6.57
Over 3 Months & up to 6 Months	5.00	15,115.04	9,325.88	-	2,055.42
Over 6 Months & up to 1 Year	9.71	26,182.74	13,910.84	--	7,034.08
Over 1 Year & up to 3 Years	100.24	72,751.80	70,458.74	-	11,261.13
Over 3 Years & up to 5 Years	105.43	68,525.33	65,123.12	-	8,573.42
Over 5 Years	15,879.32	2,16,278.55	1,16,221.48	-	35,617.98
Total	**18,776.11**	**4,10,498.35**	**2,98,083.33**	**-**	**64,554.49**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

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 31.03.2024	Amount as at 31.03.2023
(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);	17,895.27	16,342.82
(ii)	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,892.47	2,898.97
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
(ix)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(x)	Financing to stockbrokers for margin trading;	-	-
(xi)	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market		**20,787.74**	**19,241.79**

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 2023-24, the Company has not exceeded applicable prudential exposure limits against single/group borrower.

53.3 Concentration of Exposures :

Particulars	As at 31.03.2024	As at 31.03.2023
Total Exposure at Default (EAD)* to twenty largest borrowers / customers (₹ in crore)	2,78,998.89	2,60,886.64
Percentage of Exposures at Default to twenty largest borrowers / customers to Total Exposure at Default of the Company on borrowers / customers	57.41%	61.10%

* Exposure at Default is Principal outstanding & Accrued Interest thereon.

Notes to the Standalone Financial Statements
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53.4 Large Industrial Sectoral Exposure –

(₹ in crore)

As at 31.03.2024					
Infrastructure Sector	**Principal outstanding (including LoC) (A)**	**Interest Accrued (B)**	**Total Exposure at Default (EAD) including off balance sheet exposure viz. LOC (C) = (A+B)**	**Gross Credit Impaired accounts (Stage 3) (D)**	**Percentage of Gross Credit Impaired accounts (Stage 3) to EAD E = (D/C)**
Power	4,63,820.24	4,423.64	4,68,243.88	16,073.22	3.43%
Other Infrastructure Projects	19,279.75	59.84	19,339.59	-	-
Total	**4,83,099.99**	**4,483.48**	**4,87,583.47**	**16,073.22**	**3.30%**
As at 31.03.2023					
Power	4,23,910.11	4,492.68	4,28,402.79	16,501.65	3.85%
Port	1,015.58	2.81	1,018.39	-	0.00%
Total	**4,24,925.69**	**4,495.50**	**4,29,421.18**	**16,501.65**	**3.84%**

53.5 Intra-group exposures

Particulars	As at 31.03.2024	As at 31.03.2023
Total amount of intra-group Exposures at Default (EAD) (₹ in crore)	9.36	9.70
Total amount of top 20 intra-group Exposures at Default (EAD) (₹ in crore)	9.36	9.70
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 Disclosure of Penalties imposed by RBI and other regulators during the year:

53.7.1 Penalty imposed by stock exchanges

NSE and BSE have levied fine on the Company for non-compliance in regard to composition of the Board of Directors.

The Company in its reply to NSE and BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the Board of the Company are appointed by President of India through Ministry of Power, Government of India and had requested both the exchanges to waive the above said penalty. Revert on the matter is awaited.

The total penalty amount levied (net of waiver by exchanges) has been disclosed at Note 46.

The Company has also taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors.

53.7.2 Penalty imposed by RBI

The Company was maintaining the required Liquidity Coverage Ratio (LCR) in the form of High Quality Liquid Assets (HQLA) viz. Govt. Securities, Corporate bonds, marketable securities including callable / demand fixed deposits (FD) with scheduled commercial banks. RBI vide its order dated February 6, 2024 has treated callable / demand fixed deposits (FD) with scheduled commercial banks as ineligible asset as HQLA for the computation of LCR. Thus, RBI has imposed penalty of ₹ 0.09 crore

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

on the grounds of deficiencies in regulatory compliance considering that prescribed LCR has not been maintained as on 31.03.2022. The Company has deposited the penalty and is maintaining the HQLA as on 31.03.2024 strictly as per above said RBI order.

53.8 Credit Ratings

53.8.1 Ratings assigned by domestic credit rating agencies as at 31.03.2024:

Sr. No.	Rating Agency	Long-Term Rating	Short-Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

53.8.2 Long-term foreign currency issuer rating assigned by international credit rating agencies as at 31.03.2024:

Sr. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Moody's	Baa3

53.8.3 In respect of the above, there has been no migration of ratings during the year.

53.9 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
1	Impairment loss allowance towards loans, investments acquired under loan settlement , letter of comfort and guarantees*	**(175.04)**	(289.60)
2	Impairment loss allowance on other financial assets	**3.89**	(6.41)
3	Impairment loss allowance on investment	**-**	(0.20)
4	Provision for unspent CSR on ongoing Projects	**116.02**	106.34
5	Provision made towards Income tax	**2,972.80**	2,330.24

* Including write off of loans and investment acquired under loan settlement of ₹ 29.25 crore (previous year ₹ 957.91 crore) and corresponding reversal of impairment loss allowance of ₹ 550.50 crore (previous year ₹ 2,700.33 crore).

53.10 Draw Down from reserves

Refer to Note 24.

53.11 Overseas assets:

The Company has following Overseas Assets:

(₹ in crore)

Name of the subsidiary	Country	Total Assets as on 31.03.2024	Total Assets as on 31.03.2023
PFC Infra Finance IFSC Limited (PIFIL)*	GIFT City, Gandhi Nagar, Gujarat, India	**100.00**	-

* Equity shares subscribed but not paid has been remitted by PFC to PIFIL on 10.04.2024 and accordingly shown as Other Financial Liabilities of PFC as on 31.03.2024.

53.12 Others

(a) The Company is preparing Consolidated Financial Statements in accordance with Ind AS – 110 'Consolidated Financial Statements'.

(b) There are no Off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

53.13 Customer Complaints for FY 2023-24

No complaints have been received by the Company from its borrowers or Offices of ombudsman during the year ended 31.03.2024 (previous year Nil).

53.14 Regulatory ratios, limits and disclosures are based on Ind AS figures in accordance with RBI (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 relating to Implementation of Ind AS.

53.15 During FY 2023-24, there has been no instances of breach of covenants of loan availed or debt securities issued (Previous year Nil).

53.16 There has been no divergence in Asset Classification and Provisioning assessed by RBI vis a vis as reported by the Company as on 31.03.2023 during the last annual inspection conducted by RBI for FY 2022-23.

53.17 Information / Particulars as set out in Annex VIII of RBI's Master Direction (NBFC Scale Based Regulation) applicable to the Company, as amended from time to time:

(₹ in crore)

Particulars	Amount as on 31.03.2024		Amount as on 31.03.2023	
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	24,573.49	-	19,920.79	-
: Unsecured	2,75,430.73	-	2,49,218.10	-
(b) Deferred Credits		-		-
(c) Term Loans		-		-
(i) Rupee Term Loans	79,205.44	-	69,716.78	-
(ii) Foreign Currency Loans	35,436.23	-	27,528.28	-
(d) Inter-corporate loans & borrowings	-	-		-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Others				
(i) Other Loans from Banks	2,361.67	-	3,983.83	-

Assets Side	Amount as on 31.03.2024	Amount as on 31.03.2023
(2) Break-up of Loans and Advances including bills receivables (Net of Provisions) :		
(a) Secured	2,08,335.67	1,93,369.31
(b) Unsecured	2,73,126.23	2,29,128.42
(c) Less: Impairment loss allowance	(15,822.68)	(16,024.67)
Loans and advances (net of provision)	4,65,639.22	4,06,473.06
(3) Break-up of Investments (Net of Provisions)		
Investments carried at Cost/ Amortised Cost		
1. Quoted		
(i) Shares		
(a) Equity	14500.50	14500.50
(ii) Government securities	1,898.61	526.25
(iii) Debentures and Bonds	300.25	300.08
2. Unquoted		
(i) Shares		
(a) Equity	100.75	0.75
(b) Preference	87.24	85.78
(c) Less: Impairment Loss allowance	(72.95)	(72.95)
Unquoted Shares (net of Provision)	**115.04**	**13.58**
(ii) Debentures and Bonds	111.53	122.16

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Assets Side	Amount as on 31.03.2024	Amount as on 31.03.2023
Investments carried at Fair Value		
1. Quoted		
(i) Shares		
(a) Equity	2,616.64	1,199.32
2. Unquoted		
(i) Shares		
(a) Equity	630.61	592.25
(b) Preference	-	-
(ii) Debentures and Bonds	46.77	50.00

(4) Borrower group-wise classification of assets financed as in (2) above: (as per applicable provisioning norms)

Category	Amount Net of Provisions (as on 31.03.2024)			Amount Net of Provisions (as on 31.03.2023)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	9.18	-	9.18	9.52	-	9.52
(b) Companies in the same group	-	-	-	-	-	-
2. Other than related parties	2,08,326.49	2,73,126.23	4,81,452.72	1,93,359.79	2,29,128.42	4,22,488.21
Loans and advances (Gross)	2,08,335.67	2,73,126.23	4,81,461.90	1,93,369.31	2,29,128.42	4,22,497.73
Less: Impairment loss allowance			(15,822.68)			(16,024.67)
Loans and advances (net of provision)			**4,65,639.22**			**4,06,473.06**

(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 31.03.2024		As on 31.03.2023	
	Break up value $	Book Value (Net of Provisions)	Break up value $	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	36,545.14	14,600.70	30,459.95	14,500.70
(b) Companies in the same group	0.32	0.55	0.51	0.55
2. Other than related parties	5,618.70	5,618.70	2,802.89	2,802.89
Total	**42,164.16**	**20,219.95**	**33,263.35**	**17,304.14**

(6) Other Information

Particulars	Amount (as on 31.03.2024)	Amount (as on 31.03.2023)
(i) Gross Stage III Assets		
(a) Other than related parties	16,073.22	16,501.65
(ii) Net Stage III Assets		
(a) Other than related parties	4,110.69	4,502.27
(iii) Assets acquired in satisfaction of debt	1,349.08	790.08

$ In case of negative break-up value, Nil value has been considered.

54. DISCLOSURES IN ACCORDANCE WITH GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LIQUIDITY COVERAGE RATIO AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AS AMENDED FROM TIME TO TIME.

54.1 Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
As at 31.03.2024	8	95,290.68	22.35%
As at 31.03.2023	7	61,507.08	16.33%

* 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

54.2 Top 10 borrowings (amount in ₹ crore & % of total borrowings)

Sr. No.	Particulars*	As at 31.03.2024	
		Amount (₹ crore)	% of Total Borrowings
1	RTL FROM HDFC BANK	17,275.50	4.24%
2	RTL FROM STATE BANK OF INDIA	14,140.00	3.47%
3	SYNDICATED USD FOREIGN CURRENCY TERM LOAN 33	9,171.13	2.25%
4	RTL FROM NATIONAL SMALL SAVINGS SCHEME (NSSF)	7,500.00	1.84%
5	RTL FROM BANK of BARODA	6,500.00	1.60%
6	SYNDICATED JPY FOREIGN CURRENCY TERM LOAN 32	6,388.79	1.57%
7	3.95 USD BONDS 2030	6,253.04	1.53%
8	RTL FROM UNION BANK OF INDIA	5,862.19	1.44%
9	RTL FROM CANARA BANK	5,700.00	1.40%
10	SYNDICATED USD FOREIGN CURRENCY TERM LOAN 31	5,210.87	1.28%

* Based on size of bond issuance / term loans from banks.

Sr. No.	Particulars*	As at 31.03.2023	
		Amount (₹ crore)	% of Total Borrowings
1	RTL FROM HDFC BANK	10,750.00	2.96%
2	RTL FROM STATE BANK OF INDIA	9,569.98	2.64%
3	RTL FROM CANARA BANK	9,075.00	2.50%
4	RTL FROM UNION BANK OF INDIA	6,800.00	1.88%
5	RTL FROM NATIONAL SMALL SAVINGS SCHEME (NSSF)	7,500.00	2.07%
6	3.95 USD BONDS 2030	6,166.27	1.70%
7	SYNDICATED JPY FOREIGN CURRENCY TERM LOAN 32A	5,513.05	1.52%
8	SYNDICATED USD FOREIGN CURRENCY TERM LOAN 31	5,138.56	1.42%
9	8.65 TX USC BND SRS 126	5,000.00	1.38%
10	8.41 TX USC BND SRS 131 C	5,000.00	1.38%

* Based on size of bond issuance / term loans from banks.

54.3 Funding Concentration based on significant instrument /product

Sr. No.	Significant instrument /product	As at 31.03.2024		As at 31.03.2023	
		Amount (₹ crore)	% of Total Liabilities	Amount (₹ crore)	% of Total Liabilities
1	**Debt Securities**				
	– Infrastructure Bonds	38.51	0.01%	38.51	0.01%
	– Tax Free Bonds	7,485.57	1.76%	8,259.12	2.19%
	– 54EC Capital Gain Tax Exemption Bonds	8,994.11	2.11%	6,599.69	1.75%
	– Taxable Bonds	2,31,152.25	54.21%	2,00,172.79	53.15%
	– Foreign Currency Notes	37,723.57	8.85%	37,219.33	9.88%
	– Commercial Paper	-	0.00%	-	-
	Sub-Total (i)	**2,85,394.01**	**66.93%**	**2,52,289.44**	**66.99%**
2	**Borrowings (other than Debt Securities)**				
	– Foreign Currency Loans	980.02	0.23%	6,615.94	1.76%
	– Syndicated Foreign Currency Loans	34,132.87	8.01%	20,719.21	5.50%
	– Rupee Term Loan	71,503.44	16.77%	62,317.90	16.55%
	– Rupee Term Loan – GoI	7,500.00	1.76%	7,500.00	1.99%
	– Loan against Term Deposits	-	-	-	-
	– Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	2,361.48	0.55%	3,983.83	1.06%
	Sub-Total (ii)	**1,16,477.81**	**27.32%**	**1,01,136.88**	**26.85%**
3	**Subordinated Liabilities**	5,511.50	1.29%	9,211.50	2.45%
	Sub-Total (iii)	**5,511.50**	**1.29%**	**9,211.50**	**2.45%**
	Total (i+ii+iii)	**4,07,383.32**	**95.54%**	**3,62,637.83**	**96.28%**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

54.4 Stock Ratios

Sr. No.	Particulars	% to total public funds	% to total liabilities	% to total assets
As at 31.03.2024				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	-	-	-
3	Other short-term liabilities	2.78%	2.66%	2.24%
As at 31.03.2023				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	-	-	-
3	Other short-term liabilities	3.57%	3.44%	2.91%

54.5 Refer Note 40.2 for Institutional set up for management of liquidity risk in the Company.

54.6 Liquidity Coverage Ratio

Particulars	Quarter ended 31.03.2024		Quarter ended 31.12.2023 – From 01.10.2023 to 30.11.2023		Quarter ended 31.12.2023 – From 01.12.2023 to 31.12.2023		Quarter ended 30.09.2023	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA) [(a)]	2,121.60	1,948.29	1,185.99	1,042.34	2,428.03	2,073.11	1,886.87	1,565.95
Cash Outflows								
2 Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
3 Other contractual funding obligations	6,486.95	7,459.99	4,246.70	4,883.71	7,390.92	8,499.56	7,085.39	8,148.20
4 Other contingent funding obligations	1,485.60	1,708.44	932.61	1,072.50	1,092.40	1,256.26	695.74	800.11
5 TOTAL CASH OUTFLOWS	**7,972.55**	**9,168.43**	**5,179.31**	**5,956.21**	**8,483.33**	**9,755.83**	**7,781.14**	**8,948.31**
Cash Inflows								
6 Lines of credit – Credit or liquidity facilities or other contingent funding facilities	8,421.10	6,315.82	6,848.19	5,136.14	10,558.55	7,918.91	6,896.25	5,172.19
7 Inflows from fully performing exposures	13,233.47	9,925.10	7,775.80	5,831.85	10,557.46	7,918.09	9,521.50	7,141.12
8 Other cash inflows								
9 TOTAL CASH INFLOWS	**21,654.56**	**16,240.92**	**14,624.00**	**10,968.00**	**21,116.01**	**15,837.01**	**16,417.75**	**12,313.31**
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
9 TOTAL HQLA		**1,948.29**		**1,042.34**		**2,073.11**		**1,565.95**
10 TOTAL NET CASH OUTFLOWS [(Total Weighted Cash Outflows) – Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]		2,292.11		1,489.05		2,438.96		2,237.08
11 LIQUIDITY COVERAGE RATIO (%)		**85.00%**		**70.00%**		**85.00%**		**70.00%**

[(a)] The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the required LCR level of 85% (w.e.f. 01.12.2023 and 70% (up to 30.11.2023) has been considered.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

(₹ in crore)

Particulars	Quarter ended 30.06.2023		Quarter ended 31.03.2023	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets	2,135.84	1,824.63	1,318.83	1,318.83
1 Total High Quality Liquid Assets (HQLA)[b]				
Cash Outflows				
2 Outflows related to derivative exposures and other collateral requirements	-	-	-	-
3 Other contractual funding obligations	8,238.04	9,473.74	5,752.95	6,615.89
4 Other contingent funding obligations	828.44	952.71	800.25	920.28
5 TOTAL CASH OUTFLOWS	**9,066.48**	**10,426.45**	**6,553.20**	**7,536.17**
Cash Inflows				
6 Lines of credit – Credit or liquidity facilities or other contingent funding facilities	7,777.72	5,833.29	5,031.32	3,773.49
7 Inflows from fully performing exposures	8,503.00	6,377.25	8,429.01	6,321.76
8 Other cash inflows	82.69	62.02	2,502.22	1,876.67
9 TOTAL CASH INFLOWS	**16,363.41**	**12,272.56**	**15,962.55**	**11,971.91**
10 TOTAL HQLA		**1,824.63**		**1,318.83**
11 TOTAL NET CASH OUTFLOWS [(Total Weighted Cash Outflows) – Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]		2,606.61		1,884.04
12 LIQUIDITY COVERAGE RATIO (%)		**70.00%**		**70.00%**

[b] The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the LCR level of 70% has been considered.

54.6.1 RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio by non-deposit taking NBFCs with asset size of more than ₹ 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 Company has complied with LCR requirement w.e.f. 01.12.2020 against stipulated requirement of minimum LCR of 50%, progressively increasing up to the required level of 100% by December 1, 2024. The HQLA is being maintained by the Company as balance with Banks in Current Account and eligible securities. The Company is maintaining LCR in INR only; hence there is no currency mismatch.

54.6.2 The position of HQLA holding is as follows

HQLA items	% of Overall HQLA	
	As at 31.03.2024	As at 31.03.2023
Assets without Haircut		
Cash and Cash Equivalents	-	37.78%[a]
Term / Demand Deposits	-	
G-Sec	100%	39.26%
Assets with 15% Haircut	-	-
Assets with 50% Haircut	-	
Coal India Ltd. shares	-	11.58%
UPPCL Bond	-	11.38%
Total	**100%**	**100.00%**

[a] Refer note 53.7.2

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

55. During the year, the Company does not have any transactions with the struck off companies except for equity shares held by 8 companies as on 31.03.2024, which are individually not material and thus have not been reported.

56. There are no reportable cases of loans transferred/ acquired during the FY 2023-24 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021, as amended from time to time.

57. The disclosures as required under Master Direction-Reserve Bank of India (NBFC-Scale Based Regulation), Directions,2023,as amended from time to time have been made in Note 5, 9.1 to 9.4, 11.2, 39.1, 39.2, 40.1.3(iii), 40.1.3(vi), 40.1.3(vii), 40.1.5, 40.1.6, 40.1.7, 40.1.8, 40.3, 40.4 , 43, 49, 53, 54 and 56.

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 31.03.2024	As at / Year ended 31.03.2023
Debt to Equity Ratio (times)	5.14	5.32
Outstanding Redeemable Preference Shares	-	-
Capital redemption reserve / debenture redemption reserve	-	-
Net Worth (₹ in crore)	79,203.49	68,202.23
Total Debt to Total Assets (times)	0.81	0.82
Operating Margin (%)	40.96%	35.70%
Net Profit Margin (%)	33.76%	29.26%

Notes:

1. Debt = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} less cash and cash equivalents.
2. Net worth = Equity Share Capital + Other Equity.
3. Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
4. Operating Margin = (Profit before Tax – Other Income) / Total Revenue from operations.
5. Net profit margin = Net profit After Tax/Total Income.
6. 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.
7. Other disclosures required under Regulation 52(4) are presented at Note no. 38, 39.1.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

59. Figures of the previous year have been regrouped / rearranged 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/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN: 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN: 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No.: 520318

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Vineet Saxena
Partner
Membership No.: 100770

Place: Mumbai
Date: 15.05.2024

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 subsidiaries (Holding company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31.03.2024, 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 significant 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 31.03.2024, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

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 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.

Sr. No.	Key Audit Matter	Auditors' Response
(i)	**Credit impairment of financial instruments- Loan Assets** The Holding Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain guidelines and procedures in respect of criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure Impairment loss. The key indicators underlying for assessment of impairment allowance are periodically appraised by the management.	**Our audit procedures included:** • The Holding Company has availed services of an independent expert for assessment of ECL, whose report has been provided to us.. We verified the criterion/ framework with applicable regulatory requirement 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 Holding 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 Holding Company. • We have 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 judgement 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 estimates, future cash flow and asset valuations. The effect of these matters is that, as part of our risk assessment, we determined that the value of 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, impairment of loan assets has 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.6.5.1 (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 in the books of account and assessed that the related disclosures are given in the consolidated financial statements.
(ii)	**Fair Valuation of Derivative financial instruments** The Holding Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with Holding 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 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.46.3 & 47 to the Consolidated Financial Statements read with Accounting Policy No.6.4)	**Our audit procedures included:** The Holding Company has availed services of an independent expert for preparation of a model for derivative accounting as per Ind AS 109. Discussed with management to have an understanding of its perception and also reviewed policy of the Holding company for risk management. Evaluated key internal controls over classification of derivative instruments. The Holding Company obtains fair value of derivatives from the counterparty banks as on the reporting date, which are relied upon by us. Our procedure included evaluation of details of various financial derivative contracts outstanding as on 31.03.2024 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 consolidated financial statements.

The following key audit matters with respect to audit opinion on the financial statements of Company's subsidiary REC Limited has been reported by the component auditors vide their report dated 30.04.2024 on and has been reproduced by us as under:

Sr. No.	Key Audit Matter	Auditors' Response
1	**Impairment allowance of Loan Assets –** (Refer Note No. 47.1.3 to the Standalone Ind AS Financial Statements read with accounting policy No. 3.11) 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 needs to be changed the same is considered in the 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.

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 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 in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions if required.

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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional 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 of holding company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. OTHER MATTERS

a. We did not audit the financial statements/ financial information of one subsidiary, whose financial statements/ financial information reflect total assets of ₹5,48,191.09 crore as at 31.03.2024, total revenue ₹47,096.75 crore, total net profit after tax of ₹14,145.46 crore, total comprehensive income of ₹15,189.73 crore for the year ended on that date and net cash inflow of ₹34.21 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information 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/ financial information of three subsidiaries, whose financial statements/ financial information reflect total assets of ₹449.37 crore as at 31.03.2024, total revenue of ₹267.07 crore, total net profit after tax of ₹155.92 crore, total comprehensive income of ₹155.92 crore and net cash outflow of ₹1.93 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net loss of ₹0.18 crore for the year ended 31.03.2024, as considered in the consolidated financial statements, in respect of eleven associates, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information are unaudited and have 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 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/ financial information. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters as per (a) and (b) with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

c. As per past practice, in respect of loan assets and undisbursed letter of comfort, the Parent Company has provided expected credit loss (ECL) as required under Ind AS 109 based on the ECL report submitted by an independent expert appointed by the Company, which inter-alia includes assumptions based on technical parameters/certain aspects.

d. The consolidated financial information of the Company for the year ended 31.03.2023 included in the consolidated financial statements, were audited by the then Joint Statutory Auditors of the Company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Consolidated Financial Statements vide their audit report dated 27.05.2023.

Our opinion is not modified in respect of the above matters as per (c) and (d).

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 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 05.062015 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 05.06.2015 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.23.12) 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 Company during the year declared is in compliance 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 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 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 respective software, except that audit trail was not enabled at the database level for accounting software Oracle ERP to log any direct data changes upto 11.03.2024, which has since been enabled with effect from 12.03.2024. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

In respect of one subsidiary which is company incorporated in India whose financial statements have been audited under the Act, 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.

In respect of three subsidiaries and eleven associates, which are companies incorporated in India whose financial statements have been certified by the management of the respective companies, the management of the holding company has confirmed that the requirement of audit trail has been implemented in respect of one of the three subsidiaries and eleven associates and in respect of remaining two subsidiaries, since the books of accounts are not maintained in electronic mode, the requirement of audit trail is not applicable for the current year.

As proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended 31.03.2024.

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 basis of examination of the available CARO report of one of the four subsidiaries included in the Consolidated Financial Statements, the auditor has included adverse remarks as per the details given below:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associate	Clause no. of CARO report which is qualified or adverse
1	REC Limited	L40101DL1969GOI005095	Subsidiary	xi

Subsidiary auditors remarks: No fraud by the Company or on the Company has been noticed during the year. However, during the year under audit, the Company has reported one fraud on the Company by a borrower amounting to ₹33.24 Crore to RBI on 26.10.2023. The said fraud was noticed in FY 2018-19, however due to stay on declaration of fraud by Hon'ble Court and subsequently the stay being vacated, the Company has reported the said fraud to RBI.

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 24520318BKDFCU9466

FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No. 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No. 100770
UDIN: 24100770BKCORW7398

Place: Mumbai
Date: 15.05.2024

Annexure A

to the Independent Auditors' Report on the Audit of the Consolidated Financial Statements

(Referred to in Para I(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Consolidated Financial Statements for the year ended 31.03.2024)

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 31.03.2024, 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 and deemed to be 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.

5. OPINION

In our opinion, the Holding Company, its subsidiaries, its associate companies, 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 31.03.2024, 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 one subsidiary is based on the corresponding report of the auditors of such company incorporated in India and in respect of three subsidiaries and eleven associates, we have relied on the explanation provided by the management of the holding company in absence of report on Internal Financial Controls of such entities. In our opinion, the same is not considered material for the Consolidated Financial Statements of the Group and its associates.

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 24520318BKDFCU9466

FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No. 101872W/W100045

Sd/-
CA VINEET SAXENA
Partner
Membership No. 100770
UDIN: 24100770BKCORW7398

Place: Mumbai
Date: 15.05.2024

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 2024

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15 May 2024.

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 2024 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Power Finance Corporation Limited, REC Limited and REC Power Development & Consultancy Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associates and Joint ventures listed in Annexure — I 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/-
(S. Ahlladini Panda)
Director General of Audit (Energy)

Place: New Delhi
Dated: 19.07.2024

Annexure - I

List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements were not audited by the Comptroller and Auditor General of India

Sl. No.	Name of Entity
Subsidiaries	
1	PFC Consulting Limited
2	PFC Projects Limited
3	PFC Infra Finance IFSC Limited
Associates	
1	Sakhigopal Integrated Power Company Limited
2	Ghogarpalli Integrated Power Company Limited
3	Jharkhand Infrapower Limited
4	Odisha Infrapower Limited
5	Orissa Integrated Power Limited
6	Bihar Infrapower Limited
7	Bihar Mega Power Limited
8	Deoghar Infra Limited
9	Deoghar Mega Power Limited.
10	Costal Tamil Nadu Power Limited
11	Cheyyur Infra Limited

Consolidated Balance Sheet
as at March 31, 2024

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
ASSETS				
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	8	339.34	127.59
(b)	Bank Balance other than Cash and Cash Equivalents	9	3,049.22	3,973.43
(c)	Derivative Financial Instruments	10	16,944.05	13,785.01
(d)	Trade Receivables	11	191.87	171.46
(e)	Loans	12	9,69,111.15	8,32,903.36
(f)	Investments (Other than accounted for using equity method)	13A	10,971.02	5,972.89
(g)	Other Financial Assets	14	29,885.31	29,831.79
	Total Financial Assets (1)		**10,30,491.96**	**8,86,765.53**
2	**Non- Financial Assets**			
(a)	Current Tax Assets (Net)	15	562.33	543.08
(b)	Deferred Tax Assets (Net)	16	6,055.95	7,340.03
(c)	Property, Plant and Equipment	17	723.71	737.66
(d)	Capital Work-in-Progress	17	28.06	10.66
(e)	Intangible Assets under development	17	11.20	11.20
(f)	Other Intangible Assets	17	0.54	1.67
(g)	Right of Use Assets	18	40.10	42.97
(h)	Other Non-Financial Assets	19	934.15	641.14
(i)	Investments accounted for using equity method	13B	0.33	0.51
	Total Non- Financial Assets (2)		**8,356.37**	**9,328.92**
3	Assets Classified as held for sale	20	29.05	17.41
	Total Assets (1+2+3)		**10,38,877.38**	**8,96,111.86**
LIABILITIES AND EQUITY				
Liabilities				
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	10	1,113.43	1,001.27
(b)	Trade Payables	21		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		1.07	0.69
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		112.65	63.59
(c)	Debt Securities	22	5,60,331.04	4,96,729.38
(d)	Borrowings (other than Debt Securities)	23	2,88,698.09	2,38,343.00
(e)	Subordinated Liabilities	24	12,931.93	16,085.14
(f)	Other Financial Liabilities	25	39,944.66	30,948.33
	Total Financial Liabilities (1)		**9,03,132.87**	**7,83,171.40**

Consolidated Balance Sheet
as at March 31, 2024

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
2	**Non- Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	15	82.82	133.34
(b)	Provisions	26	549.43	438.11
(c)	Other Non-Financial Liabilities	27	823.72	387.71
	Total Non- Financial Liabilities (2)		**1,455.97**	**959.16**
3	**Liabilities directly associated with assets classified as held for sale**	20	-	0.02
	Total Liabilities (1+2+3)		**9,04,588.84**	**7,84,130.58**
4	**Equity**			
(a)	Equity Share Capital	28	3,300.10	2,640.08
(b)	Other Equity	29	97,846.67	81,518.41
	Equity attributable to owners of the Company (a+b)		1,01,146.77	84,158.49
(c)	Non-Controlling Interest	30	33,141.77	27,822.79
	Total Equity (4)		**1,34,288.54**	**1,11,981.28**
	Total Liabilities and Equity (1+2+3+4)		**10,38,877.38**	**8,96,111.86**

The accompanying notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

(Manish Kumar Agarwal)
GM & Company Secretary

(Sandeep Kumar)
ED & Chief Financial Officer
DIN - 08529035

(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN - 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

CA Meenakshi Bansal
Partner
Membership No. 520318

CA Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 15.05.2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
REVENUE FROM OPERATIONS				
(i)	Interest Income	31	90,085.40	76,495.93
(ii)	Dividend Income	32	68.53	103.00
(iii)	Fees and Commission Income	33	341.35	548.79
(iv)	Other Operating Income	34A	601.44	420.58
I.	**Total Revenue from Operations**		**91,096.72**	**77,568.30**
II.	Other Income	35	78.15	56.89
III.	**Total Income (I+II)**		**91,174.87**	**77,625.19**
EXPENSES				
(i)	Finance Costs	36	57,962.20	47,016.78
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	37	(46.52)	3,089.27
(iii)	Fees and Commission Expense	38	36.32	28.35
(iv)	Net Loss / (Gain) on Fair Value changes	39	(364.76)	(115.87)
(v)	Impairment on Financial Instruments	40	(1,550.77)	(153.55)
(vi)	Cost of Services Rendered	34B	180.84	73.69
(vii)	Employee Benefit Expenses	41	496.76	438.88
(viii)	Depreciation, Amortisation and Impairment	17/18	53.40	51.80
(ix)	Corporate Social Responsibility Expenses		470.47	430.34
(x)	Other Expenses	42	348.63	269.44
IV.	**Total Expenses**		**57,586.57**	**51,129.13**
V.	Share of Profit / (Loss) in Joint Venture and Associates		(0.18)	0.01
VI.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)**		**33,588.12**	**26,496.07**
VII.	Exceptional Items		-	-
VIII.	**Profit/(Loss) Before Tax (V-VI)**		**33,588.12**	**26,496.07**
	Tax Expense:	43		
	(1) Current Tax			
	- Current Year		6,370.07	5,119.10
	- Earlier Years		(11.74)	(198.44)
	(2) Deferred Tax Expense / (Income)		768.61	396.82
IX.	**Total Tax Expense**		**7,126.94**	**5,317.48**
X.	**Profit/(Loss) for the period from Continuing Operations (VIII-IX)**		**26,461.18**	**21,178.59**
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	**Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)**		**26,461.18**	**21,178.59**
XIII.	**OTHER COMPREHENSIVE INCOME**			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(6.72)	(9.61)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		1,674.16	87.58
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.71	2.45
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(194.96)	9.84
	Sub-Total (A)		**1,474.19**	**90.26**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) in Cash Flow Hedge		(3,478.56)	932.35
	- Cost of Hedging Reserve		4,759.47	(2,563.96)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) in Cash Flow Hedge		875.49	(234.65)
	- Cost of Hedging Reserve		(1,197.86)	645.29
	Sub-Total (B)		**958.54**	**(1,220.97)**
	Other Comprehensive Income (A+B)		**2,432.73**	**(1,130.71)**
XIV.	**Total Comprehensive Income for the period (XII+XIII)**		**28,893.91**	**20,047.88**
	Profit for the period attributable to:			
	- Owners of the Company		19,761.16	15,889.33
	- Non-Controlling Interest		6,700.02	5,289.26
			26,461.18	**21,178.59**
	Other Comprehensive Income for the period			
	- Owners of the Company		1,938.11	(670.78)
	- Non-Controlling Interest		494.62	(459.93)
			2,432.73	**(1,130.71)**
	Total Comprehensive Income for the period			
	- Owners of the Company		21,699.27	15,218.55
	- Non-Controlling Interest		7,194.64	4,829.33
			28,893.91	**20,047.88**
XV.	**BASIC AND DILUTED EARNINGS PER EQUITY SHARE (FACE VALUE ₹ 10/- EACH):**	44		
	(1) For continuing operations (in ₹)		59.88	48.15
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		59.88	48.15

The accompanying notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

(Manish Kumar Agarwal)
GM & Company Secretary

(Sandeep Kumar)
ED & Chief Financial Officer
DIN - 08529035

(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN - 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

CA Meenakshi Bansal
Partner
Membership No. 520318

CA Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 15.05.2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the period	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31, 2023	2,640.08	-	2,640.08	-	2,640.08
Year ended March 31, 2024	2,640.08	-	2,640.08	660.02	3,300.10

Refer Note 28 for detail

B. OTHER EQUITY

FY 2023-24

(₹ 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	Attributable to owners of the parent	towards Equity Share Holders	towards Instruments Entirely Equity in Nature	Total
Balance as at 31.03.2023	**(13,114.50)**	**12,783.26**	**529.39**	**599.85**	**39,658.38**	**-**	**3,606.87**	**(883.61)**	**64.97**	**21,026.85**	**18,236.28**	**2.12**	**808.03**	**(1,799.49)**	**81,518.41**	**27,264.39**	**558.40**	**1,09,341.20**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	19,761.16	-	-	-	19,761.16	6,700.02	-	26,461.18
Re-measurement of Defined Benefit Plans net of taxes	-	-	-	-	-	-	-	-	-	-	(4.66)	-	-	-	(4.66)	(0.35)	-	(5.01)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	1,435.87	(1,444.05)	1,950.95	1,942.77	494.97	-	2,437.74
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,756.50**	**1,435.87**	**(1,444.05)**	**1,950.95**	**21,699.27**	**7,194.64**	**-**	**28,893.91**
Dividends	-	-	-	-	-	-	-	-	-	-	(4,818.16)	-	-	-	(4,818.16)	(1,914.50)	-	(6,732.66)
Transfer to / from Retained Earnings	-	4,349.20	1,077.09	-	4,381.56	89.18	-	-	-	-	(9,897.03)	-	-	-	(0.00)	-	-	(0.00)
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	(29.25)	-	-	-	-	-	-	29.25	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	(2.97)	-	37.62	-	-	125.41	2.18	-	(36.84)	-	-	-	125.40	54.61	-	180.01
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	190.02	(190.02)	-	-	-	-	-	-
Adjustment related to Bonus issue of REC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilised for issue of Bonus Equity Shares	-	-	-	-	-	-	(660.02)	-	-	-	-	-	-	-	(660.02)	-	-	(660.02)
Expenses incurred on issue of Bonus equity shares	-	-	-	-	-	-	(0.78)	-	-	-	-	-	-	-	(0.78)	-	-	(0.78)
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	(17.53)	-	-	-	(17.53)	(15.77)	-	(33.30)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	0.08	-	-	-	0.08	-	-	0.08
Balance as at 31.03.2024	**(13,114.50)**	**17,132.46**	**1,574.26**	**599.85**	**44,077.56**	**89.18**	**2,946.07**	**(758.20)**	**67.15**	**21,056.10**	**23,413.33**	**1,247.97**	**(636.02)**	**151.46**	**97,846.67**	**32,583.37**	**558.40**	**1,30,988.44**

FY 2022-23

(₹ 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	Attributable to owners of the parent	towards Equity Share Holders	towards Instruments Entirely Equity in Nature	Total
Balance as at 31.03.2022	**(13,461.00)**	**9,298.33**	**680.04**	**599.85**	**35,878.11**	**-**	**3,953.74**	**(806.07)**	**64.07**	**20,346.81**	**12,757.10**	**(74.23)**	**302.56**	**(503.16)**	**69,036.16**	**24,040.51**	**558.40**	**93,635.07**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	(0.82)	-	-	-	(0.82)	-	-	(0.82)
Profit for the period	-	-	-	-	-	-	-	-	-	-	15,889.33	-	-	-	15,889.33	5,289.26	-	21,178.59
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	(5.04)	-	-	-	(5.04)	(2.12)	-	(7.16)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	(0.00)	125.12	505.47	(1,296.33)	(665.74)	(457.81)	-	(1,123.55)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,883.47**	**125.12**	**505.47**	**(1,296.33)**	**15,217.73**	**4,829.33**	**-**	**20,047.06**
Dividends	-	-	-	-	-	-	-	-	-	-	(2,640.08)	-	-	-	(2,640.08)	(1,477.97)	-	(4,118.05)
Transfer to / from Retained Earnings	-	3,484.93	590.10	-	3,771.43	-	-	-	-	-	(7,846.46)			-	(0.00)	-	-	(0.00)
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	-	-	-			-	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	(680.04)	-	-	-	-	-	-	680.04	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	(60.71)	-	8.84	-	-	(77.54)	0.90	-	50.97	-	-	-	(77.54)	(111.38)	-	(188.92)
Gain on increase in share in EESL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	48.77	(48.77)	-	-	-	-	-	-
Adjustment related to Bonus issue of REC	346.50	-	-	-	-		(346.87)	-	-	-	-	-	-	-	(0.37)	(0.34)		(0.71)
Issue expenses on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	(17.53)	-	-	-	(17.53)	(15.77)	-	(33.30)
Other Adjustments		-	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-	-	0.05
Balance as at 31.03.2023	**(13,114.50)**	**12,783.26**	**529.39**	**599.85**	**39,658.38**	**-**	**3,606.87**	**(883.61)**	**64.97**	**21,026.85**	**18,236.28**	**2.12**	**808.03**	**(1,799.49)**	**81,518.41**	**27,264.39**	**558.40**	**1,09,341.20**

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

(Manish Kumar Agarwal)
GM & Company Secretary

(Sandeep Kumar)
ED & Chief Financial Officer
DIN - 08529035

(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN - 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

CA Meenakshi Bansal
Partner
Membership No. 520318

CA Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 15.05.2024

Consolidated Statement of Cash Flows

for year ended March 31, 2024

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2024	Year ended 31.03.2023
I.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit before Tax	33,588.12	26,496.07
	Adjustments for:		
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	9.19	9.67
	Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.32)	(4.08)
	Loss/ (Gain) on Fair value changes (Net)	(362.15)	(114.32)
	Unrealised Foreign Exchange Translation Loss / (Gain)	(1,057.99)	5,063.45
	Depreciation and Amortisation	53.39	51.78
	Impairment on Financial Instruments	(1,550.77)	(153.84)
	Impairment Allowance on Assets Classified as Held for Sale	(0.09)	0.03
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	(146.08)	(37.98)
	Interest expense on Zero Coupon Bonds and Commercial Papers	38.99	42.06
	Other interest expense	3.76	2.44
	Other interest income	(74.35)	(45.47)
	Provision for unspent CSR created	116.02	106.34
	Provision (others) created	62.73	56.68
	Excess Liabilities written back	(0.09)	(0.15)
	Share of Profit/Loss of Joint Venture accounted for using equity method	0.18	(0.01)
	Operating profit before Working Capital Changes:	**30,679.54**	**31,472.67**
	Increase / Decrease :		
	Loans (Net)	(1,34,053.98)	(1,00,606.60)
	Other Financial and Non-Financial Assets	(782.56)	1,773.21
	Derivative	99.46	(1,306.20)
	Other Financial & Non-Financial Liabilities and Provisions	12,603.03	(951.36)
	Cash used before Exceptional Items	**(91,454.51)**	**(69,618.28)**
	Exceptional Items	-	-
	Cash used in Operations Before Tax	**(91,454.51)**	**(69,618.28)**
	Income Tax paid	(6,405.87)	(5,256.63)
	Income Tax Refund	39.97	157.68
	Net Cash Inflow/(Outflow) from Operating Activities	**(97,820.41)**	**(74,717.23)**
II.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Proceeds from disposal of Property, Plant and Equipment	0.35	0.32
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance)	(323.41)	(122.77)
	Finance Cost Capitalised	(0.53)	(0.03)
	Sale / (Purchase) of Other Investments	(3,087.01)	(1,575.70)
	Sale of Assets held for Sale	1.61	4.60
	Net Cash Inflow/(Outflow) from Investing Activities	**(3,408.99)**	**(1,693.58)**
III.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Raising of Bonds (including premium) (Net of Redemptions)	60,170.51	41,226.83
	Raising of Long Term Loans/WCDL/OD/CC/ Line of credit (Net of Repayments)	11,202.19	22,619.60
	Raising of Foreign Currency Loans (Net of Repayments)	39,333.10	15,856.34
	Raising of Subordinated Liabilities (Net of Redemptions)	(3,110.00)	-
	Raising of Commercial paper (Net of Repayments)	(135.64)	-
	Coupon Expenses on Perpetual Debt Instruments entirely equity in nature	(44.50)	(44.50)

Consolidated Statement of Cash Flows

for year ended March 31, 2024

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2024		Year ended 31.03.2023	
	Payment of Lease Liability	(2.95)		(2.94)	
	Issue Expenses on Bonus Issue of Equity Shares	(0.78)		(0.71)	
	Payment of Dividend	(6,150.63)		(4,118.05)	
	Net Cash Inflow/(Outflow) from Financing Activities		**1,01,261.30**		**75,536.57**
	Net Increase / (Decrease) in Cash and Cash Equivalents		**31.90**		**(874.24)**
	Add : Cash and Cash Equivalents at beginning of the financial year		40.00		914.24
	Cash and Cash Equivalents at the end of the period		**71.90**		**40.00**
	Details of Cash and Cash Equivalents at the end of the period:				
	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	89.43		63.17	
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	249.89		64.42	
	- Cheques, Drafts on hand including postage and Imprest	0.02		-	
	- Bank overdraft	(267.44)		(87.59)	
	Total Cash and Cash Equivalents at the end of the period		**71.90**		**40.00**

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 Group has spent an amount of ₹ 352.54 crores (previous year ₹ 331.53 crores) towards Corporate Social Responsibility.

Reconciliation of liabilities (principal o/s) arising from financing activities

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	WCDL / Term Loans**	Foreign Currency Loans	Commercial paper	Subordinated Liabilities	Total
	Opening Balance as at 01.04.2022	**3,71,871.72**	**1,27,080.32**	**1,32,100.74**	**-**	**15,862.20**	**6,46,914.98**
	Cash Flow During the Year	41,226.83	22,619.60	15,856.34	-	-	79,702.77
	Non-Cash Changes due to:						
	Adjustments	41.78	87.59	191.64	-	-	321.01
	Variation in Exchange Rates			10,270.04			10,270.04
	Cash Flow During the Year	60,170.51	11,202.19	39,333.10	(135.64)	(3,110.00)	1,07,460.16
	Non-Cash Changes due to:						
	Adjustments	(96.66)	180.88	191.64	135.64	-	411.50
	Variation in Exchange Rates			201.02			201.02
	Closing Balance as at 31.03.2024	**4,73,214.18**	**1,61,170.58**	**1,98,144.52**	**-**	**12,752.20**	**8,45,281.48**

* 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

(Manish Kumar Agarwal)
GM & Company Secretary

(Sandeep Kumar)
ED & Chief Financial Officer
DIN - 08529035

(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN - 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

CA Meenakshi Bansal
Partner
Membership No. 520318

CA Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 15.05.2024

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

1. GROUP INFORMATION

Power Finance Corporation Limited ("PFC" or "the Company") was incorporated in India in the year 1986. PFC is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 and conferred with 'Maharatna' Status by the Govt. of India.

PFC is a Government Company engaged in extending financial assistance to power, logistics and infrastructure sector and is registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC-IFC is placed in Middle layer under Master Direction (NBFC-Scale Based Regulation), 2023 issued by RBI.

Equity shares of PFC are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. Further, various debt securities of PFC are also listed on the Stock Exchanges.

These Consolidated Financial Statements comprise the financial statements of PFC & its subsidiaries (referred to collectively as the 'Group'), and its associates, as listed at Note 5. The Group is primarily engaged in extending financial assistance to power, logistics and infrastructure sector. Other businesses include providing consultancy services to power sector and facilitation of development of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs) as per mandate from Government of India (GoI).

2. STATEMENT OF COMPLIANCE

These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. The Consolidated Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking Financial Companies (NBFCs). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

3. These Consolidated Financial Statements have been approved for issue by Board of Directors (BoD) of PFC on 15.05.2024.

4. STANDARDS/ AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

During the FY 2023-24, the Ministry of Corporate Affairs (MCA) has not notified any new Indian Accounting Standards (Ind AS) or made amendments thereto.

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 31.03.2024
			31.03.2024	31.03.2023	
SUBSIDIARIES:					
1	REC Limited (RECL)*	India	**52.63%**	52.63%	Audited
2	PFC Consulting Ltd. (PFCCL)*	India	**100%**	100%	Unaudited
3	PFC Projects Limited	India	**100%**	100%	Unaudited
4	PFC Infra Finance IFSC Limited (refer note 5.1)	India	**100%**	-	Unaudited
ASSOCIATES:					
1	Orissa Integrated Power Limited	India	**100%**	100%	Unaudited
2	Coastal Tamil Nadu Power Limited	India	**100%**	100%	Unaudited
3	Sakhigopal Integrated Power Company Limited	India	**100%**	100%	Unaudited
4	Ghogarpalli Integrated Power Company Limited	India	**100%**	100%	Unaudited
5	Deoghar Mega Power Limited	India	**100%**	100%	Unaudited
6	Cheyyur Infra Limited	India	**100%**	100%	Unaudited
7	Odisha Infrapower Limited	India	**100%**	100%	Unaudited
8	Deoghar Infra Limited	India	**100%**	100%	Unaudited
9	Bihar Infrapower Limited	India	**100%**	100%	Unaudited
10	Bihar Mega Power Limited	India	**100%**	100%	Unaudited
11	Jharkhand Infrapower Limited	India	**100%**	100%	Unaudited

*Consolidated Financial Statements of these subsidiaries (which incorporates financial statements of their subsidiaries, JVs and associates) have been used for preparation of Consolidated Financial Statements of PFC.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

5.1 PFC has received NoC from RBI on 09.01.2024 for setting up wholly owned subsidiary financial company at IFSC Gift City, Gujarat, India. Accordingly, a wholly owned subsidiary namely "PFC Infra Finance IFSC Limited "has been incorporated on 11.02.2024. Equity shares subscribed but not paid has been remitted by PFC to PIFIL on 10.04.2024.

5.2 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 POLICIES

The Group's material accounting policy information in regard to preparation of the Consolidated Financial Statements are 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 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.

6.2 Basis of Consolidation

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

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

(i) Subsidiaries:

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

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

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

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

If the Company loses control over a subsidiary, it 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.

Notes to the Consolidated Financial Statements

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(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 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 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 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

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

Notes to the Consolidated Financial Statements

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(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.

6.5 Financial Instruments

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

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

6.5.1 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 fees, 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 Other Comprehensive Income (OCI) and accumulated in Reserve.

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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 lending loans across power sector value chain and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Group to collect the contractual cash flows.

(ii) Classification, Measurement and Derecognition of Equity Instruments

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

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

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

(iii) Impairment of Financial Assets

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

The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Consolidated Balance Sheet.

a) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

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

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

The Group measures impairment on commitments under LoC on similar basis as in case of Loan assets.

b) Impairment of financial assets, other than loan assets:

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

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

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(iv) De-recognition of Financial Assets

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

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

6.5.2 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.

6.5.3 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, to realise the assets and settle the liabilities simultaneously.

6.5.4 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.

6.6 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

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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 estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except following:

Nature of PPE	Life of PPE
Cell phones	2 years (in case of PFC & PFCCL)
Lease hold improvement(1)	Lease period or their useful lives whichever is shorter (in case of PFCCL)

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

* Depreciation is provided using Straight line method by RECL

(1) Leasehold Improvements are amortised on straight line basis

(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.

(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 ₹ 5000/- each are fully depreciated, in the year of purchase.

(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 Intangible Assets and Amortisation

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

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

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

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

6.8 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.

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

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

6.9 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.

6.10 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

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to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

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

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

(vii) Income from Smart Metering services of 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) The sale proceeds from Request for qualification (Rfq) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.

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

(x) Dividend income from investments including those measured at FVTPL, is 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.

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

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

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

6.11 Expenditure on issue of Shares

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

6.12 Borrowing Costs

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

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

6.13 Employee Benefits

In respect of PFC

Defined Contribution Plan

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

Defined Benefit Plan

Company's obligation towards 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 is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Consolidated Statement of Profit and Loss in the period of a plan amendment.

In respect of the Group:

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.

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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.

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.

6.14 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 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.

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6.15 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.

6.16 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 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.

6.17 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

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and after the business combination and that control is not transitory.

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

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

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

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

6.18 Material Prior Period Errors

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

6.19 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.

6.20 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.

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

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or when expected realization is higher than the loan amount outstanding.

(iii) Amortisation of transaction cost on Credit Impaired Loans 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 Company 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 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

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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.

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan LoCs 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). In estimating the cash flows expected to be recovered from credit impaired loans, the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. are assessed.

As these estimates are based on various assumptions, actual results may vary. Refer Note 46.1 for further details.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/ liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details are disclosed at Note 48.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 43 and 16 for details.

(v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Group reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 17 for details on useful lives and carrying values of PPE and Intangible assets.

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for the year ended March 31, 2024

8. CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(A)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	89.43	63.17
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	249.89	64.42
	- Cheques, Drafts on hand including Postage & Imprest	0.02	0.00
	Total Cash and Cash Equivalents	**339.34**	**127.59**

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Earmarked Balances and Term Deposits with Banks for:		
	- Bank Deposit (Callable) /Demand Deposits- HQLA	-	1,473.26
	- Unpaid Dividend	1,198.20	12.42
	- Unpaid - Bonds / Interest on Bonds etc.	72.78	72.70
	- Amount received under GoI scheme	69.55	172.41
	- Term Deposits- For redemption of debentures	0.00	196.35
(ii)	Deposits- in compliance of Court	0.67	0.62
(iii)	Balance with Bank not available for use pending allotment of securities	1245.41	1,720.36
(iv)	Bank Deposit (Callable) /Demand Deposits- More than 3 months but less than 12 months	149.42	30.56
(v)	Bank Deposit (Callable) /Demand Deposits	191.40	252.16
(vi)	Current Accounts with Banks - Unspent CSR Purposes	121.79	42.59
	Total Bank Balance other than Cash and Cash Equivalents	**3,049.22**	**3,973.43**

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 31.03.2024			As at 31.03.2023		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(I)	**CURRENCY DERIVATIVES:**						
	- Spot and Forwards	-	-	-	1,014.18	20.40	21.06
	- Currency Swaps	14,345.76	362.21	166.60	7,605.06	507.62	58.13
	- Options	1,86,505.71	14,986.70	632.54	1,30,438.82	12,107.19	91.15
	Total Currency Derivatives	**2,00,851.47**	**15,348.91**	**799.14**	**1,39,058.06**	**12,635.21**	**170.34**
(II)	**INTEREST RATE DERIVATIVES**						
	- Forward Rate Agreements and Interest Rate Swaps	87,783.82	1,595.14	314.29	56,827.39	1,149.80	300.82
	Total Interest Rate Derivatives	**87,783.82**	**1,595.14**	**314.29**	**56,827.39**	**1,149.80**	**300.82**
(III)	**OTHER DERIVATIVES**						
	- Reverse cross currency swaps	-	-	-	4,947.00	-	530.11
	Total Other Derivatives	**-**	**-**	**-**	**4,947.00**	**-**	**530.11**
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	**2,88,635.29**	**16,944.05**	**1,113.43**	**2,00,832.45**	**13,785.01**	**1,001.27**

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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 31.03.2024			As at 31.03.2023		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(I)	FAIR VALUE HEDGING (DESIGNATED)						
	- Interest Rate Derivatives	-	-	-	-	-	-
	- Forward Rate Agreements and Interest Rate Swaps	15,950.70	-	297.73	15,950.70	10.32	289.34
	Total Fair Value Hedging (Designated)	**15,950.70**	**-**	**297.73**	**15,950.70**	**10.32**	**289.34**
(II)	CASH FLOW HEDGING (DESIGNATED):						
	- Currency Derivatives	2,00,851.47	15,348.91	799.14	1,33,405.31	12,212.17	89.02
	- Interest Rate Derivatives	61,983.52	1,102.05	16.56	31,027.09	701.80	11.48
	Total Cash Flow Hedging (Designated)	**2,62,834.99**	**16,450.96**	**815.70**	**1,64,432.40**	**12,913.97**	**100.50**
(III)	UNDESIGNATED DERIVATIVES	9,849.60	493.09	-	20,449.35	860.72	611.43
	Total Undesignated Derivatives	**9,849.60**	**493.09**	**-**	**20,449.35**	**860.72**	**611.43**
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	**2,88,635.29**	**16,944.05**	**1,113.43**	**2,00,832.45**	**13,785.01**	**1,001.27**

10.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

Sr. No.	Description	As at 31.03.2024	As at 31.03.2023
(i)	Notional principal of swap agreements	87,783.82	56,827.39
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,595.14	1,149.80
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	Refer note[a] below	
(v)	Fair value of swap book (obtained from counterparty banks)	1,280.85	848.98

[a] 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 31.03.2024 (as at 31.03.2023 Nil).

10.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars Currency Derivatives	As at 31.03.2024			As at 31.03.2023		
		Currency Derivatives	Interest Rate Derivatives	Other Derivatives (Reverse cross currency swaps)[a]	Currency Derivatives	Interest Rate Derivatives	Other Derivatives (Reverse cross currency swaps)[a]
(i)	Derivatives (Notional Principal Amount)						
	For hedging	2,00,851.47	87,783.82[b]	-	139,058.06	56,827.39[b]	4,947.00
(ii)	Marked to Market Positions (MTM)						
	a) Asset (+MTM)	15,348.91	1,595.14	-	12,635.21	1,149.80	-
	b) Liability (-MTM)	799.14	314.29	-	170.34	300.82	530.11
(iii)	Credit Exposure	19,125.38	1,319.04	-	14,561.03	1,134.87	692.05
(iv)	Unhedged foreign currency Exposures	9,763.27	13,158.21	-	32,142.27	8,758.90	-

[a] as a strategy of cost reduction

[b] Interest rate derivatives include derivatives on Rupee liabilities and also those held as strategy of cost reduction

10.5 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. TRADE RECEIVABLES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
	Trade Receivables		
(i)	- considered good - Secured (Gross)	-	-
(ii)	- considered good - Unsecured (Gross)	147.79	185.98
(iii)	less: Impairment loss allowance	(8.83)	(25.67)
(iv)	- which have Significant Increase in Credit Risk (Gross)	58.90	37.62
(v)	less: Impairment loss allowance	(16.58)	(28.07)
(vi)	- credit Impaired (Gross)	58.55	67.62
(vii)	less: Impairment loss allowance on Credit Impaired	(47.96)	(66.02)
	Total Trade Receivables	**191.87**	**171.46**

11.1 For details of impairment loss allowance on Trade Receivables Refer Note 46.1.13

11.2 Trade Receivables ageing schedule

(₹ in Crore)

Particulars		As at 31st March 2024					
		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	99.30	35.02	-	0.45	13.02	147.79
	- which have significant increase in credit risk	-	-	50.10	8.80	-	58.90
	- credit impaired	-	-	10.78	0.12	47.65	58.55
	Sub- total (i)	**99.30**	**35.02**	**60.88**	**9.37**	**60.67**	**265.24**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub- total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (i+ii)	**99.30**	**35.02**	**60.88**	**9.37**	**60.67**	**265.24**

(₹ in Crore)

Particulars		As at 31st March 2023					
		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	135.53	36.98	0.45	3.09	9.93	185.98
	- which have significant increase in credit risk	-	-	21.32	16.30	-	37.62
	- credit impaired	-	-	2.42	0.58	64.62	67.62
	Sub- total (i)	**135.53**	**36.98**	**24.19**	**19.97**	**74.55**	**291.22**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub- total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (i+ii)	**135.53**	**36.98**	**24.19**	**19.97**	**74.55**	**291.22**

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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 31.03.2024	As at 31.03.2023
(A)	**Loans to Borrowers***		
(i)	Term Loans	9,05,954.13	8,07,254.68
(ii)	Buyer's Line of Credit	1,896.63	2,086.95
(iii)	Working Capital Loans	82,436.29	47,621.75
(iv)	Others- Deferred Payment Guarantee	536.62	536.62
(v)	**Principal Outstanding (i to iv)**	**9,90,823.67**	**8,57,500.00**
(vi)	Interest accrued but not due on Loans	6,471.87	5,513.99
(vii)	Interest accrued & due on Loans	513.77	478.37
(viii)	Unamortised Fee on Loans	(495.01)	(300.58)
	Gross Carrying Amount (v to viii)	**9,97,314.30**	**8,63,191.78**
	Less: Impairment loss allowance	(28,203.15)	(30,288.42)
	Net Carrying Amount	**9,69,111.15**	**8,32,903.36**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	4,58,392.93	4,38,196.92
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	4,13,621.15	3,41,748.33
(iv)	Unsecured	1,25,300.22	83,246.53
	Gross Security-wise classification	9,97,314.30	8,63,191.78
	Less: Impairment loss allowance	**(28,203.15)**	**(30,288.42)**
	Net Security-wise classification	**9,69,111.15**	**8,32,903.36**
(C) I	**Loans in India**		
(i)	Public Sector	8,50,373.97	7,48,503.38
(ii)	Private Sector	1,46,940.33	1,14,688.40
	Gross Carrying Amount of Loans in India	**9,97,314.30**	**8,63,191.78**
	Less: Impairment loss allowance	(28,203.15)	(30,288.42)
	Net Carrying Amount of Loans in India	**9,69,111.15**	**8,32,903.36**
(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	**9,69,111.15**	**8,32,903.36**

* For details of Loans pledged as security refer Note 22.10 to 22.20 and 23.11.

12.1 Balance Confirmation from Borrowers

During the year, PFC has sent letters to borrowers, seeking confirmation of balances as at 31.03.2024 except where loans have been recalled or pending before court/NCLT. Confirmations for 100 % of the said balances have been received.

In respect of RECL, loan balance confirmations for 94% of total loan assets as at 31.03.2024 have been received from the borrowers. Out of the remaining 6% loan assets amounting to ₹ 32,645.64 crore for which balance confirmations have not been received, 47% loans are secured by way of hypothecation of assets, 34 % by way of Government Guarantee/ Loans to Government and 19 % are unsecured loans.

Notes to the Consolidated Financial Statements

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12.2 The details of resolution plans implemented during the year by PFC and subsidiary RECL:

(₹ in crore)

S. No.	Name of Borrower	Details of Resolution Plan	Principal O/s prior to date of Resolution	Impairment allowance provided till date of Resolution	Amount written off including impairment on investments	Instruments received by the group under resolution plan*
FY 2023-24						
1	Mytrah Vayu Tungbhadra Private Limited	Restructuring with change in ownership outside NCLT	**650.51**	**422.68**	**29.25**	Sustainable loan amounting to ₹ 581.80 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received.
2	Dans Energy Private Limited	Restructuring without change in ownership outside NCLT	**779.87**	**167.99**	-	Sustainable debt amounting to ₹ 879.91 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received.
3	Meenakshi Energy Private Limited	Resolution Plan Approved under IBC proceeding	**710.84**	**488.42**	**499.61**	Loan stands settled as on 31.03.2024
4	Classic Global Limited	One Time Settlement	**2.91**	**2.91**	**0.41**	Loan stands settled as on 31.03.2024
	Total		**2,144.13**	**1082.00**	**529.27**	
FY 2022-23						
1	Suzlon Energy Ltd	One Time Settlement	239.04	1.07	56.66	Entire Loan Principal is realized. Loan stands settled as at 31.03.2023. Further, Optionally convertible debentures (OCDs) and Compulsorily convertible preference shares (CCPS) held were converted into equity shares of the borrower Company & of the borrower's group Company respectively.
2	South-East UP Power Transmission Company Limited	Resolution with change in ownership through NCLT	3,185.00	1,592.47	-	Besides realization of full loan principal, interest/delayed interest income of ₹ 431.68 crore has been received. Loan stands settled as at 31.03.2023
3	Jhabua Power Limited	Resolution with change in ownership through NCLT	1,085.37	666.22	10.41	Resolution proceeds / Non-convertible Debentures / Equity Shares of the borrower Company received resulting in realization of full loan principal and Interest/delayed interest income of ₹ 4.13 crore. Loan stands settled as at 31.03.2023.
4	Ind Barath Energy Utkal Ltd (IBUEL)	Resolution with change in ownership through NCLT	2,144.91	1,722.57	1,437.41	Resolution proceeds and Equity Shares of the borrower Company received/allotted under resolution. Loan stands settled as at 31.03.2023.
5	ATN International Limited	One Time Settlement	9.45	3.45	3.45	Total recoveries of ₹ 6.00 crores appropriated, of which ₹ 4.15 crores to be received in FY 2023-24.
6	Silicon Valley Infotech Limited	One Time Settlement	2.91	1.06	1.06	Total recoveries of ₹ 1.85 crores appropriated, of which ₹ 1.35 crores to be received in FY 2023-24.
	Total		**6,666.68**	**3,986.84**	**1,508.99**	

* For more details of instruments received under resolution plan refer Note 13A

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12.3 The Companies in the Group has not advanced or loaned or invested any funds which are material either individually or in the aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

12.4 For details of credit risk exposure and management by the Group refer Note 46.1.

13A. INVESTMENTS (OTHER THAN ACCOUNTED FOR USING EQUITY METHOD)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others (5)	Total (1)+(4)+(5)
(i)	Government Securities	3,522.69	-	-	-	-	3,522.69
(ii)	Debt securities	2,587.98	-	1,111.80	1,111.80	-	3,699.78
(iii)	Equity Instruments	-	3,463.91	270.35	3,734.26	-	3,734.26
(iv)	Preference Shares	115.96	-	-	-	-	115.96
	Total Investments (Other than accounted for using equity method)	**6,226.63**	**3,463.91**	**1,382.15**	**4,846.06**	**-**	**11,072.69**
	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	6,226.63	3,463.91	1,382.15	4,846.06	-	11,072.69
	Gross Geography wise investment	**6,226.63**	**3,463.91**	**1,382.15**	**4,846.06**	**-**	**11,072.69**
	Less: Impairment loss allowance	(101.67)	-	-	-	-	(101.67)
	Net Geography wise investment	**6,124.96**	**3,463.91**	**1,382.15**	**4,846.06**	**-**	**10,971.02**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others (5)	Total (1)+(4)+(5)
(i)	Government Securities	1,957.99	-	-	-	-	1,957.99
(ii)	Debt securities	1,189.14	-	612.34	612.34	-	1,801.48
(iii)	Equity Instruments	-	2,103.92	96.67	2,200.59	-	2,200.59
(iv)	Preference Shares	114.50	-	-	-	-	114.50
	Total	**3,261.63**	**2,103.92**	**709.01**	**2,812.93**	**-**	**6,074.56**
	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	3,261.63	2,103.92	709.01	2,812.93	-	6,074.56
	Gross Geography wise investment	**3,261.63**	**2,103.92**	**709.01**	**2,812.93**	**-**	**6,074.56**
	Less: Impairment loss allowance	(101.67)	-	-	-		(101.67)
	Net Geography wise investment	**3,159.96**	**2,103.92**	**709.01**	**2,812.93**	**-**	**5,972.89**

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

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for the year ended March 31, 2024

Details of Investments

(₹ in crore)

Sr. No.	Particulars	Measured at	As at 31.03.2024			As at 31.03.2023		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(i)	**Government Securities**	Amortised Cost	33,81,35,700	100	3,522.69	18,79,32,800	100	1,957.99
(ii)	**Debt securities**							
	- Bonds from State Power Corporation-Quoted	Amortised Cost	63,477	10,00,000	1,408.82	3,21,940	1,000 to 10,00,000	961.24
	Debentures - Unquoted							
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	FVTPL	21,35,86,239	10	114.64	23,32,01,910	10	122.49
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	FVTPL	9,17,35,945	10	49.22	10,01,29,332	10	52.59
	- Essar Power Transmission Company Ltd. - Series C - OCD	FVTPL	2,55,14,666	10	0.00	2,55,14,666	10	0.00
	- RKM Powergen Pvt. Ltd. - Series A - OCD	FVTPL	63,31,99,420	100	0.00	63,31,99,420	100	0.00
	- RKM Powergen Pvt. Ltd. - Series B - OCD	FVTPL	1,97,74,516	100	0.00	1,97,74,516	100	0.00
	- RKM Powergen Pvt. Ltd. - Series AI - OCD	FVTPL	3,37,46,560	100	0.00	3,37,46,560	100	0.00
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series A- OCD	FVTPL	29,25,000	100	0.00	-	-	-
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	FVTPL	1,86,24,000	100	0.00	-	-	-
	- DANS Energy Pvt. Ltd- OCD	FVTPL	23,71,17,000	100	0.00	-	-	-
	- 7.99% Perpetual bonds of Canara Bank	FVTPL	200	1,00,00,000	208.49	200	1,00,00,000	208.47
	- 9.50% Perpetual Bonds of UCO Bank	FVTPL	228	1,00,00,000	228.80	228	1,00,00,000	228.79
	- 8.55% Perpetual Bonds of PNB	FVTPL	500	1,00,00,000	510.65	-	-	-
	- Jhabua Power Limited - NCD	Amortised Cost	1,56,58,031	100	156.58	1,74,14,830	100	171.50
	- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,50,95,356	100	169.01	-	-	-
	- Non Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	-	-	-	2,55,19,173	1,00,000	56.40
	- 10% NCD - GMR Goa International Airport Ltd (GGIAL)- Quoted	Amortised Cost	49,488	1,00,000	493.20	-	-	-
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of HUDCO	Amortised Cost	86,798	1,000	8.82	-	-	-
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of NHAI	Amortised Cost	42,855	1,000	4.60	-	-	-
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of NHAI	Amortised Cost	35,463	1,000	3.68	-	-	-
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of IREDA	Amortised Cost	61,308	1,000	6.21	-	-	-
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of IRFC	Amortised Cost	22,338	1,000	2.31	-	-	-
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of NABARD	Amortised Cost	14,028	1,000	1.40	-	-	-
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of HUDCO	Amortised Cost	50,000	1,000	5.09	-	-	-
	- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL) 2032	Amortised Cost	1,000	10,00,000	102.98	-	-	-

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(₹ in crore)

Sr. No.	Particulars	Measured at	As at 31.03.2024			As at 31.03.2023		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
	- 7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	10,00,000	88.09	-	-	-
	- 6.65% Bonds of Food Corporation of India	Amortised Cost	200	10,00,000	20.61	-	-	-
	- 7.19% Bonds of THDC India Limited	Amortised Cost	250	10,00,000	26.30	-	-	-
	- 8.69% Bonds of Damodar Valley Corporation	Amortised Cost	200	10,00,000	21.06	-	-	-
	- 7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	10,00,000	21.98	-	-	-
	- 5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	150	10,00,000	15.62	-	-	-
	- 6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	100	10,00,000	10.47	-	-	-
	- 7.30% Bonds of NMDC Steel Limited	Amortised Cost	200	10,00,000	21.15	-	-	-
(iii)	**Equity Instruments**							
	- PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	223.14	1,20,00,000	10	102.06
	- Coal India Limited - Quoted	Designated - FVTOCI	1,39,64,530	10	606.20	1,39,64,530	10	298.35
	- NHPC Limited - Quoted	Designated - FVTOCI	12,81,48,747	10	1,149.49	17,16,75,750	10	690.13
	- Power Exchange India Limited - Unquoted	Designated - FVTOCI	32,20,000	10	4.78	32,20,000	10	3.59
	- Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	537.74	13,31,04,997	2	105.15
	- Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	46,36,00,000	10	317.56	46,36,00,000	10	298.51
	- Jhabua Power Limited - Unquoted*	Designated - FVTOCI	9,69,30,666	10	617.76	9,69,30,666	10	602.82
	- Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	366	10	7.24	366	10	1.81
	- Housing & Urban Development Corporation Ltd.-quoted	Designated - FVTOCI	-	10	-	3,47,429	10	1.50
	- Universal Commodity Exchange Ltd.- Unquoted	Designated - FVTOCI	1,60,00,000	10	-	1,60,00,000	10	-
	- RattanIndia Power Limited - Quoted	FVTPL	32,76,95,820	10	270.35	32,76,95,820	10	96.67
	- RKM PowerGen Pvt. Ltd - Unquoted	FVTPL	58,57,06,587	10	0.00	58,57,06,587	10	-
(iv)	**Preference Shares - Unquoted**							
	- Adani Power Limited - RPS **	Amortised Cost	59,82,371	100	14.29	59,82,371	100	12.83
	- 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				**11,072.69**			**6,074.56**
	Less: Impairment Loss Allowance				(101.67)			(101.67)
	Net Investments				**10,971.02**			**5,972.89**

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, CCPS - Compulsorily Convertible Preference Shares, OCD - Optionally Convertible Debenture, NCD - Non-Convertible Debentures

* Equity shares held by the lender's trustee on behalf of Companies in the Group

** Formerly Raipur Energen Ltd (REL), a wholly owned subsidiary, merged with its Holding Company i.e. Adani Power Limited.

Notes to the Consolidated Financial Statements
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13B. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
	JOINT VENTURE		
(i)	**Associates (Refer note 13.2)**		
	- Ultramega Power Projects / Independent Transmission Projects* [5,50,000 equity shares of ₹ 10 each; previous year 5,60,000 equity shares of ₹ 10 each]	0.33	0.51
	Sub Total	**0.33**	**0.51**
	Less: Impairment loss allowance	-	-
	Total Investments accounted for using equity method	**0.33**	**0.51**

* During the year, Bijawar-Vidharbha Transmission Ltd an associate company of PFCCL has been striked off by MCA on 13.01.2024.

13.1 Movement of impairment loss allowance on investments

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Opening Balance	101.67	101.67
Add: Impairment loss allowance recognised during the year	-	-
Less: Reversal of excess impairment loss allowance during the year	-	-
Closing Balance	**101.67**	**101.67**

13.2 Carrying Value of Investment in Associates accounted for using equity method:

These associates are companies incorporated as SPVs under mandate from GoI for development of Ultra Mega Power Projects (UMPPs) (Sr. no.(i)-(xi) below) with the intention to hand over the same to successful bidders on completion of the bidding process and Special Purpose Vehicle in respect of Independent Transmission Project (ITPs) (Sr. no.(xii) below) incorporated by PFCCL, being the bid process coordinator for transmission schemes.

(₹ in crore)

Sr. No.	Name of investee company	As at 31.03.2024	As at 31.03.2023
(i)	Orissa Integrated Power Limited	-	-
(ii)	Coastal Tamil Nadu Power Limited	0.08	0.08
(iii)	Sakhigopal Integrated Power Company Limited	0.05	0.05
(iv)	Ghogarpalli Integrated Power Company Limited	0.05	0.05
(v)	Deoghar Mega Power Limited	0.05	0.05
(vi)	Cheyyur Infra Limited	-	0.05
(vii)	Odisha Infrapower Limited	-	0.04
(viii)	Deoghar Infra Limited	-	0.05
(ix)	Bihar Infrapower Limited	-	0.05
(x)	Bihar Mega Power Limited	0.05	0.05
(xi)	Jharkhand Infrapower Limited	0.05	0.04
(xii)	Bijawar-Vidarbha Transmission Limited(1)	-	-
	Total Carrying Value	**0.33**	**0.51**

(1) Associates struck off during the year by the Registrar of Companies

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.

Notes to the Consolidated Financial Statements
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Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares/units derecognised	Fair Value as on date of de-recognition	Cumulative gain/ (loss) on de-recognition
FY 2023-24[(1)]			
NHPC Limited	4,35,27,003	307.70	212.90
HUDCO Limited	3,47,429	6.45	4.37
Total			**217.27**
FY 2022-23			
NHPC Limited[(1)]	3,34,54,417	123.70	50.83
Total			**50.83**

[(1)] These equity shares were sold in tranches during the year considering the market scenario. The fair value and gain has been computed based on the price as on the respective date of de-recognition and has been presented above on aggregate basis.

Subsequent to de-recognition of such investments, the Group has transferred the cumulative gain/(loss) on such shares within Equity (from Reserve for Equity instruments through OCI to Retained Earnings) during the year. Refer Consolidated Statement of Changes in Equity for further details.

13.4 Refer Note 48 for details of fair valuation of investments.

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 31.03.2024	As at 31.03.2023
(i)	Recoverable on account of Government of India Serviced Bonds	**29,358.12**	29,356.50
(ii)	Security Deposits	**5.89**	5.42
(iii)	Advances to Associates	**216.37**	197.46
(iv)	Advances to Employees	**2.10**	1.52
(v)	Loans to Employees	**195.12**	166.42
(v)	Others	**196.96**	217.25
	Less: Impairment loss allowance on Others	**(89.25)**	(112.78)
	Total Other Financial Assets	**29,885.31**	**29,831.79**

14.1 Detail of Loans & Advances to KMPs (Included in Note 14 (iv) & (v) above):

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Loans & Advances to KMPs (including interest accrued)	**1.56**	0.53
(ii)	Loans & Advances to KMPs (including interest accrued) as a % of Employee Loans & Advances	**0.79%**	0.32%

14.2 Movement of Impairment on Other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
(i)	Opening balance	**112.78**	115.16
(ii)	Add : Creation during the year	**13.48**	16.04
(iii)	Less : Reversal during year	**(37.01)**	(18.42)
	Closing balance	**89.25**	**112.78**

Notes to the Consolidated Financial Statements
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15. CURRENT TAX ASSETS / LIABILITIES (NET)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Advance income tax and TDS net of Provision	462.66	461.37
(ii)	Tax Deposited on income tax demands under contest	99.67	81.71
	Total Current Tax Assets (Net)	**562.33**	**543.08**
(i)	Provision for income tax net of Advance Tax	82.57	133.09
(ii)	Provision for income tax for demand under contest	0.25	0.25
	Total Current Tax Liabilities (Net)	**82.82**	**133.34**

16. MOVEMENT IN DEFERRED TAX BALANCES

(₹ in crore)

FY 2023-24	Net balance at 01.04.2023	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2024
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	59.51	(12.99)	(3.01)	43.51
(ii) Unamortised income on loans to borrowers	18.67	56.33		75.00
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	7,293.88	(752.27)		6,541.61
(iv) Depreciation and amortisation	(25.24)	(6.23)		(31.48)
(v) Fair value of derivatives (Net)	616.08	(36.29)	(322.37)	257.42
(vi) Others	49.59	(31.06)	(190.10)	(171.57)
(B) (Deferred Tax Liabilities)				
(i) Unamortized exchange loss (Net)	(336.56)	47.37	-	(289.19)
(ii) Unamortised expenditure on loan liabilities	(271.21)	(42.97)	-	(314.18)
(iii) Fair valuation of Debt securities	(65.19)	9.51	-	(55.67)
(iii) Others	0.50	-	-	0.50
Net Deferred Tax (Liabilities) /Assets	**7,340.03**	**(768.61)**	**(515.48)**	**6,055.95**

(₹ in crore)

FY 2022-23	Net balance at 01.04.2022	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2023
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	52.94	5.89	0.68	59.51
(ii) Unamortised income on loans to borrowers	(1.42)	20.09	-	18.67
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	7,708.73	(414.85)	-	7,293.88
(iv) Depreciation and amortisation	(8.93)	(16.32)	-	(25.24)
(v) Fair value of derivatives (Net)	81.61	123.83	410.64	616.08
(vi) Others	26.39	13.04	10.16	49.59
(B) (Deferred Tax Liabilities)				
(i) Unamortized exchange loss (Net)	(280.92)	(55.64)	-	(336.56)
(ii) Unamortised expenditure on loan liabilities	(235.36)	(35.85)	-	(271.21)
(iii) Fair valuation of Debt securities	(28.17)	(37.01)	-	(65.19)
(iii) Others	0.50	-	-	0.50
Net Deferred Tax (Liabilities) /Assets	**7,315.37**	**(396.82)**	**421.48**	**7,340.03**

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17. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP), INTANGIBLE ASSETS UNDER DEVELOPMENT AND OTHER INTANGIBLE ASSETS

FY 2023-24

(₹ in crore)

Particulars	Property, Plant and Equipment									Capital Work-in-Progress	Intangible assets under development	Other Intangible assets
	Freehold Land	Buildings	Plant & Equipment	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable property	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2023	**113.77**	**481.82**	**79.30**	**60.25**	**60.22**	**88.41**	**0.68**	**1.66**	**886.11**	**10.66**	**11.20**	**25.09**
Additions / Adjustments	-	-	3.93	15.25	19.17	6.41	0.18	-	44.94	20.41	-	-
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	(3.01)	-	-
Deductions / Adjustments	-	-	-	(8.11)	(14.23)	(6.50)	(0.01)	-	(28.85)	-	-	(0.01)
Gross Carrying Amount as on 31.03.2024 (A)	**113.77**	**481.82**	**83.23**	**67.39**	**65.16**	**88.32**	**0.85**	**1.66**	**902.20**	**28.06**	**11.20**	**25.08**
Accumulated Depreciation / Amortisation as on 01.04.2023	-	**34.78**	**7.39**	**42.91**	**33.50**	**27.75**	**0.46**	**1.66**	**148.45**	-	-	**23.42**
For the period	-	7.73	8.88	11.06	13.15	8.52	0.06	-	49.40	-	-	1.13
On Assets Sold/Written off from books	-	-	-	(6.16)	(9.74)	(3.46)	-	-	(19.36)	-	-	(0.01)
Accumulated Depreciation / Amortisation as on 31.03.2024 (B)	-	**42.51**	**16.27**	**47.81**	**36.91**	**32.81**	**0.52**	**1.66**	**178.49**	-	-	**24.54**
Net Carrying Amount as on 31.03.2024 (A-B)	**113.77**	**439.31**	**66.96**	**19.58**	**28.25**	**55.51**	**0.33**	-	**723.71**	**28.06**	**11.20**	**0.54**

FY 2022-23

(₹ in crore)

Particulars	Property, Plant and Equipment									Capital Work-in-Progress	Intangible assets under development	Other Intangible assets
	Freehold Land	Buildings	Plant & Equipment	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable property	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2022	**113.77**	**455.75**	**19.90**	**56.16**	**54.41**	**87.72**	**0.53**	**1.66**	**789.90**	**53.36**	-	**25.18**
Additions / Adjustments	-	26.07	59.44	13.47	18.22	7.49	0.15	-	124.84	42.76	11.20	0.01
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	0.03	-	-
Deductions / Adjustments	-	-	(0.04)	(9.38)	(12.41)	(6.80)	-	0.00	(28.63)	(85.49)	-	(0.10)
Gross Carrying Amount as on 31.03.2023 (A)	**113.77**	**481.82**	**79.30**	**60.25**	**60.22**	**88.41**	**0.68**	**1.66**	**886.11**	**10.66**	**11.20**	**25.09**
Accumulated Depreciation / Amortisation as on 01.04.2022	-	**27.08**	**0.95**	**38.54**	**30.21**	**22.11**	**0.42**	**1.65**	**120.96**	-	-	**20.77**
For the period	-	7.70	6.44	11.48	11.95	8.57	0.05	-	46.19	-	-	2.75
Less: Reversal on Assets Sold/Written off from books	-	-	-	(7.11)	(8.66)	(2.93)	(0.01)	0.01	(18.70)	-	-	(0.10)
Accumulated Depreciation / Amortisation as on 31.03.2023 (B)	-	**34.78**	**7.39**	**42.91**	**33.50**	**27.75**	**0.46**	**1.66**	**148.45**	-	-	**23.42**
Net Carrying Amount as on 31.03.2023 (A-B)	**113.77**	**447.04**	**71.91**	**17.34**	**26.72**	**60.66**	**0.22**	-	**737.66**	**10.66**	**11.20**	**1.67**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

17.1 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).

17.2 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.

17.3 In case of PFC Ltd. details of assets pledged as security are as under:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Gross Carrying Value	4.12	4.12
Net Carrying Value	3.36	3.40

For details of borrowings against which above assets are pledged as security refer note 22.10 and 22.11

In case of PFC's Subsidiary REC Ltd. details of assets pledged as security are as under:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.31	2.36

17.4 In case of PFC's Subsidiary REC Ltd., As on 31st March 2024, 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 31.03.2024		As at 31.03.2023	
	Land	Building	Land	Building
Gross Carrying Value	-	4.59	-	4.59
Net Carrying Value	-	1.95	-	1.95

17.5 While PFC's subsidiary REC Ltd. has not made any specific borrowings for construction of a qualifying asset, REC Ltd. has capitalised an amount of ₹0.53 crores (previous year ₹ 0.03 crores) on account of general borrowings at an average rate of borrowings of 7.28% (previous year 7.00%) for the REC Ltd in terms of Ind AS 23 'Borrowing Costs'.

17.6 There has been no revaluation of PPE and Intangible assets during the year.

17.7 Intangible assets under development ageing schedule:

(₹ in crore)

Intangible assets under development	Amount in intangible assets for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2024					
Projects in progress	-	11.20	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**11.20**	**-**	**-**	**11.20**
As at 31.03.2023					
Projects in progress	11.20	-	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	**11.20**	**-**	**-**	**-**	**11.20**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

17.8 CWIP ageing schedule

(₹ in crore)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2024					
Projects in progress	0.07	27.99	-	-	28.06
Projects temporarily suspended	-	-	-	-	-
As at 31.03.2023					
Projects in progress	7.94	-	2.72	-	10.66
Projects temporarily suspended	-	-	-	-	-

18. RIGHT-OF-USE ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Opening Balance of Leasehold Land	42.97	45.83
(ii)	Additions	-	-
(iii)	Less: Disposal / Adjustment	-	-
(iv)	Less: Depreciation*	(2.87)	(2.86)
	Closing Balance of Leasehold Land	**40.10**	**42.97**

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

19. OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Prepaid Expenses	30.86	19.10
(ii)	Deferred Employee Costs	68.46	59.52
(iii)	Capital Advances	651.56	389.96
(iv)	Excess Spent - CSR Expenses	5.34	7.70
(v)	Other assets	177.93	164.86
	Total Other Non-Financial Assets	**934.15**	**641.14**

20. ASSETS CLASSIFIED AS HELD FOR SALE*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(A)	**Assets classified as held for sale**		
(i)	Investment in associates (Refer note 20.1)	1.07	0.73
(ii)	Loan to associates (Refer note 20.2)	27.93	26.07
(iii)	Provision for impairment on assets classified as held for sale (Refer note 20.4)	-	(9.73)
	Sub Total (i+ii+iii)	**29.00**	**17.07**
(B)	**Asset Classified as Held for Sale - Building**	0.05	0.34
	Total (A+B)	**29.05**	**17.41**
(C)	**Liabilities directly associated with assets classified as held for sale**		
(i)	Less : Payable to associates (Refer note 20.3)	-	(0.02)
	Total (C)	**-**	**(0.02)**
	Disposal Group - Net assets (A+B+C)	**29.05**	**17.39**

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

20.1 Investment in associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
	Investments in Equity Instruments of associates (fully paid up equity shares of ₹ 10/- each)		
	In case of PFC's Subsidiary REC Ltd.		
1	Chandil Transmission Limited	-	0.05
2	Dumka Transmission Limited	-	0.05
3	Koderma Transmission Limited	-	0.05
4	Mandar Transmission Limited	-	0.05
5	Bidar Transmission Limited	-	0.05
6	Beawar Transmission Limited	-	0.05
7	Khavda II-D Transmission Limited	-	0.05
8	KPS1 Transmission Limited	-	0.05
9	Ramgarh II Transmission Limited	-	0.05
10	Sikar Khetri Transmission Limited	-	0.05
11	Luhri Power Transmission Limited	0.05	0.05
12	Meerut Shamli Power Transmission Limited	0.05	0.05
13	NERES XVI Power Transmission Limited	0.05	0.05
14	Jalpura Khurja Power Transmission Limited	0.05	-
15	Rajasthan Part 1 Power Transmission Limited	0.05	-
16	Shongtong Power Transmission Limited	0.05	-
17	Kallam Transco Limited	0.05	-
18	Khavda IV C Power Limited	0.05	-
19	Khavda IVA Power Limited	0.05	-
20	Khavda IV-E2 Power Limited	0.05	-
21	Khavda V A Power Limited	0.05	-
22	Rajasthan IV A Power Limited	0.05	-
23	Rajasthan IV C Power Limited	0.05	-
24	Rajasthan IV E Power Limited	0.05	-
25	Rajasthan IV H1 Power Limited	0.05	-
26	Kankani Power Transmission Limited	0.05	-
27	NERGS-I Power Transmission Limited	0.05	-
28	Tumkur-II REZ Power Transmission Limited	0.05	-
	In case of PFC's Subsidiary PFC Consulting Limited		
1	Ananthpuram Kurnool Transmission Limited	-	0.01
2	Chhatarpur Transmission Limited	0.01	0.01
3	Beawar Dausa Transmission Limited	-	0.01
4	Bhadla III Transmission Limited	-	0.01
5	Fatehgarh IV Transmission Limited	-	0.01
6	Fatehgarh III Transmission Limited	-	0.01
7	Fatehgarh-III Beawar Transmission Limited	-	0.01
8	SIOT Transmission Limited	0.01	0.01
9	Joda Barbil Transmission Limited	0.01	-
10	Ramakanali B -Panagarh Transmission Limited	0.01	-
11	Gola B -Ramgarh B Transmission Limited	0.01	-
12	Khavda PS1 And 3 Transmission Limited	0.01	-
13	Paradeep Transmission Limited	0.01	-
14	Sirohi Transmission Limited	0.01	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
15	Beawar - Mandsaur Transmission Limited	0.01	-
16	Barmer I Transmission Limited	0.01	-
17	South Olpad Transmission Limited	0.01	-
18	Pune- III Transmission Limited	0.01	-
19	KPS III HVDC Transmission Limited	0.01	-
20	Bhadla-III & Bikaner-III Transmission Limited	0.01	-
21	Jamnagar Transmission Limited	0.01	-
22	Angul Sundargarh Transmission Limited	0.01	-
23	Bhuj II Transmission Limited	0.01	-
	Total	**1.07**	**0.73**

20.2 Loan to Associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
	In case of PFC's Subsidiary REC Ltd.		
1	Chandil Transmission Limited	-	2.54
2	Dumka Transmission Limited	-	2.48
3	Mandar Transmission Limited	-	2.23
4	Koderma Transmission Limited	-	2.28
5	Receivable from SPV-Under Incorporation	0.05	-
6	Bidar Transmission Limited	-	0.10
7	Sikar Khetri Transmission Limited	-	0.67
8	KPS1 Transmission Limited	-	0.58
9	Ramgarh II Transmission Limited	-	0.70
10	Beawar Transmission Limited	-	0.71
11	Meerut Shamli Power Transmission Limited	1.85	0.43
12	NERES XVI Power Transmission Limited	0.91	0.19
13	Luhri Power Transmission Limited	1.07	0.48
14	Jalpura Khurja Power Transmission Limited	3.83	-
15	Rajasthan Part 1 Power Transmission Limited	0.67	-
16	Shongtong Power Transmission Ltd.	0.56	-
17	Khavda IV A Power Transmission Limited	0.54	-
18	Khavda IV C Power Transmission Limited	0.41	-
19	Khavda IV E2 Power Transmission Limited	0.33	-
20	Khavda V-A Power Transmission Limited	0.43	-
21	Rajasthan IVA Power Transmission Limited	0.41	-
22	Rajasthan IVC Power Transmission Limited	0.34	-
23	Rajasthan IV E Power Transmission Limited	0.38	-
24	Rajasthan IV H1 Power Transmsision Limited	0.51	-
25	Kallam Transo Limited	6.41	-
26	NERGS-1 Power Transmission Limited	0.35	-
27	Tumkur-II REZ Power Transmission Limited	0.20	-
28	Kankani Power Transmission Limited	-	-
	In case of PFC's Subsidiary PFC Consulting Limited		
1	Ananthpuram Kurnool Transmission Limited	-	1.32
2	Angul Sundargarh Transmission Limited	0.22	-
3	Beawar Dausa Transmission Limited	-	2.16
4	Bhadla III Transmission Limited	-	1.45

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for the year ended March 31, 2024

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
5	Beawar - Mandsaur Transmission Limited	0.27	-
6	Barmer I Transmission Limited	0.46	-
7	Bhadla-III & Bikaner-III Transmission Limited	0.43	-
8	Bhuj II Transmission Limited	0.18	-
9	Chhatarpur Transmission Limited	1.63	1.31
10	Fatehgarh IV Transmission Limited	-	1.20
11	Fatehgarh III Transmission Limited	-	1.27
12	Fatehgarh-III Beawar Transmission Limited	-	1.47
13	Gola B -Ramgarh B Transmission Limited	0.11	-
14	Jamnagar Transmission Limited	0.47	-
15	Joda Barbil Transmission Limited	0.57	-
16	Khavda PS1 And 3 Transmission Limited	0.39	-
17	KPS III HVDC Transmission Limited	0.16	-
18	Paradeep Transmission Limited	0.33	-
19	Pune- III Transmission Limited	0.35	-
20	Ramakanali B -Panagarh Transmission Limited	0.14	-
21	SIOT Transmission Limited	2.23	1.98
22	Sirohi Transmission Limited	0.39	-
23	South Olpad Transmission Limited	0.31	-
	Amount receivable from ITP under Incorporation		
1	ITP 56 - Shamli- Aligarh Transmission Limited	-	0.17
2	ITP 57 - Joda/Barbil Transmission Line	-	0.01
3	ITP 58 - Rajasthan REZ Phase-IV (Part-1A)	-	0.09
4	ITP 59 - Rajasthan REZ Phase-IV (Part-1B)	-	0.09
5	ITP 60 - Rajasthan REZ Phase-IV (Part-1C)	-	0.08
6	ITP 61 - Rajasthan REZ Phase-IV (Part-1D)	-	0.08
7	ITP 79 - NE Scheme in Navinal (Mundra) Gujarat	0.01	-
8	ITP82 - Augmentation- Jam Khambhaliya PS (GIS)	0.00	-
9	ITP83-Davanagere/ Chitradurga and Bellary REZ in Karnataka	0.00	-
10	ITP85- Evacuation of power- Kundankulam Unit-3 and 4 (2x1000 MW)	0.00	-
11	ITP84- Bijapur REZ in Karnataka	0.00	-
	Total	**27.93**	**26.07**

20.3 Liabilities directly associated with assets classified as held for sale

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Khavda II-D Transmission Limited	-	0.02
	Total	**-**	**0.02**

20.4 Provision for impairment on assets classified as held for sale

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Chandil Transmission Limited	-	2.59
(ii)	Dumka Transmission Limited	-	2.53
(iii)	Mandar Transmission Limited	-	2.28
(iv)	Koderma Transmission Limited	-	2.33
	Total	**-**	**9.73**

Notes to the Consolidated Financial Statements
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20.5 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'.

20.6 "With a view to monetise its idle assets, during the year the Company's subsidiary RECL has disposed certain residential building units through e-auction process, with carrying value ₹ 0.29 crores (previous year ₹ 0.52 crores), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹ 1.32 crores during the current year (previous year ₹ 4.08 crores) Further, residential building units with carrying value ₹ 0.05 crores (previous year ₹ 0.34 crores) classified under "Assets classified as held for sale" are pending for disposal as at 31st March 2024. The process for their disposal is expected to be completed during the year 2024-25 through e-auction process.

21. TRADE PAYABLES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
	Trade Payables		
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	1.07	0.69
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	112.65	63.59
	Total Trade Payables	**113.72**	**64.28**

21.1 Trade Payables ageing schedule

	Particulars	As at 31st March 2024						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	**MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	0.23	0.64	0.20	-	-	-	1.07
	Sub-total (i)	**0.23**	**0.64**	**0.20**	**-**	**-**	**-**	**1.07**
(i)	**Other than MSME**							
	- Disputed	0.00	0.00	-	-	-	-	-
	- Others	2.05	5.25	86.14	14.21	3.46	1.53	112.65
	Sub-total (ii)	**2.05**	**5.25**	**86.14**	**14.21**	**3.46**	**1.53**	**112.65**
	Total (i+ii)	**2.28**	**5.89**	**86.34**	**14.21**	**3.46**	**1.53**	**113.72**

	Particulars	As at 31st March 2023						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	**MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	0.57	0.10	0.02	-	-	-	0.69
	Sub-total (i)	**0.57**	**0.10**	**0.02**	**-**	**-**	**-**	**0.69**
(i)	**Other than MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	1.62	5.38	27.15	14.90	0.39	14.14	63.59
	Sub-total (ii)	**1.62**	**5.38**	**27.15**	**14.90**	**0.39**	**14.14**	**63.59**
	Total (i+ii)	**2.19**	**5.48**	**27.17**	**14.90**	**0.39**	**14.14**	**64.28**

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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 31.03.2024	As at 31.03.2023
(i)	**Secured Bonds / Debenture**		
	- Infrastructure Bonds (Refer note 22.1)	38.51	38.51
	- Tax Free Bonds (Refer note 22.2)	16,438.84	18,520.76
	- 54EC Capital Gain Tax Exemption Bonds (Refer note 22.3)	50,104.91	42,466.24
	- Taxable Bonds (Refer note 22.4)	9,206.51	6,383.99
	- Bond Application Money (Refer note 22.5)	1,245.41	1,720.36
	Sub-Total (i)	**77,034.18**	**69,129.86**
(ii)	**Unsecured Bonds / Debenture**		
	- Infrastructure Bonds (Refer note 22.6)	3.96	3.96
	- Taxable Bonds (Refer note 22.7)	3,96,176.03	3,44,006.50
	- Foreign Currency Notes (Refer note 22.8 & 22.9)	70,687.32	70,106.11
	- Commercial Paper	-	-
	Sub-Total (ii)	**4,66,867.31**	**4,14,116.57**
(iii)	**Total Principal Outstanding of Debt Securities (i+ii)**	5,43,901.49	4,83,246.43
(iv)	Interest accrued but not due on above	17,352.24	14,414.63
(v)	Unamortised Transaction Cost on above	(922.69)	(931.68)
	Total Debt Securities (iii to v)	**5,60,331.04**	**4,96,729.38**
	Geography wise Debt Securities		
(i)	Debt Securities in India	4,89,489.26	4,26,580.42
(ii)	Debt Securities outside India	70,841.78	70,148.96
	Total Geography wise Debt Securities	**5,60,331.04**	**4,96,729.38**

22.1 Details of Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	For Security, Refer Note	Redemption details
In case of PFC							
1	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	5.27	31.03.2026	17.6	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	19.33	31.03.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	2.86	21.11.2026	17.7	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	7.77	21.11.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027		Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	30.03.2027		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
	Total		**38.51**	**38.51**			

Notes to the Consolidated Financial Statements
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22.2 Details of Tax Free Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	For Security, Refer Note	Redemption details
In case of PFC							
1	Tax Free Bonds Series 107A	8.01%	-	113.00	30.08.2023	17.11	Repaid in FY 2023-24
2	Tax Free Bonds Series IB	8.43%	-	335.47	16.11.2023		
3	Tax Free Bonds Series 1A	8.18%	-	325.07	16.11.2023		
4	Tax Free Bonds Series 136	7.16%	**300.00**	300.00	17.07.2025		Redeemable at par on maturity
5	Tax Free Bonds (2015-16) Series 1B	7.36%	**79.35**	79.35	17.10.2025		
6	Tax Free Bonds (2015-16) Series 1A	7.11%	**75.09**	75.09	17.10.2025		
7	Tax Free Bond Series 79-B	7.75%	**217.99**	217.99	15.10.2026		
8	Tax Free Bond Series 80-B	8.16%	**209.34**	209.34	25.11.2026		
9	Tax Free Bonds (2011-12) Public Issue	8.30%	**1,280.58**	1,280.58	01.02.2027		
10	Tax Fee Bond Series 94B	7.38%	**25.00**	25.00	22.11.2027		
11	Tax Free Bonds Series 95B	7.38%	**100.00**	100.00	29.11.2027		
12	Tax Free Bonds (2012-13) Tranch-I Series 2	7.86%	**185.78**	185.78	04.01.2028		
13	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	**171.22**	171.22	04.01.2028		
14	Tax Free Bonds (2012-13) Tranch II	7.54%	**56.97**	56.97	28.03.2028		
15	Tax Free Bonds (2012-13) Tranch II	7.04%	**12.24**	12.24	28.03.2028		
16	Tax Free Bonds Series 107-B	8.46%	**1,011.10**	1,011.10	30.08.2028		
17	Tax Free Bonds Series 2-B	8.79%	**353.32**	353.32	16.11.2028		
18	Tax Free Bonds Series 2-A	8.54%	**932.70**	932.70	16.11.2028		
19	Tax Free Bonds (2015-16) Series 2-B	7.52%	**45.18**	45.18	17.10.2030		
20	Tax Free Bonds (2015-16) Series 2-A	7.27%	**131.32**	131.33	17.10.2030		
21	Tax Free Bonds Series 3-B	8.92%	**861.96**	861.96	16.11.2033		
22	Tax Free Bonds Series 3-A	8.67%	**1,067.37**	1,067.37	16.11.2033		
23	Tax Free Bonds (2015-16) Series 3-B	7.60%	**155.48**	155.48	17.10.2035		
24	Tax Free Bonds (2015-16) Series 3-A	7.35%	**213.58**	213.58	17.10.2035		
	Sub - Total (A)		**7,485.56**	**8,259.12**			
In case of PFC's Subsidiary REC Ltd.							
1	Series 2015-16 Series 5A	7.17%	**300.00**	300.00	23.07.2025	Redeemable at par on 23.07.2025	
2	Series 2011-12	8.12% to 8.32%	**2,160.33**	2,160.33	27.03.2027	Redeemable at par on maturity	
3	Series 2012-13 Series 2A & 2B	7.38%	**245.00**	245.00	22.11.2027		
4	Series 2012-13 Tranche 1	7.38% to 7.88%	**842.04**	842.04	20.12.2027		
5	Series 2012-13 Tranche 2	7.08% to 7.54%	**49.71**	49.71	27.03.2028		
6	Series 2013-14 Series 3A & 3B	8.46%	**1,141.00**	1,350.00	29.08.2028		
7	Series 2013-14 Series 4A & 4B	8.54%	**45.00**	150.00	11.10.2028		
8	Series 2013-14 Tranche 1	8.37% to 8.71%	**2,835.55**	3,410.60	25.09.2028	Redeemable at par. Bonds amounting to ₹ 2,810.26 crores are redeemable on 25.09.2028 and ₹ 55.28 crores are redeemable on 26.09.2033	
9	Series 2013-14 Tranche 2	8.61% to 8.88%	**638.08**	1,057.40	23.03.2029	Redeemable at par. Bonds amounting to ₹ 530.42 crores are redeemable on 23.03.2029 and ₹ 109.66 crores are redeemable on 24.03.2034	
10	Series 2015-16 Tranche 1	6.89% to 7.43%	**696.56**	696.56	05.11.2025	Redeemable at par. Bonds amounting to ₹ 105.93 crores are redeemable on 05.11.2025, ₹ 172.90 crores are redeemable on 05.11.2030 and ₹ 421.17 crores are redeemable on 05.11.2035	
	Sub - Total (B)		**8,953.27**	**10,261.64**			
	Total (A+B)		**16,438.84**	**18,520.76**			

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22.3 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 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	For Security, Refer Note	Redemption details
In case of PFC						
1	Series II (FY 2018-19)	5.75%	-	346.57	17.11	Repaid in FY 2023-24
2	Series II (FY 2018-19)	5.75%	**145.38**	145.38		Redeemable at par during FY 2024-25
3	Series III (FY 2019-20)	5.75%	**1,134.44**	1,134.44		Redeemable at par during FY 2024-25
4	Series IV (FY 2020-21)	5.75%	**252.38**	252.38		Redeemable at par during FY 2025-26
5	Series IV (FY 2020-21)	5.00%	**685.41**	685.41		Redeemable at par during FY 2025-26
6	Series V (FY 2021-22)	5.00%	**1,434.64**	1,434.64		Redeemable at par during FY 2026-27
7	Series VI (FY 2022-23)	5.00%	**2,600.86**	2,600.87		Redeemable at par during FY 2027-28
8	Series VII (FY 2023-24)	5.25%	**2,741.00**	-		Redeemable at par during FY 2028-29
	Sub - Total (A)		**8,994.11**	**6,599.69**		
In case of PFC's Subsidiary REC Ltd.						
1	Series XII (2018-19)	5.75%	-	6,651.31	Repaid in FY 2023-24	
2	Series XIII (2019-20)	5.75%	**6,157.82**	6,157.82	Redeemable at par during financial year 2024-25	
3	Series XIV (2020-21)	5.75% and 5.00%	**5,312.07**	5,312.07	Redeemable at par during financial year 2025-26	
4	Series XV (2021-22)	5.00%	**7,312.80**	7,312.80	Redeemable at par during financial year 2026-27	
5	Series XVI (2022-23)	5.00%	**12,152.39**	10,432.55	Redeemable at par during financial year 2027-28	
6	Series XVII (2023-24)	5.25%	**10,175.72**	-	Redeemable at par during financial year 2028-29	
	Sub - Total (B)		**41,110.80**	**35,866.55**		
	Total (A+B)		**50,104.91**	**42,466.24**		

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 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	For Security, Refer Note	Redemption details
In case of PFC							
1	Secured Public Issue (2020-21) tranche I Series I Category III-IV	4.80%	-	1.95	22.01.2024	17.11	Repaid in FY 2023-24
2	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	**27.05**	27.05	22.01.2026		Redeemable at par on maturity
3	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	**3.50**	3.50	22.01.2026		
4	7 45 SEC TAX NCD 2324 PI TR I SR I CAT I-II	7.45%	**62.17**	-	01.08.2026		
5	7 50 SEC TAX NCD 2324 PI TR I SR I CAT III-IV	7.50%	**59.93**	-	01.08.2026		
6	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		
7	Secured Public Issue (2020-21) Tranche I Series V Category I-II	6.58% (10YR GSEC Link)	**10.35**	10.35	22.01.2031		
8	Secured Public Issue (2020-21) Tranche I Series IV Category III-IV	7.00%	**1,635.53**	1,635.53	22.01.2031		
9	Secured Public Issue (2020-21) Tranche I Series IV Category I-II	6.80%	**33.67**	33.67	22.01.2031		
10	Secured Public Issue (2020-21) Tranche I Series III Category III-IV	6.82%	**28.74**	28.74	22.01.2031		
11	Secured Public Issue (2020-21) Tranche I Series III Category I-II	6.63%	**0.50**	0.50	22.01.2031		
12	7 47 SEC TAX NCD 2324 PI TR I SR II CAT I-II	7.47%	**362.51**	-	01.08.2033		

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	For Security, Refer Note	Redemption details
13	7 53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV	7.53%	**45.48**	-	01.08.2033		
14	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	**1,330.05**	1,330.05	22.01.2036		
15	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	**50.05**	50.05	22.01.2036		
16	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	**53.36**	53.36	22.01.2036		
17	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	**3.51**	3.51	22.01.2036		
18	7 50 SEC TAX NCD 2324 PI TR I SR III CAT I-II	7.50%	**183.70**	-	01.08.2038		
19	7 55 SEC TAX NCD 2324 PI TR I SR III CAT III-IV	7.55%	**2,110.68**	-	01.08.2038		
	Total		**7,251.51**	**4,428.99**			
In case of PFC's Subsidiary REC Ltd.							
1	123-IIIB Series	9.34%	**1,955.00**	1,955.00	23.08.2024		Redeeemable at par on maturity
	Sub - Total (B)		**1,955.00**	**1,955.00**			
	Total (A+B)		**9,206.51**	**6,383.99**			

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 31.03.2024	31.03.2023	Redemption details
In case of PFC's Subsidiary REC Ltd.					
1	54EC Capital Gain Tax Exemption Bonds	5.00%	**1,245.41**	1,720.36	Redeemable at par after 5 years from the deemed date of allotment
	Total		**1,245.41**	**1,720.36**	

22.6 Details of Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
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 the date falling 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 31.03.2024	31.03.2023	Date of Redemption	Redemption details
In case of PFC						
1	Series 194	7.04%	-	1,400.00	14.04.2023	Repaid in FY 2023-24
2	Series 85 D	9.26%	-	736.00	15.04.2023	
3	Series 198	6.98%	-	3,160.00	20.04.2023	
4	Series 199A	6.83%	-	1,970.00	24.04.2023	
5	Series 202A	6.75%	-	2,145.00	22.05.2023	
6	Series 203A	6.72%	-	2,206.00	09.06.2023	
7	Series 206	5.47%	-	3,000.00	19.08.2023	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
8	Series 188	8.10%	**691.10**	691.10	04.06.2024	
9	Series 211 (3M TB Link)	4.38%	**1,985.00**	1,985.00	02.08.2024	
10	Series 57- B	8.60%	**866.50**	866.50	07.08.2024	
11	Series 117 Option B	9.37%	**855.00**	855.00	19.08.2024	
12	Series 118 Option B II	9.39%	**460.00**	460.00	27.08.2024	
13	Series Option 120 B	8.98%	**950.00**	950.00	08.10.2024	
14	Series 120 Option A	8.98%	**961.00**	961.00	08.10.2024	
15	Series 192	7.42%	**3,000.00**	3,000.00	19.11.2024	
16	Series 124 C	8.48%	**1,000.00**	1,000.00	09.12.2024	
17	Series 61	8.50%	**351.00**	351.00	15.12.2024	
18	Series 125	8.65%	**2,826.00**	2,826.00	28.12.2024	
19	Series 126	8.65%	**5,000.00**	5,000.00	04.01.2025	
20	Series 62-B	8.80%	**1,172.60**	1,172.60	15.01.2025	
21	Series 128	8.20%	**1,600.00**	1,600.00	10.03.2025	
22	Series 63-III	8.90%	**184.00**	184.00	15.03.2025	
23	Series 131-C	8.41%	**5,000.00**	5,000.00	27.03.2025	
24	Series 64	8.95%	**492.00**	492.00	30.03.2025	
25	Series 204A	5.77%	**900.00**	900.00	11.04.2025	
26	Series 130-C	8.39%	**925.00**	925.00	19.04.2025	
27	Series 199B	7.16%	**1,320.00**	1,320.00	24.04.2025	
28	Series 65 III	8.70%	**1,337.50**	1,337.50	14.05.2025	
29	Series 202B	7.17%	**810.00**	810.00	22.05.2025	
30	7 17 TX UNS BND SRS 202B R1	7.17%	**3,100.00**	-	22.05.2025	
31	Series 66-B	8.75%	**1,532.00**	1,532.00	15.06.2025	Redeemable at par on maturity
32	Series 210A - STRPP1	6.35%	**405.60**	405.60	30.06.2025	
33	Series 215	7.13%	**2,420.00**	2,420.00	08.08.2025	
34	Series 217B STRPP I	7.15%	**276.40**	276.40	08.09.2025	
35	Series 208	6.50%	**2,806.00**	2,806.00	17.09.2025	
36	Series 141-B	8.40%	**1,000.00**	1,000.00	18.09.2025	
37	Series 218	7.59%	**1,450.00**	1,450.00	03.11.2025	
38	Series 71	9.05%	**192.70**	192.70	15.12.2025	
39	Series 222	7.58%	**2,540.00**	2,540.00	15.01.2026	
40	Series 147	8.03%	**1,000.00**	1,000.00	02.05.2026	
41	7 37 TX UNS BND SRS 230	7.37%	**2,990.00**	-	22.05.2026	
42	Series 210A - STRPP2	6.35%	**540.80**	540.80	30.06.2026	
43	Series 216	7.13%	**3,000.00**	3,000.00	15.07.2026	
44	Series 225A	7.77%	**3,262.70**	3,262.70	15.07.2026	
45	7 55 TX UNS BND SRS 228A	7.55%	**2,330.00**	-	15.07.2026	
46	Series - 76-B	9.46%	**1,105.00**	1,105.00	01.08.2026	
47	Series 150-B	7.63%	**1,675.00**	1,675.00	14.08.2026	
48	7 64 TX UNS BND SRS 233B	7.64%	**2,500.00**	-	25.08.2026	
49	ZCB TX UNS BND SRS 233A YTM 7 65	7.65%	**501.04**	-	25.08.2026	
50	Series 212A	6.09%	**2,450.00**	2,450.00	27.08.2026	
51	Series - 77-B	9.45%	**2,568.00**	2,568.00	01.09.2026	
52	Series 217B STRPP II	7.15%	**276.40**	276.40	08.09.2026	
53	Series 227A	7.70%	**1,200.00**	1,200.00	15.09.2026	
54	Series 151-B	7.56%	**210.00**	210.00	16.09.2026	
55	Series 152	7.55%	**4,000.00**	4,000.00	25.09.2026	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2024	31.03.2023		
56	Series 155	7.23%	**2,635.00**	2,635.00	05.01.2027	
57	7 55 TX UNS BND SRS 238	7.55%	**2,754.00**	-	15.04.2027	
58	Series 168-B	7.44%	**1,540.00**	1,540.00	12.06.2027	
59	Series 210A - STRPP3	6.35%	**405.60**	405.60	30.06.2027	
60	Series 169-B	7.30%	**1,500.00**	1,500.00	07.08.2027	
61	Series 217B STRPP III	7.15%	**276.40**	276.40	08.09.2027	
62	Series 170-B	7.65%	**2,001.00**	2,001.00	22.11.2027	
63	Series 171	7.62%	**5,000.00**	5,000.00	15.12.2027	
64	Series 221B	7.59%	**3,500.00**	3,500.00	17.01.2028	
65	Series 172	7.74%	**850.00**	850.00	29.01.2028	
66	Series 101 B	9.00%	**1,370.00**	1,370.00	11.03.2028	
67	Series 102 A (III)	8.90%	**403.00**	403.00	18.03.2028	
68	Series 103	8.94%	**2,807.00**	2,807.00	25.03.2028	
69	Series 177	7.85%	**3,855.00**	3,855.00	03.04.2028	
70	Series 227B	7.77%	**1,390.00**	1,390.00	15.04.2028	
71	7 44 TX UNS BND SRS 229 (2Y Put Call)	7.44%	**1,550.00**	-	10.05.2028	
72	Series 178	8.95%	**3,000.00**	3,000.00	10.10.2028	
73	Series 179-A	8.67%	**1,007.40**	1,007.40	19.11.2028	
74	7.60 TX UNS BND SRS 237A	7.60%	**3,000.00**	-	13.04.2029	
75	Series 187 B	8.85%	**1,982.10**	1,982.10	27.05.2029	
76	Series 118 Option B III	9.39%	**460.00**	460.00	27.08.2029	
77	Series193	7.93%	**4,710.50**	4,710.50	31.12.2029	
78	Series 196R1	7.41%	**1,500.00**	1,500.00	25.02.2030	
79	Series 196	7.41%	**2,500.00**	2,500.00	25.02.2030	
80	Series 225B STRPP I	7.82%	**625.00**	625.00	13.03.2030	Redeemable at par on maturity
81	Series 195	7.86%	**1,100.00**	1,100.00	12.04.2030	
82	7 86 TX UNS BND SRS 195 R1	7.86%	**1,260.00**	-	12.04.2030	
83	Series 200	7.40%	**2,920.00**	2,920.00	08.05.2030	
84	Series 197	7.41%	**5,000.00**	5,000.00	15.05.2030	
85	Series 203B	7.75%	**3,318.00**	3,318.00	11.06.2030	
86	Series 66-C	8.85%	**633.00**	633.00	15.06.2030	
87	Series 201	7.68%	**3,101.30**	3,101.30	15.07.2030	
88	Series 202C	7.79%	**1,936.00**	1,936.00	22.07.2030	
89	Series 205A	7.05%	**1,610.10**	1,610.10	09.08.2030	
90	Series 71	9.05%	**192.70**	192.70	15.12.2030	
91	Series 207R1	7.04%	**2,549.10**	2,549.10	16.12.2030	
92	Series 207	7.04%	**1,097.40**	1,097.40	16.12.2030	
93	Series 225B STRPP II	7.82%	**625.00**	625.00	13.03.2031	
94	Series 204B	6.88%	**1,300.00**	1,300.00	11.04.2031	
95	Series 213	6.95%	**1,988.00**	1,988.00	01.10.2031	
96	Series 225B STRPP III	7.82%	**625.00**	625.00	12.03.2032	
97	Series 214 (BBETF)	6.92%	**1,180.00**	1,180.00	14.04.2032	
98	6 92 TX UNS BND SRS 214 R1	6.92%	**1,330.00**	-	14.04.2032	
99	Series 217A	7.42%	**4,000.00**	4,000.00	08.09.2032	
100	Series 223	7.64%	**3,500.00**	3,500.00	22.02.2033	
101	Series 225B STRPP IV	7.82%	**625.00**	625.00	11.03.2033	
102	Series 220	7.58%	**470.00**	470.00	15.04.2033	
103	Series 226A	7.66%	**1,200.00**	1,200.00	15.04.2033	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
104	Series 226B	7.70%	**583.50**	583.50	15.04.2033	Redeemable at par on maturity
105	7 57 TX UNS BND SRS 232	7.57%	**3,000.00**	-	12.07.2033	
106	7 62 TX UNS BND SRS 228B	7.62%	**2,102.00**	-	15.07.2033	
107	7 60 TX UNS BND SRS 233C	7.60%	**3,500.00**	-	25.08.2033	
108	Series 179-B	8.64%	**528.40**	528.40	19.11.2033	
109	7 70 TX UNS BND SRS 234	7.70%	**2,625.00**	-	30.11.2033	
110	Series 180	8.75%	**2,654.00**	2,654.00	22.02.2034	
111	7.49 TX UNS BND SRS 237B	7.49%	**3,000.00**	-	22.02.2034	
112	Series 186	8.79%	**2,578.90**	2,578.90	30.04.2034	
113	Series 189	8.15%	**4,035.00**	4,035.00	08.08.2034	
114	Series 190	8.25%	**4,016.00**	4,016.00	06.09.2034	
115	Series 205B	7.20%	**1,605.70**	1,605.70	10.08.2035	
116	Series 209	7.34%	**1,711.00**	1,711.00	29.09.2035	
117	Series 210B	7.11%	**1,933.50**	1,933.50	30.06.2036	
118	Series 212B	7.15%	**2,343.68**	2,343.68	27.08.2036	
119	Series 219	7.65%	**4,000.00**	4,000.00	13.11.2037	
120	Series 221A	7.72%	**2,782.70**	2,782.70	19.12.2037	
121	Series 224	7.82%	**3,468.50**	3,468.50	06.03.2038	
122	7 48 TX UNS BND SRS 231	7.48%	**3,896.90**	-	20.06.2038	
123	7 69 TX UNS BND SRS 235	7.69%	**3,335.00**	-	15.12.2038	
	Sub - Total (A)		**2,23,900.74**	**1,95,743.80**		
In case of PFC's Subsidiary REC Ltd.						
1	114th Series	8.82%	-	4,300.00	Repaid in FY 2023-24	
2	195th Series	6.92%	-	2,985.00		
3	191A Series	6.80%	-	1,100.00		
4	200th Series PP-MLD*	5.36%	-	500.00		
5	184B Series STRPP-D**	7.55%	-	300.00		
6	202B Series	5.69%	-	2,474.00		
7	205A Series	4.99%	-	2,135.00		
8	209th Series	5.79%	-	1,550.00		
9	210th Series	5.74%	**4,000.00**	4,000.00	20.06.2024	Redeemable at par on maturity
10	180A Series	8.10%	**1,018.00**	1,018.00	25.06.2024	
11	191B Series	6.99%	**1,100.00**	1,100.00	30.09.2024	
12	212th Series	Floating (linked to T-Bill)	**2,500.00**	2,500.00	31.10.2024	
13	186B Series	7.40%	**1,500.00**	1,500.00	26.11.2024	
14	128th Series	8.57%	**2,250.00**	2,250.00	21.12.2024	
15	129th Series	8.23%	**1,925.00**	1,925.00	23.01.2025	
16	130th Series	8.27%	**2,325.00**	2,325.00	06.02.2025	
17	131st Series	8.35%	**2,285.00**	2,285.00	21.02.2025	
18	190A Series	6.88%	**2,500.00**	2,500.00	20.03.2025	
19	201A Series	5.90%	**900.00**	900.00	31.03.2025	
20	133rd Series	8.30%	**2,396.00**	2,396.00	10.04.2025	
21	94th Series	8.75%	**1,250.00**	1,250.00	09.06.2025	
22	95-II Series	8.75%	**1,800.00**	1,800.00	14.07.2025	
23	136th Series	8.11%	**2,585.00**	2,585.00	07.10.2025	
24	229A Series	7.79%	**1,033.00**	-	29.11.2025	
25	203B Series	5.85%	**2,777.00**	2,777.00	20.12.2025	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2024	31.03.2023		
26	204B Series	5.81%	**2,082.00**	2,082.00	31.12.2025	Redeemable at par on maturity
27	205B Series	5.94%	**2,000.00**	2,000.00	31.01.2026	
28	214A Series	7.32%	**500.00**	500.00	28.02.2026	
29	219 series	7.60%	**3,148.70**	3,148.70	28.02.2026	
30	220B series	7.69%	**1,600.10**	1,600.10	31.03.2026	Redeemable at par on 31.03.2033 with Put option exercisable on 31.03.2026
31	223A series	7.44%	**3,000.00**	-	30.04.2026	Redeemable at par on maturity
32	228A Series	7.80%	**1,679.00**	-	30.05.2026	
33	218A series	7.56%	**3,000.00**	3,000.00	30.06.2026	
34	225th series	7.64%	**2,210.00**	-	30.06.2026	
35	221 series	7.51%	**2,848.00**	-	31.07.2026	
36	227A Series	7.77%	**2,670.00**	-	30.09.2026	
37	211th Series	6.23%	**1,200.00**	1,200.00	31.10.2026	
38	140th Series	7.52%	**2,100.00**	2,100.00	07.11.2026	
39	142nd Series	7.54%	**3,000.00**	3,000.00	30.12.2026	
40	230-A Series	7.71%	**1,000.00**	-	26-02-2027	
41	147th Series	7.95%	**2,745.00**	2,745.00	12.03.2027	
42	Series-231-A	7.64%	**2,875.00**	-	30-04-2027	
43	156th Series	7.70%	**3,533.00**	3,533.00	10.12.2027	
44	216A series	7.55%	**1,701.50**	1,701.50	31.03.2028	
45	220A series	7.77%	**2,000.00**	2,000.00	31.03.2028	
46	223B series	7.46%	**2,993.60**	-	30.06.2028	
47	162nd Series	8.55%	**2,500.00**	2,500.00	09.08.2028	
48	163rd Series	8.63%	**2,500.00**	2,500.00	25.08.2028	
49	168th Series	8.56%	**2,552.40**	2,552.40	29.11.2028	
50	169th Series	8.37%	**2,554.00**	2,554.00	07.12.2028	
51	176th Series	8.85%	**1,600.70**	1,600.70	16.04.2029	
52	178th Series	8.80%	**1,097.00**	1,097.00	14.05.2029	
53	180B Series	8.30%	**2,070.90**	2,070.90	25.06.2029	
54	184A Series	8.25%	**1,451.00**	1,160.80	26.09.2029	
55	192nd Series	7.50%	**2,382.00**	2,382.00	28.02.2030	
56	188B Series	7.89%	**3,100.00**	1,100.00	31.03.2030	
57	189th Series	7.92%	**3,054.90**	3,054.90	31.03.2030	
58	197th Series	7.55%	**3,740.00**	3,740.00	11.05.2030	
59	198B Series	7.79%	**1,569.00**	1,569.00	21.05.2030	
60	202A Series	7.25%	**3,500.00**	3,500.00	30.09.2030	
61	203A Series	6.80%	**5,000.00**	5,000.00	20.12.2030	
62	204A Series	6.90%	**2,500.00**	2,500.00	31.01.2031	
63	201B Series	6.90%	**1,300.00**	1,300.00	31.03.2031	
64	213th Series	6.92%	**3,380.00**	1,380.00	20.03.2032	
65	218B series	7.69%	**2,004.40**	2,004.40	31.01.2033	
66	214B Series	7.50%	**4,947.60**	4,947.60	28.02.2033	
67	217th series	7.53%	**500.00**	500.00	31.03.2033	
68	227B Series	7.71%	**2,818.70**	-	31.10.2033	
69	228B Series	7.71%	**2,899.69**	-	30.11.2033	
70	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

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
71	230-B- Series	7.64%	**3,000.00**	-	31-01-2034	Redeemable at par on maturity
72	Series-231-B	7.47%	**2,500.00**	-	28-02-2034	
73	182nd Series	8.18%	**5,063.00**	5,063.00	22.08.2034	
74	183rd Series	8.29%	**3,028.00**	3,028.00	16.09.2034	
75	207th Series	7.02%	**4,589.90**	4,589.90	31.01.2036	
76	208th Series	7.40%	**3,613.80**	3,613.80	15.03.2036	
77	216B series	7.67%	**2,000.00**	2,000.00	30.11.2037	
78	229B Series	7.67%	**3,539.40**	-	30.11.2038	
			1,72,275.29	**1,48,262.70**		
			3,96,176.03	**3,44,006.50**		

* PP-MLD- Principal Protected Market Linked Debentures

** STRPP- Separately Transferable Redeemable Principal Parts

22.8 The details of Foreign Currency Notes outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
In case of PFC						
1	3.75% USD Bonds 2024	3.75%	**3,334.95**	3,288.68	18.06.2024	Redeemable at par on maturity
2	3.25% USD Bonds 2024	3.25%	**2,501.21**	2,466.51	16.09.2024	
3	3.75% USD Green Bonds 2027	3.75%	**3,334.96**	3,288.68	06.12.2027	
4	5.25% USD Bonds 2028	5.25%	**2,501.22**	2,466.51	10.08.2028	
5	1.841% EUR Bonds 2028	1.84%	**2,706.53**	2,688.23	21.09.2028	
6	6.15% USD Bonds 2028	6.15%	**4,168.70**	4,110.85	06.12.2028	
7	4.50% USD Bonds 2029	4.50%	**5,002.43**	4,933.01	18.06.2029	
8	3.90% USD Bonds 2029	3.90%	**3,751.83**	3,699.76	16.09.2029	
9	3.95% USD Bonds 2030	3.95%	**6,253.04**	6,166.27	23.04.2030	
10	3.35% USD Bonds 2031	3.35%	**4,168.69**	4,110.85	16.05.2031	
	Sub - Total (A)		**37,723.57**	**37,219.33**		
In case of PFC's Subsidiary REC Ltd.						
1	US $500 Mn Bonds	4.75%	-	4,110.85	19.05.2023	Repaid in FY 2023-24
2	US $700 Mn Bonds	5.25%	-	5,755.18	13.11.2023	
3	US $650 Mn Bonds	3.38%	**5,419.30**	5,344.10	25.07.2024	Redeemable at par on maturity
4	US $500 Mn Bonds	3.50%	**4,168.70**	4,110.85	12.12.2024	
5	US $500 Mn Bonds	2.25%	**4,168.70**	4,110.85	01.09.2026	
6	US $400 Mn Bonds	2.75%	**3,334.96**	3,288.68	13.01.2027	
7	US $450 Mn Green Bonds	3.88%	**3,751.83**	3,699.76	07.07.2027	
8	US $300 Mn Bonds	4.63%	**2,501.22**	2,466.51	22.03.2028	
9	US $750 Mn Bonds	5.63%	**6,253.04**	-	11.04.2028	
10	JPY 31000 Mn Bonds	1.76%	**1,707.79**	-	19.01.2029	
11	JPY 27400 Mn Bonds	1.41%	**1,509.47**	-	19.04.2029	
12	JPY 2700 Mn Bonds	2.20%	**148.74**	-	19.01.2034	
	Sub - Total (B)		**32,963.75**	**32,886.78**		
	Total (A+B)		**70,687.32**	**70,106.11**		

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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 7 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 31-03-2024	For the year ended 31-03-2023
Funds raised during the year under GMTN Programme	USD 1.17 Billion	Nil*
Cumulative amount raised under GMTN Programme	USD 5.57 Billion	USD 4.4 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.97 Billion	USD 4.0 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.

In case of PFC details of security are as under

22.10 These bond series are secured by first pari-passu charge on present and future receivables (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 22.11) along with first pari-passu charge on immovable property situated at Guindy, Chennai.

22.11 Infrastructure Bonds (2010-11) Series III and IV are secured by charge on specific book debt of ₹ 116.25 crore as on 31.03.2024 (₹ 254.91 crore as on 31.03.2023) of the Company along with first charge on immovable property situated at Jangpura, New Delhi.

22.12 54 EC Capital Gain Tax Exemption Bonds, Taxable Secured Public Issue (2020-21) 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 (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 22.11), 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)

22.13 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.

22.14 The Bond Series 123-IIIB of Institutional Bonds are secured by way of first pari passu charge on the specified immovable property and the loan assets of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.

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 loan assets (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICap Trustee Company Ltd.

22.17 The Bond Series XII and XIII of 54EC Capital Gain Tax Exemption Bonds and 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. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of loan assets (other than those that are exclusively charged/earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

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22.18 The Bond Series XIII of 54EC Capital Gain Tax Exemption Bonds and 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. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

22.19 Refer Note 12 and 17 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.

22.20 No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.

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 31.03.2024	As at 31.03.2023
(A)	**Secured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions (Refer note 23.1)		
	- Rupee Term Loans	6,127.50	13,476.25
	Sub-Total (A)	**6,127.50**	**13,476.25**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 23.2)	1,24,002.23	85,953.99
	- Rupee Term Loans (Refer note 23.3)	1,24,038.22	1,11,139.85
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans- Multilateral/Bilateral Agencies (Refer note 23.4)	3,454.97	2,358.65
	- Rupee Term Loans - NSSF (Refer note 23.6)	17,500.00	17,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer note 23.7)	13,504.86	7,671.42
	Sub-Total (B)	**2,82,500.28**	**2,24,623.91**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) (A+B)**	**2,88,627.78**	**2,38,100.16**
(D)	Interest accrued but not due on above	1,292.19	1,063.18
(E)	Unamortised Transaction Cost on above	(1,221.88)	(820.34)
	Total Borrowings (other than Debt Securities) (C to E)	**2,88,698.09**	**2,38,343.00**
	Geography wise Borrowings		
(i)	Borrowings in India	1,86,886.79	1,65,851.51
(ii)	Borrowings outside India	1,01,811.30	72,491.49
	Total Geography wise Borrowings	**2,88,698.09**	**2,38,343.00**

23.1 Details of Secured Rupee Term Loans outstanding are as follows :

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
1	Union Bank of India	-	200.00	21.08.2023	Repaid in FY 2023-24
2	Indian Bank	-	1,800.00	20.11.2023	
3	Indian Bank	-	500.00	20.11.2023	
4	Indian Bank	-	937.50	20.11.2023	
5	Canara Bank	-	1,000.00	20.02.2024	
6	Canara Bank T-1	500.00	500.00	21.06.2024	Bullet Repayment at the end of the tenor
7	Canara Bank T-2	500.00	500.00	24.06.2024	
8	Canara Bank	1,000.00	1,000.00	29.06.2024	

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
9	State Bank of India	**2,140.00**	3,570.00	10.07.2024	The loan is to be repaid in 3 half yearly instalments comprising 2 instalments of ₹715 crore each and thereafter final instalment of ₹710 crore each starting from 10-Jul-2024 and ending on 10-Jul-2025
10	Punjab National Bank	**112.50**	168.75	30.09.2024	The loan is to be repaid in 02 annual instalments of ₹56.25 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
11	Union Bank of India	**900.00**	1,350.00	30.09.2024	The loan is to be repaid in 02 annual instalments of ₹450 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
12	Union Bank of India	**100.00**	200.00	30.09.2024	The loan is to be repaid in 1 instalment of ₹100 crore on 30-Sep-2024
13	Punjab National Bank	**375.00**	750.00	25.02.2025	The loan is to be repaid in 01 annual instalment of ₹375 crore on 25-Feb-2025
14	Bank of India	**500.00**	1,000.00	02.03.2025	The loan is to be repaid in 01 annual instalment of ₹500 crore on 02-Mar-2025
	Total Secured Rupee Term Loans	**6,127.50**	**13,476.25**		

23.2 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 31.03.2024	31.03.2023	Date of Redemption	Redemption details
In case of PFC					
1	SLN 26	-	2,055.42	26.09.2023	Repaid in FY 2023-24
2	1 FCNR USD 110M 151222	-	904.39	15.12.2023	
3	2 FCNR EUR 94M 291222	-	844.48	29.12.2023	
4	4 FCNR EUR 56M 290323	-	499.54	29.12.2023	
5	SLN 27	-	1,014.18	01.02.2024	
6	3 FCNR EUR 93M 270323	-	833.03	27.03.2024	
7	5 FCNR EUR 92M 280323	-	828.79	28.03.2024	
8	6 FCNR EUR 93M 290323	-	831.47	29.03.2024	
9	7 FCNR EUR 138M 310323	-	1235.67	31.03.2024	
10	8 FCNR JPY 21539M 300623	**1186.56**	-	30.06.2024	Bullet Repayment at the end of the tenor
11	SLN 29	**2,084.35**	2,055.42	20.12.2024	
12	9 FCNR USD 110M 271223	**917.11**	-	27.12.2024	
13	10 FCNR JPY 37850M 280324	**2085.16**	-	28.03.2025	
14	SLN 30	**833.74**	822.17	13.10.2025	
15	SLN 30	**2,501.22**	2,466.51	05.11.2025	
16	31 A FCTL USD 525M 301121	**4,377.13**	4,316.40	30.11.2026	
17	31 B FCTL USD 100M 301121	**833.74**	822.17	30.11.2026	
18	32 A FCTL JPY 89208M 281222	**4,914.47**	5,513.05	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.
19	33 A FCTL USD 500M 250923	**4,168.70**	-	25.09.2028	Redeemable in 2 instalments: 50% loan amount on 25.09.2028 & balance outstanding on 27.09.2028.

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2024	31.03.2023		
20	33 B FCTL USD 600M 191223	5,002.43	-	19.12.2028	Bullet Repayment at the end of the tenor
21	34 A FCTL USD 250M 220324	2,084.35	-	22.03.2029	
22	34 B FCTL JPY 7577M 220324	417.40	-	22.06.2029	
23	32 B FCTL JPY 26762M 050123	1,474.32	1,653.89	05.01.2030	
24	34 C FCTL JPY 22730M 220324	1,252.21	-	22.03.2031	
	Sub Total (A)	**34,132.87**	**26,696.58**		
In case of PFC's Subsidiary REC Ltd.					
1	¥ 10,327.12 Mn	0.00	638.22	Repaid in FY 2023-24	Redeemable at par on maturity
2	US $250 Mn	0.00	2,055.42		
3	US $250 Mn	0.00	2,055.42		
4	US$200 Mn	-	1,644.34		
5	US$150 Mn	-	1,233.25		
6	US$200 Mn	-	1,644.34		
7	US$75 Mn	-	616.63		
8	US$150 Mn	-	1,233.25		
9	US$200 Mn	-	1,644.34		
10	US$300 Mn	-	2,466.51		
11	US$75 Mn	-	616.63		
12	US$100 Mn	-	822.17		
13	US$200 Mn	-	1,644.34		
14	€ 69.77 Mn	-	625.17		
15	US$150 Mn	-	1,233.25		
16	US$150 Mn	1,250.61	-	03.04.2024	
17	US$150 Mn	1,250.61	-	19.04.2024	
18	US$150 Mn	1,250.61	-	19.04.2024	
19	US$150 Mn	1,250.61	-	10.05.2024	
20	US $150 Mn	625.30	1,233.25	14.05.2024	
21	US$200 Mn	1,667.48	-	14.05.2024	$75 Mn repaid on 29.03.2024 and $75 Mn repayable on 14.05.2024
22	US$150 Mn	1,250.61	-	16.05.2024	Redeemable at par on maturity
23	US$124.85 Mn	1,040.92	-	24.05.2024	
24	US$75.15 Mn	626.55	-	24.05.2024	
25	US$75 Mn	625.30	-	07.06.2024	
26	US$44 Mn	366.85	-	12.06.2024	
27	US $100 Mn	833.74	822.17	01.07.2024	
28	US$125 Mn	1,042.17	-	05.07.2024	
29	US$150 Mn	1,250.61	-	09.08.2024	
30	US$100 Mn	833.74	-	20.09.2024	
31	US$200 Mn	1,667.48	-	06.12.2024	
32	US$250 Mn	2,084.35	-	12.12.2024	
33	US$100 Mn	833.74	-	12.12.2024	
34	US$75 Mn	625.30	-	13.12.2024	
35	US$200 Mn	1,667.48	-	27.12.2024	
36	¥ 34228.99 Mn	1,885.68	-	27.12.2024	
37	US$150 Mn	1,250.61	-	14.02.2025	
38	US$70 Mn	583.62	-	14.02.2025	
39	US$100 Mn	833.74	-	18.03.2025	

Notes to the Consolidated Financial Statements

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
40	US $170 Mn	1,417.36	1,397.69	26.03.2025	$100 Mn repayable on 26.03.2025 and $ 70 Mn repayable on 06.10.2025
41	SG $72.07 Mn	444.93	445.48	30.03.2025	
42	US $75 Mn	625.30	616.63	30.03.2025	
43	¥ 10,519 Mn	579.49	650.07	25.09.2025	
44	US $425 Mn	3,543.39	3,494.22	16.03.2026	
45	US $600 Mn	5,002.43	4,933.01	25.08.2026	
46	US $75 Mn	625.30	616.63	07.10.2026	
47	US $1175 Mn	9,796.43	9,660.49	29.12.2026	
48	¥ 37,506.63 Mn	2,066.24	2,317.91	03.03.2027	
49	US $100 Mn	833.74	822.17	13.06.2027	
50	US $200 Mn	1,667.48	1,644.34	28.07.2027	
51	US $150 Mn	1,250.61	1,233.25	13.09.2027	
52	SGD 213.21 Mn	1,316.19	1,317.80	27.10.2027	
53	€ 254.19 Mn	2,293.28	2,277.77	31.10.2027	
54	€ 349.83 Mn	3,156.09	3,134.74	27.03.2028	
55	¥ 38624.35 Mn	2,127.82	-	20.04.2028	Redeemable at par on maturity
56	JPY 10,495.125 Mn	578.18	-	26.06.2028	
57	US $505 Mn	4,210.38	-	03.08.2028	
58	US $645 Mn	5,377.62	-	31.08.2028	
59	US $100 Mn	833.74	-	14.09.2028	
60	¥ 68485.2 Bn	3,772.85	-	21.09.2028	
61	US $100 Mn	833.74	-	25.09.2028	
62	¥ 14358.5 Mn	791.01	-	09.01.2029	
63	US $100 Mn	833.74	-	06.02.2029	
64	¥ 22101 Mn	1,217.54	-	15.02.2029	
65	US $200 Mn	1,667.48	-	07.03.2029	
66	¥ 22041 Mn	1,214.24	-	19.03.2029	
67	¥ 14847 Mn	817.92	-	21.03.2029	
68	US $225 Mn	1,875.91	-	27.03.2029	
69	US $300 Mn	2,501.22	2,466.51	02.06.2030	
	Sub Total (B)	**89,869.36**	**59,257.41**		
	Total (A+B)	**1,24,002.23**	**85,953.99**		

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for the year ended March 31, 2024

23.3 Details of Unsecured Rupee Term Loans outstanding are as follows :

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
1	UCO Bank	-	200.00	26.05.2023	Repaid in FY 2023-24
2	HDFC Bank Ltd.	-	1,000.00	09.06.2023	
3	HDFC Bank Ltd.	-	650.00	13.06.2023	
4	HDFC Bank Ltd.	-	20.00	16.06.2023	
5	HDFC Bank Ltd.	-	7.00	16.06.2023	
6	HDFC Bank Ltd.	-	55.00	16.06.2023	
7	HDFC Bank Ltd.	-	33.00	16.06.2023	
8	HDFC Bank Ltd.	-	1,000.00	16.06.2023	
9	HDFC Bank Ltd.	-	235.00	21.06.2023	
10	HDFC Bank Ltd.	-	3,000.00	21.06.2023	
11	HDFC Bank Ltd.	-	1,000.00	02.08.2023	
12	State Bank of India	-	2,999.98	27.09.2023	
13	HDFC Bank Ltd.	-	750.00	05.10.2023	
14	Punjab National Bank		995.00	25.10.2023	
15	Canara Bank	-	875.00	20.12.2023	
16	Canara Bank	-	500.00	28.12.2023	
17	Canara Bank	-	500.00	15.01.2024	
18	Bank of India	-	2,000.00	21.01.2024	
19	Union Bank of India	**400.00**	800.00	15.04.2024	The loan is to be repaid in 4 quarterly instalments of ₹100 crore each starting from 15-Apr-2024 and ending on 15-Jan-2025
20	Bank of Baroda	**82.00**	-	23.04.2024	The loan is to be repaid in 3 monthly instalments of ₹27.33 crore each starting from 23-Apr-2024 and ending on 23-Jun-2024
21	Bank of Baroda	**1,418.00**	-	28.04.2024	The loan is to be repaid in 3 monthly instalments of ₹472.67 crore each starting from 28-Apr-2024 and ending on 28-Jun-2024
22	Karnataka Bank	**250.00**	-	08.05.2024	The loan is to be repaid in 8 quarterly instalments of ₹31.25 crore each starting from 08-May-2024 and ending on 08-Feb-2026
23	KEB Hana Bank	**100.00**	100.00	31.05.2024	The loan is to be repaid in 4 halfyearly instalments of ₹25 crore each starting from 31-May-2024 and ending on 30-Nov-2025
24	HDFC Bank Ltd.	**1,862.50**	-	20.06.2024	Bullet Repayment at the end of the tenor
25	Canara Bank	**1,000.00**	1,400.00	22.06.2024	The loan is to be repaid in 14 quarterly instalments of ₹100 crore each starting from 22-Jun-2024 and ending on 22-Sep-2026
26	HDFC Bank Ltd.	**521.50**	-	26.06.2024	Bullet Repayment at the end of the tenor
27	HDFC Bank Ltd.	**247.50**	-	27.06.2024	
28	HDFC Bank Ltd.	**644.00**	-	04.07.2024	
29	Bank of India	**750.00**	1,000.00	11.09.2024	The loan is to be repaid in 4 annual instalments of ₹250 crore each starting from 11-Sep-2024 and ending on 11-Sep-2026
30	Bank of India	**500.00**	500.00	18.09.2024	The loan is to be repaid in 5 annual instalments of ₹100 crore each starting from 18-Sep-2024 and ending on 18-Sep-2028
31	Canara Bank	**200.00**	300.00	23.09.2024	The loan is to be repaid in 4 half-yearly instalments of ₹50 crore each starting from 23-Sep-2024 and ending on 23-Mar-2026
32	State Bank of India	**3,000.00**	3,000.00	19.12.2024	Bullet Repayment at the end of the tenor
33	Punjab National Bank	**333.33**	666.67	20.03.2025	The loan is to be repaid in 1 annual instalment of ₹333.33 crore on 20-Mar-2025
34	Union Bank of India	**625.00**	1,250.00	23.03.2025	The loan is to be repaid in 1 annual instalments of ₹625 crore each on 23-Mar-2025

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
35	HDFC Bank Ltd.	**3,000.00**	-	30.06.2025	The loan is to be repaid in quarterly instalments starting from 30-Jun-2025 and ending on 05-Sep-2030.
36	HDFC Bank Ltd.	**3,000.00**	3,000.00	30.09.2025	Bullet Repayment at the end of the tenor
37	South Indian Bank	**200.00**	-	30.03.2026	
38	Bank of Baroda	**5,000.00**	5,000.00	17.05.2026	The loan is to be repaid in 8 halfyearly instalments of ₹625 crore each starting from 17-May-2026 and ending on 17-Nov-2029
39	UCO Bank	**1,000.00**	1,000.00	24.09.2026	Bullet Repayment at the end of the tenor
40	Punjab National Bank	**500.00**	500.00	27.09.2026	
41	Punjab National Bank	**5.00**	5.00	29.09.2026	
42	Punjab National Bank	**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
43	India Infrastructure Finance Company Limited	**1,000.00**	1,000.00	30.09.2026	Bullet Repayment at the end of the tenor
44	Bank of India	**2,000.00**	-	02.03.2027	
45	Central Bank	**1,000.00**	1,000.00	31.03.2027	
46	Union Bank	**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 31.03.2027 and ending on 31.03.2028
47	Canara Bank	**2,250.00**	2,250.00	28.06.2027	The loan is to be repaid in 2 annually instalments of ₹1125 crore each starting from 28-Jun-2027 and ending on 28-Jun-2028
48	Canara Bank	**250.00**	250.00	30.06.2027	The loan is to be repaid in 2 annually instalments of ₹125 crore each starting from 30-Jun-2027 and ending on 30-Jun-2028
49	Indian Overseas Bank	**1,000.00**	1,000.00	30.09.2027	The loan is to be repaid in 2 yearly instalments of ₹500 crore each starting from 30-Sep-2027 and ending on 30-Sep-2028
50	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
51	UCO Bank	**1,000.00**	1,000.00	30.03.2028	Bullet Repayment at the end of the tenor
52	South Indian Bank	**199.96**	-	31.05.2028	
53	HDFC Bank Ltd.	**4,000.00**	-	05.07.2028	
54	South Indian Bank	**199.96**	-	19.09.2028	
55	Union Bank of India	**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
56	Indian Overseas Bank	**500.00**	500.00	30.09.2028	The loan is to be repaid in 2 yearly instalments of ₹250 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029
57	State Bank of India	**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.
58	India Infrastructure Finance Company Limited	**2,000.00**	-	28.02.2029	Bullet Repayment at the end of the tenor
59	"National Bank for Financing Infrastructure and Development"	**3,500.00**	3,500.00	31.03.2029	The loan is to be repaid in 10 yearly instalments of ₹350 crore each starting from 31-Mar-2029 and ending on 31-Mar-2038
60	"National Bank for Financing Infrastructure and Development"	**1,000.00**	-	01.03.2030	The loan is to be repaid in 10 annual instalments of ₹100 crore each starting from 01-Mar-2030 and ending on 01-Mar-2039
61	HDFC Bank Ltd.	**4,000.00**	-	25.09.2030	The loan is to be repaid in quarterly instalments starting from 31-Dec-2026 and ending on 05-Sep-2030.
	Sub Total (A)	**65,375.94**	**48,841.65**		

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
In case of PFC's Subsidiary REC Ltd.					
1	- Karur Vysya Bank	-	250.00		Repaid in FY 2023-24
2	- Indian Bank	-	1,500.00		
3	- HSBC Bank	-	3,402.49		
4	- Bank of India	-	1,499.87		
5	- Bank of Baroda	**4,749.92**	5,000.00	30.09.2024	Repayable in 6 annual instalments starting from 30.09.2024 and final instalment due on 29.09.2029
6	- Karnataka Bank	**499.98**	499.99	15.05.2025	Redeemable at par on maturity
7	- Punjab & Sind Bank	**499.91**	700.00	09.12.2025	
8	- Jammu & Kashmir Bank	**299.94**	299.95	28.10.2026	
9	- Deutsche Bank	**500.00**	1,000.00	15.06.2027	
10	- South Indian Bank	**499.89**	500.00	08.11.2026	Repayable on 08.11.2026 and ₹ 199.96 crores repayable on 04.08.2027
11	- HDFC Bank	**17,850.00**	16,350.00	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.
12	- ICICI Bank	**5,533.00**	4,000.00	23.01.2030	₹ 4,000 crores repayable on 23.01.2030 and ₹ 1,533 crores repayable on 15.05.2028.
13	- Union Bank of India	**3,999.42**	2,999.68	31.03.2027	₹ 1,999.42 crore Loan repayable in 5 annual instalments of ₹ 400 crore each starting from 31.03.2027 and final installment on 31.03.2031 and ₹ 1,000 crore repayable on 04.01.2026, ₹ 500 crore Loan repayable on 29.09.2028 and ₹ 500 crore loan repayable on 05.11.2028.
14	- State Bank of India	**7,750.94**	10,900.26	15.07.2025	₹ 2,139.92 crore repayable in 3 semi-annual instalments & last instalment payable on 15.07.2025, ₹ 3,899.84 crore repayable in structured instalments & last instalment payable on 29.10.2031 and ₹ 1,711.18 crore repayable on 12.12.2027
15	- Punjab National Bank	**7,529.29**	4,995.97	31.08.2024	₹ 1,329.99 crore repayable in 2 annual instalments & last installment due on 31.08.2025 , ₹ 1,999.66 crore repayable on 11.11.2026, ₹ 999.66 crore repayable in 4 equal annual installments starting from 29.03.2028 and last installment of ₹ 200 crore on 29.12.2031, ₹ 1,199.99 crore repayable on 03.11.2028, ₹ 1,999.99 crore repayable on 26.12.2028
16	- Central Bank	**899.99**	2,399.99	28.03.2026	₹ 499.99 crore repayable in 7 annual instalments starting from 28.03.2026 and final instalment on 28.03.2032 and ₹ 400 crore repayable on 17.11.2025
17	- Indian Infrastructure Finance Company Ltd. (IIFCL)	**4,550.00**	5,500.00	29.03.2026	₹ 750 crore repayable on 29.03.2026, ₹ 1,000 crore repayable on 09.08.2026,₹ 500 crore repayable on 29.07.2027,₹ 800 crore repayable on 30.06.2028 and ₹ 1,500 crore repayable on 11.12.2028
18	- National Bank for Financing Infrastructure and Development (NaBFID)	**3,500.00**	500.00	31.03.2027	₹ 3,500 crore repayable in 7 equal annual installment starting from 31.03.2027 and last installment on 31.03.2033
	Sub Total (B)	**58,662.28**	**62,298.20**		
	Total (A+B)	**1,24,038.22**	**1,11,139.85**		

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23.4 Details of Unsecured Foreign Currency Loans outstanding from Multilateral /Bilateral Agencies are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
In case of PFC					
1	ADB (Guaranteed by the Government of India)	**40.14**	51.35	15.04.2024	Semi Annual Instalments till 15.10.2028
2	JBIC PLA 1	**145.99**	-	22.04.2024	Semi Annual Instalments till 20.04.2038
3	KfW EUR 200M 030123	**690.26**	526.42	15.05.2024	Semi Annual Instalments till 15.11.2031
4	Credit National (Guaranteed by Government of India)	**10.06**	18.86	30.06.2024	Semi Annual Instalments till 30.06.2028
5	KFW I (Guaranteed by Government of India)	**38.84**	41.95	30.06.2024	Semi Annual Instalments till 30.06.2035
6	JBIC PLA 2	**54.73**	-	20.07.2024	Semi Annual Instalments till 20.07.2036
	Sub Total (A)	**980.02**	**638.58**		
In case of PFC's Subsidiary REC Ltd.					
1	KfW-IV Loan	**1,400.68**	1,578.56	15.05.2024	Repayable in equal half-yearly instalments of €12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2024
2	1.86% KfW-III Loan	**47.49**	141.51	30.06.2024	Repayable in equal half-yearly instalments of €5.26 Mn, last instalment falling due on 30.06.2024
3	KfW-V Loan	**1,026.78**	-	15.05.2025	Repayable in equal half-yearly instalments of $ 8.921 Mn till 15.05.2034, first instalment falling due on 15.05.2025
	Sub Total (A)	**2,474.95**	**1,720.07**		
	Total (A+B)	**3,454.97**	**2,358.65**		

23.5 In case of PFC Ltd. Floating Rate Foreign Currency Loans in above Note No. 23.2 and 23.4 carries an interest rate spread ranging from 5 bps to 150 bps over 6 month USD LIBOR/ ARR (London Inter Bank Offered Rate/Alternative Reference Rate). Except for Foreign Currency Loans from Credit National, KFW-I and FCTL31A & B which are at fixed rate of interest.

In case of PFC's Subsidiary REC Ltd. Foreign Currency Borrowings in Note No. 23.2 and 23.4 have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210) bps over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned."

23.6 Details of Unsecured Rupee term Loan NSSF outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	31.03.2023	Date of Redemption	Redemption details
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**		

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23.7 Details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2024	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Date of Redemption	Redemption details
In case of PFC					
1	HDFC Bank	-	1,555.28	10.04.2023	Repaid in FY 2023-24.
2	Indian Bank	-	500.00	15.04.2023	
3	Canara Bank	-	300.00	15.04.2023	
4	Canara Bank	-	1,628.55	30.06.2023	
5	State Bank of India	**1,861.48**	-	06.04.2024	Bullet Repayment at the end of the tenor
6	IndusInd Bank	**500.00**	-	29.04.2024	
	Sub Total (A)	**2,361.48**	**3,983.83**		
In case of PFC's Subsidiary REC Ltd.					
1	Short Term Loans/ Loans repayable on demand from Banks	**11,143.38**	3,687.59	Running facility	Running facility
	Sub Total (B)	**11,143.38**	**3,687.59**		
	Total (A+B)	**13,504.86**	**7,671.42**		

23.8 In case of PFC Ltd. Borrowings as at 31.03.2023 in above Note 23.3 have been raised at respective bank's Benchmark rate plus spread ranging from 100 to 200 bps.

In case of PFC Subsidiary REC Ltd. Term Loans from banks/ financial institutions/ Govt. as mentioned in Note No. 23.3 and 23.6 have been raised at interest rates ranging from 7.50% to 8.29% (previous year 5.38% to 8.29%) payable on monthly/ quarterly/semi annual rests.

23.9 None of the borrowings of PFC have been guaranteed by Directors.

23.10 There has been no default in repayment of borrowings and interest during periods presented above.

23.11 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 except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited). Refer Note 12 for carrying values of the receivable pledged as security against secured rupee term loans

23.12 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.

23.13 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.

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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 31.03.2024	As at 31.03.2023
	Subordinated Liabilities (Unsecured)		
(i)	Perpetual Bonds (Principal Outstanding) (Refer note 24.1)	3,190.00	-
(ii)	Subordinated Bonds (Principal Outstanding) (Refer note 24.2)	9,562.20	15,862.20
(iii)	Interest accrued but not due on above	330.94	399.25
(iv)	Unamortised Transaction Cost on above	(151.21)	(176.31)
	Total Subordinated Liabilities	**12,931.93**	**16,085.14**
	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	12,931.93	16,085.14
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	**12,931.93**	**16,085.14**

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
			31.03.2024	31.03.2023		
1	7.88 PERPETUAL TX UNS BND SRS 236- PFC Ltd.	7.88%	100.00	-	NA	Perpetual bonds callable only at the option of the Company after minimum 10 years with prior approval of RBI.
2	222nd series - Perpetual Tier-I Bonds -REC Ltd.	7.98%	2,000.00	-	30.04.2033	With call option on 30.04.2033 and on annual anniversary date thereafter.
3	226th series - Perpetual Tier-I Bonds -REC Ltd.	8.03%	1,090.00	-	30.09.2033	With call option on 30.09.2033 and on annual anniversary date thereafter.
Total Perpetual Debt			**3,190.00**	**-**		

During the year the Company had issued Perpetual Debt Instruments (PDI) of ₹ 100 crore having face value of ₹ 1 crore each, with no maturity and callable only at the option of the Company after minimum 10 years with prior approval of RBI. The claims of the holders of the PDI are:

(a) Superior to the claims of the holders of the equity shares issued by the Company and perpetual non-cumulative preference shares, if any, of the Company; and

(b) Subordinated to the claims of all other creditors of the Company (but pari-passu inter se the holders of the PDIs). The Company may defer the payment of Coupon, if:

  (i) The capital to risk assets ratio ("CRAR") of the Company is below the minimum regulatory requirement prescribed by RBI; or

  (ii) the impact of such payment results in CRAR of the Company falling below or remaining below the minimum regulatory requirement prescribed by RBI. Further, it also has certain unique features which, inter-alia, grant PFC, in consultation with RBI a discretion in terms of writing down the principal / interest, to skip interest payments, to make an early recall etc. without commensurate right for investors to legal recourse, even if such actions might result in potential loss to investors. As these securities are perpetual in nature and claim of PDI holders is subordinate to claim of all other creditors and further as the Company does not have an unconditional right not to pay the coupon, these have been classified under subordinated liabilities.

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24.2 Details of Subordinated Debt (Unsecured) are as under:

Sr. No.	Subordinated Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2024	31.03.2023		
1	115th Series - Subordinate Tier-II Bonds -REC Ltd.	8.06%	-	2,500.00	31.05.2023	Repaid in FY 2023-24
2	Bond Series 105 -PFC Ltd.	8.19%	-	800.00	14.06.2023	
3	Bond Series 111 -PFC Ltd.	9.65%	-	1,000.00	13.01.2024	
4	Bond Series 114 -PFC Ltd.	9.70%	-	2,000.00	21.02.2024	
5	Bond Series 184A -PFC Ltd.	9.25%	**2,000.00**	2,000.00	25.09.2024	Redeembale at par in FY 2024-25.
6	Bond Series 184 B -PFC Ltd.	9.10%	**2,411.50**	2,411.50	25.03.2029	Redeembale at par in FY 2028-29.
7	Bond Series 185 -PFC Ltd.	8.98%	**1,000.00**	1,000.00	28.03.2029	Redeembale at par in FY 2028-29.
8	175th Series - Subordinate Tier-II Bonds -REC Ltd.	8.97%	**2,151.20**	2,151.20	28.03.2029	Redeembale at par in FY 2028-29.
9	199th Series - Subordinate Tier-II Bonds -REC Ltd.	7.96%	**1,999.50**	1,999.50	15.06.2030	Redeembale at par in FY 2030-31.
Total Subordinated Debt			**9,562.20**	**15,862.20**		

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 31.03.2024	As at 31.03.2023
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 25.1)	**29,421.12**	29,356.50
(ii)	Advance received from Associates	**179.56**	177.16
(iii)	Unclaimed Dividends (Refer note 25.2)	**574.50**	12.42
(iv)	Unpaid - Bonds and Interest Accrued thereon (Refer note 25.2)		
	- Unclaimed Bonds	**23.34**	26.58
	- Unclaimed Interest on Bonds	**82.38**	82.95
(v)	Others		
	- Interest on application money and interest accrued thereon	**0.20**	0.71
	- Interest Subsidy Fund and other GOI Funds for disbursement	**73.95**	161.35
	- Lease Liability (Refer note 51.1)	**14.74**	17.01
	- Derivative Liability - Variation Margin	**5,431.68**	-
	- Other liabilities*	**4,143.19**	1,113.65
	Total Other Financial Liabilities	**39,944.66**	**30,948.33**

* Includes amount received from borrowers which are subject to appropriation as per contractual terms of loan agreement.

25.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2024	As at 31.03.2023
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

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(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2024	As at 31.03.2023
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	**311.82**	247.20
	Total GoI Serviced Bonds (Unsecured Taxable Bonds)	**29,421.12**	**29,356.50**

25.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.

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 separate bank accounts. The undisbursed funds for the scheme (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under the line item 'Interest Subsidy Fund and Other GOI Funds for Disbursement' under 'Other Financial Liabilities' . For further details of GOI schemes, refer Note 56.

(ii) Subsidy Under Accelerated Generation & Supply Programme (AG&SP)

REC is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 0.77 crores as at 31st March 2024 (₹ 0.75 crores as at 31st March 2023) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following:-

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Opening Balance of Interest Subsidy Fund	**0.75**	0.73
Add: Interest earned during the year	**0.02**	0.02
Less: Interest subsidy passed on to the borrower	**-**	-
Closing Balance of Interest Subsidy Fund	**0.77**	0.75

(iii) The movement in Interest on Subsidy/ Grant of RECL is explained as under:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Opening Balance	**24.17**	20.87
Add: Interest earned/Adjustment during the year	**9.93**	16.65
Less: Amount refunded to Govt./Adjusted during the year	**(2.42)**	(13.35)
Closing Balance	**31.68**	24.17

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26. PROVISIONS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	For Employee Benefits : (Refer note 50)		
	- Gratuity	1.35	3.70
	- Leave Encashment	106.53	98.50
	- Economic Rehabilitation of Employees	12.78	11.99
	- Provision for Bonus / Incentive	76.59	79.54
	- Provision for Staff Welfare Expenses	33.72	28.20
(ii)	Impairment Loss Allowance - Letter of Comfort (Refer note 26.1)	80.65	66.80
(iii)	Provision for Unspent CSR Expense	237.81	149.38
	Total Provisions	**549.43**	**438.11**

26.1 Movement of Impairment loss allowance on Letter of Comfort & Guarantee

(₹ in crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
(i)	Opening balance	66.80	98.11
(ii)	Creation during the year	28.50	5.60
(iii)	Reversal during the year	(14.65)	(36.91)
	Closing balance	**80.65**	**66.80**

27. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Unamortised Fee - Undisbursed Loans Assets	443.46	201.60
(ii)	Sundry Liabilities (Interest Capitalisation)	124.11	29.07
(iii)	Statutory dues payable	138.12	70.37
(iv)	Advance received from Govt. towards Govt. Schemes	-	0.10
(v)	Others	118.03	86.57
	Total Other Non-Financial Liabilities	**823.72**	**387.71**

28. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2024		As at 31.03.2023	
		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	2,64,00,81,408	2,640.08
(C)	**Reconciliation of Equity Share Capital**				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period*	66,00,20,352	660.02	-	-
	Closing Equity Share capital	**3,30,01,01,760**	**3,300.10**	**2,64,00,81,408**	**2,640.08**

* Refer Note 28.4

Notes to the Consolidated Financial Statements
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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 31.03.2024		As at 31.03.2023	
		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%**	1,47,82,91,778	55.99%
(ii)	HDFC Trustee Company Ltd	**10,25,97,717**	**3.11%**	16,38,70,959	6.21%

28.3 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

28.4 During FY 2023-24, the Company has issued 66,00,20,352 equity shares of ₹ 10/- each as fully paid-up bonus shares in the ratio of one bonus equity share for every four existing fully paid-up equity shares outstanding on the record date i.e. 21.09.2023. Further, the Company has not bought back any shares.

28.5 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

28.6 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

28.7 Forfeited shares (amount originally paid up) : Nil

28.8 Capital Management : Refer Note 45.

29. OTHER EQUITY

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
(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**	3,606.87
(iii)	Foreign Currency Monetary Item Translation Difference Account	29.1(iii)	**(758.20)**	(883.61)
(iv)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	29.1(iv)	**17,132.46**	12,783.26
(v)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	29.1(v)	**1,574.26**	529.39
(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)	**44,077.56**	39,658.38
(viii)	Interest Differential Reserve - KFW Loan	29.1(vii)	**67.15**	64.97
(ix)	General Reserve	29.1(viii)	**21,056.10**	21,026.85
(x)	Impairment Reserve	29.1(ix)	**89.18**	-
(B)	**Retained Earnings**	29.1(x)	**23,413.33**	**18,236.28**
(C)	**Other Comprehensive Income (OCI) Reserves**			
(xi)	Equity Instruments through Other Comprehensive Income	29.1(xi)	**1,247.97**	2.12
(xii)	Effective portion of Cash Flow Hedges	29.1(xii)	**(636.02)**	808.03
(xiii)	Costs of Hedging Reserve	29.1(xiii)	**151.46**	(1,799.49)
	Total Other Equity		**97,846.67**	**81,518.41**

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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 ₹ 14500.50 crore has been recognized as capital reserve-common control.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	(13,114.50)	(13,461.00)
Add: Adjustments due to bonus issue	-	346.50
Balance as at the end of the year	**(13,114.50)**	**(13,114.50)**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	3,606.87	3,953.74
Add: Transferred from Retained Earnings	-	-
Less: Utilised for issue of Bonus Equity Shares (including expense thereof)	(660.80)	(346.87)
Balance as at the end of the year	**2,946.07**	**3,606.87**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	(883.61)	(806.07)
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(92.22)	(77.54)
Less: Amortisation during the year	217.63	-
Balance as at the end of the year	**(758.20)**	**(883.61)**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	12,783.26	9,298.33
Add: Transferred from Retained Earnings	4,349.20	3,484.93
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**17,132.46**	**12,783.26**

Notes to the Consolidated Financial Statements
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(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	529.39	680.04
Add: Transferred from Retained Earnings	1,077.09	590.10
Less: Utilisation of reserve against bad debts written off	(29.25)	(680.04)
Less: Adjustments during the year	(2.97)	(60.71)
Balance as at the end of the year	**1,574.26**	**529.39**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	39,658.38	35,878.11
Add: Transferred from Retained Earnings	4,381.56	3,771.43
Less: Transferred to General Reserve	-	-
Add: Adjustments during the year	37.62	8.84
Balance as at the end of the year	**44,077.56**	**39,658.38**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	64.97	64.07
Add: Addition during the year	2.18	0.90
Less:Deletion during the year	-	-
Balance as at the end of the year	**67.15**	**64.97**

(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.

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Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	21,026.85	20,346.81
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	29.25	680.04
Balance as at the end of the year	**21,056.10**	**21,026.85**

(ix) Impairment Reserve:

It is created where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) norms issued by RBI, to the extent of the difference. No withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision of the Reserve Bank. Refer Note 46.1.12 for further details.

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	-	-
Add: Transferred from Retained Earnings	89.18	-
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	18,236.28	12,757.10
Add: Profit for the year	19,761.16	15,889.33
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(4.66)	(5.04)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	190.02	48.77
Add: Changes in Accounting Policy / Prior Period Errors	-	(0.82)
Add; Transfer to /from Retained Earnings	(9,897.03)	(7,846.46)
Add: Additions / Deletion during the period (net)	(36.84)	50.97
Less: Issue of Perpetual Debt Instruments	-	
Less: Coupon Payment on Perpetual Debt Instruments	(17.53)	(17.53)
Less: Dividend paid during the year	(4,818.16)	(2,640.08)
Less: Other Adjustments	0.08	0.05
Balance as at the end of the year	**23,413.33**	**18,236.28**

(x) Reserve for Equity Instruments through Other Comprehensive Income:

The Companies in the Group elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is 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.

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Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	2.12	(74.23)
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	1,435.87	125.12
Less: Reclassification of (gain)/ loss on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(190.02)	(48.77)
Balance as at the end of the year	**1,247.97**	**2.12**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	808.03	302.56
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(1,444.05)	505.47
Balance as at the end of the year	**(636.02)**	**808.03**

(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 31.03.2024	As at 31.03.2023
Balance as at the beginning of the year	(1,799.49)	(503.16)
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	1,950.95	(1,296.33)
Balance as at the end of the year	**151.46**	**(1,799.49)**

29.2 (i) The details of dividend declared/proposed by PFC on equity shares of face value of ₹10 each is as under:

Particulars	FY 2023-24			FY 2022-23		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	110.00%	11.00	3,630.11	87.50%	8.75	2,310.07
Final Dividend	25.00%	2.50	825.03	45.00%	4.50	1,188.04
Total Dividend	**135.00%**	**13.50**	**4,455.14**	**132.50%**	**13.25**	**3,498.11**

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 15.05.2024 has recommended final dividend @ 25% on the paid up equity share capital i.e.₹ 2.50/- per equity share of ₹ 10/- each for the FY 2023-24 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.

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for the year ended March 31, 2024

30. NON-CONTROLLING INTEREST

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
	Balance at the beginning of the year	27,264.39	24,040.51
(i)	Share of Net Profit for the period	6,700.02	5,289.26
(ii)	Re-measurement of Defined Benefit Plans	(0.35)	(2.12)
(iii)	Share of Other Comprehensive Income / (Expense)	494.97	(457.81)
	Share of Total Comprehensive Income	**7,194.64**	**4,829.33**
(i)	Dividend Declared/ Proposed to Non-Controlling Interest	(1,914.50)	(1,477.97)
(ii)	Others	38.84	(127.49)
	Balance at the end of the period - towards Equity Share Holders	**32,583.37**	**27,264.39**
	towards Instruments Entirely Equity in Nature (Refer note 30.2)	558.40	558.40
	Total Non - Controlling Interest	**33,141.77**	**27,822.79**

30.1 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.

30.2 In case of PFC's Subsidiary REC Ltd. details of Instruments Entirely Equity in Nature (Perpetual Debt instruments) are as follows:

(₹ in crore)

Particulars	Number of Bonds	As at 31.03.2024	As at 31.03.2023
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	558.40

30.3 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

Name of the Shareholder	As at 31.03.2024		As at 31.03.2023	
	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%

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31. INTEREST INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	89,368.21	76,195.15
	Less : Rebate for Timely Payment to Borrowers	(252.71)	(282.32)
(ii)	Interest on Deposits with Banks	546.05	292.69
(iii)	Interest on Investment	295.89	207.26
(iv)	Other Interest Income	45.61	36.22
B	**On Financial Assets classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	76.47	40.76
(ii)	Other Income	5.88	6.17
	Total Interest Income (A+B)	**90,085.40**	**76,495.93**

32. DIVIDEND INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(A)	**Dividend on equity investments designated at FVTOCI**		
(i)	Investments held at the end of the year	67.28	102.00
(ii)	Investments derecognized during the year	1.24	0.98
	Sub-Total (i+ii)	**68.52**	**102.98**
(B)	**Dividend on preference shares**	0.01	0.02
	Total Dividend Income (A+B)	**68.53**	**103.00**

33. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Prepayment Premium on Loans	52.02	114.19
(ii)	Fee based Income on Loans	129.11	240.81
(iii)	Fee for implementation of GoI Schemes (Refer note 56)	160.22	193.79
	Total Fees and Commission Income	**341.35**	**548.79**

34A OTHER OPERATING INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Sale of Services (Refer note 6.10)	601.44	420.58
	Total Other Operating Income	**601.44**	**420.58**

34B COST OF SERVICES RENDERED

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Project and consultancy expenses	180.84	73.69
	Total Cost of services rendered	**180.84**	**73.69**

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35. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Excess Liabilities written back	23.98	1.72
(ii)	Miscellaneous Income	54.17	55.17
	Total Other Income	**78.15**	**56.89**

36. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings**		
	- Term Loans and others	17,943.88	11,864.45
(ii)	**Interest on Debt Securities**		
	- Bonds / Debentures	35,957.39	31,125.65
	- Commercial Paper	169.64	-
(iii)	**Interest on Subordinated Liabilities**	1,389.48	1,402.49
(iv)	**Other Interest Expense**		
	- Interest on advances received from Subsidiaries	5.81	4.66
	- Interest under Income Tax Act, 1961	7.16	0.88
	- Interest expense on Variation Margin	123.76	-
	- Other*	(3.80)	5.28
	Less: Finance Cost Capitalised	(0.53)	(0.03)
	On Financial Liabilities Classified at Fair Value Through Profit or Loss		
(v)	**Swap Premium (Net)**	2,369.41	2,613.40
	Total Finance Costs	**57,962.20**	**47,016.78**

* Refer note 51.1 for interest on lease liability

37. NET TRANSLATION/TRANSACTION EXCHANGE LOSS /(GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	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	(313.50)	2,221.75
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	266.98	867.52
	Total Net Translation/Transaction Exchange Loss /(Gain)	**(46.52)**	**3,089.27**

37.1 The Group's foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2024	As at 31.03.2023
USD / INR	83.3739	82.2169
Euro / INR	90.2178	89.6076
JPY / INR	0.5509	0.6180
SGD / INR	61.7319	61.8074

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38. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Agency Fees	4.39	3.21
(ii)	Guarantee, Listing and Trusteeship fees	4.17	5.37
(iii)	Credit Rating Fees	7.29	10.73
(iv)	Other Finance Charges	20.47	9.04
	Total Fees and Commission Expense	**36.32**	**28.35**

39. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	On financial instruments at Fair value through Profit or Loss:		
(i)	**On trading Portfolio**	-	-
(ii)	**Others**		
	- Change in Fair Value of Derivatives	(191.21)	(192.57)
	- Change in Fair Value of Investments	(170.95)	81.88
	- Change in Fair Value of Short Term Investment of Surplus Funds in Mutual Funds	(2.60)	(5.18)
	Subtotal (ii)	**(364.76)**	**(115.87)**
	Total Net Loss / (Gain) on Fair Value changes (i+ii)	**(364.76)**	**(115.87)**
	Fair value changes:		
(i)	- Realised	183.18	(238.88)
(ii)	- Unrealised	(547.94)	123.01
	Total Net Loss / (Gain) on Fair Value changes	**(364.76)**	**(115.87)**

39.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

40. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans	(1,555.99)	(219.87)
(ii)	Other Financial Assets and Trade Receivables	(8.62)	30.91
(iii)	Letter of Comfort	13.84	(21.25)
B	**On Financial Assets measured through P&L**		
(i)	Write Offs - investments	-	56.66
	Total Impairment on Financial Instruments	**(1,550.77)**	**(153.55)**

40.1 Refer Note 46.1 for details of impairment on financial assets.

41. EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i)	Salaries and Wages	332.78	321.84
(ii)	Contribution to Provident and other Funds/ Schemes	56.92	28.72
(iii)	Staff Welfare Expenses	87.56	74.39
(iv)	Rent for Residential Accommodation of Employees	19.50	13.93
	Total Employee Benefit Expenses	**496.76**	**438.88**

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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 31.03.2024	Year ended 31.03.2023
(i)	Rent, Taxes and Energy Cost	16.80	9.23
(ii)	Repairs and Maintenance	34.04	28.58
(iii)	Communication Costs	4.61	5.08
(iv)	Printing and Stationery	3.14	2.90
(v)	Advertisement and Publicity	48.15	24.65
(vi)	Directors Fees, Allowance & Expenses	0.86	0.83
(vii)	Auditor's fees and expenses	3.61	2.99
(viii)	Legal & Professional charges	39.78	35.30
(ix)	Insurance	0.62	0.50
(x)	Travelling and Conveyance	46.39	39.52
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	9.17	9.66
(xii)	Govt. scheme monitoring expense	16.69	19.04
(xiii)	Conference And Meeting Expenses	21.72	18.12
(xiv)	Security Expenses	3.60	3.63
(xv)	Other Expenditure	99.45	69.41
	Total Other Expenses	**348.63**	**269.44**

* Includes unreconciled balance from one subsidiary amounting to ₹ 0.32 crore (previous year ₹ 3 crores)

43. DISCLOSURE RELATED TO INCOME TAXES

43.1 Income tax expense recognised in Consolidated Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Current Tax expense:		
Current Year	6,370.07	5,119.10
Earlier Years	(11.74)	(198.44)
(A) Total Current Tax Expense	**6,358.33**	**4,920.66**
Deferred Tax Expense /(Income)		
Origination and reversal of temporary differences	768.61	396.82
(B) Total Deferred Tax Expense/(Income)	**768.61**	**396.82**
Total Income Tax Expense (A+B)	**7,126.94**	**5,317.48**

43.2 Income tax expense recognised in Consolidated Other Comprehensive Income:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Current Tax Expense/(Income)		
Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(0.22)	(1.45)
(A) Total Current Tax Expense/(Income)	**(0.22)**	**(1.45)**
Deferred Tax Expense/(Income)		
(B) Items that will not be reclassified to Profit or Loss		
Re-measurement of Defined Benefit Plans	(1.49)	(1.00)
Net Gain / (Loss) on Fair Value of Equity Instruments	194.96	(9.84)

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(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
(C) Items that will be reclassified to Profit or Loss		
Effective portion of Gains and (Loss) on hedging instruments in Cash Flow Hedge	(875.49)	234.65
Cost of Hedging Reserve	1,197.86	(645.29)
(D) Total Deferred Tax Expense/(Income) (B+C)	**515.84**	**(421.48)**
Total Tax Expense/(Income) recognised in OCI (A+D)	**515.62**	**(422.93)**

43.3 Reconciliation of tax expense and accounting profit

Reconciliation of tax expenses and product of profit before tax and corporate tax rate:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Profit before Tax	33,588.12	26,499.14
Applicable Tax Rate	25.168%	25.168%
Tax using the applicable tax rate	**8,453.46**	**6,669.30**
Tax effect of:		
Non-deductible tax expenses	4.53	107.46
Tax exempt income	(0.57)	(3.00)
Deduction u/s 80M of Income Tax act 1961	(415.86)	(439.13)
Deduction u/s 36(1)(viii) of Income Tax act 1961	(1,468.36)	(1,268.07)
Others	9.27	32.93
Tax expense pertaining to earlier years	(11.74)	(198.44)
Impact of change in tax rate	-	-
Effect of eliminations	556.21	416.43
Total tax expenses in the Consolidated Statement of Profit and Loss	**7,126.94**	**5,317.48**

44. DISCLOSURE AS PER IND AS 33 "EARNINGS PER SHARE"

Sr. No.	Particulars	FY 2023-24	FY 2022-23
(A)	Profit for the period used as numerator (basic & diluted) (₹ in crore):		
	(i) from continuing operations	19,761.16	15,889.33
	(ii) from discontinued operations	-	-
	(iii) from continuing and discontinued operations	19,761.16	15,889.33
(B)	Weighted average number of equity shares used as denominator (basic & diluted)*	330,01,01,760	330,01,01,760
(C)	Earning per equity share (basic & diluted), face value ₹ 10 each (₹):		
	(i) for continuing operations	59.88	48.15
	(ii) for discontinued operations	-	-
	(iii) for continuing and discontinued operations	59.88	48.15

* During the year, PFC has issued 66,00,20,352 equity shares of ₹10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 4 (Four) equity shares outstanding on the record date i.e.21.09.2023. Accordingly, as required by Ind AS-33, Earnings per share of current and previous year have been restated.

45. CAPITAL MANAGEMENT

The Group maintains a capital base that is adequate to support the Group's risk profile, regulatory and business needs. The Group sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 22, 23 & 24 for details w.r.t. sources of funds and refer Consolidated Statement of Changes in Equity for details w.r.t Equity.

As contained in Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time (hereinafter referred to as "RBI Master Directions"), NBFCs are required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. Both the companies

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regularly monitor the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company and its subsidiary RECL is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital to Risk Weighted Assets Ratio (CRAR) is as under:

In respect of PFC

Ratios	Numerator*	Denominator*	As at 31.03.2024	As at 31.03.2023
Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	25.41%	24.37%
CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	23.18%	21.61%
CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	2.23%	2.76%

* Computed as per applicable RBI guidelines.

** The amount of perpetual debt instruments of the Tier-I Capital is 0.16 % (previous year Nil).

Details of Tier II capital and perpetual debt instruments raised during the year are as under:

(₹ in crore)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	100.00	-

In respect of RECL

Ratios	Numerator*	Denominator*	As at 31.03.2024	As at 31.03.2023
Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	25.82%	25.78%
CRAR – Tier I Capital	Tier I Capital	Risk Weighted assets	23.32%	22.84%
CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	2.50%	2.94%

* Computed as per applicable RBI guidelines.

** The amount of perpetual debt instruments of the Tier-I Capital is 0.84 % (previous year 1%).

Details of Tier II capital and perpetual debt instruments raised during the year are as under:

(₹ in crore)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	3,090.00	-

Dividend Distribution Policy

The companies in the Group have 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.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, an entity is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under extant legal provisions.

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Though respective companies' endeavours to declare dividend as per these guidelines, they may propose a lower dividend after analysis of various financial parameters like net-worth, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the respective company; other regulatory requirements etc. For details of dividend paid/ proposed 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:

Ratios	Risk	Exposure arising from	Measurement	Risk Management
46.1	Credit Risk	Loans, financial assets, investments, 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, 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, subordinated liabilities and loans at variable interest rates	Sensitivity analysis	Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc.
46.5	Market Risk – Price Risk	Investments in quoted equity instruments	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the companies in the Group have put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in the respective Company, PFC and its subsidiary RECL has respective Chief Risk Officers (CRO) who are involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. objectives, polices and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

46.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Group by failing to discharge its obligation. Details of financial assets that expose the Group to credit risk (gross carrying amount) are:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Low Credit Risk		
Cash and cash equivalents[(a)]	**339.34**	127.59
Bank balances other than included in cash and cash equivalents[(a)]	**3,049.22**	3,973.43
Loans (Principal outstanding)[(c)]	**9,10,756.18**	7,98,755.96
Trade Receivables[(b)]	**147.79**	185.98
Investments (Excluding equity investments) [(a)]	**7,236.77**	3,772.30
Other financial assets[(b)]	**29,885.31**	29,831.79
Moderate Credit Risk		
Loans (Principal outstanding) [(c)]	**50,183.94**	27,350.31
Trade receivables[(b)]	**58.90**	37.62
High Credit Risk		
Investments (Excluding equity investments)[(a)]	**101.67**	101.67
Loans (Principal outstanding) [(c)]	**29,883.55**	31,393.73
Other financial assets [(b)]	**89.25**	112.78
Trade receivables[(b)]	**58.55**	67.62

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(a) Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, 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 ₹ 101.67 crore on its investments as at 31.03.2024 (as at 31.03.2023 ₹ 101.67 crore).

(b) Credit risk on trade receivables and other financial assets is mitigated by assessing the credit worthiness of debtors and is managed by monitoring the recoverability of such amounts. The Group carries requisite impairment loss allowance on such trade receivables and other financial assets.

(c) The Group is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below (Note 46.1.1 – Note 46.1.13).

46.1.1 Credit Risk Management Approach for lending operations

A. In respect of PFC

PFC has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the PFC's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. PFC selects the borrowers in accordance with the PFC's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. PFC's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by PFC.

(i) Appraisal of Projects

PFC follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(a) Appraisal for Private Sector Power 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 by the Competent Authority 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 Power Projects

State sector projects are taken up for detailed appraisal to determine, inter-alia, if it is techno economically sound and compatible with integrated power development & expansion plans of the State.

PFC classifies state power generation and transmission utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, PFC adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, PFC's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of PFC's rating structure. The categorization of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out on the basis of recommendations of the Internal Committee considering the strengths and weaknesses of the project.

Such categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. PFC also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

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The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and other conditions are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements/ contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of PFC as a lender for timely servicing of debt. PFC has an authorisation/ delegation structure for the approval of credit facilities commensurating with the size of the loan.

(ii) Security and Covenants

PFC stipulates a package of security measures/covenants to mitigate risks during the construction and post COD (commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, PFC adopts a combination of the following measures:

(a) Primary Security -Charge on Project Assets or State Government Guarantees

(b) Collateral Securities - Corporate guarantee, Personal guarantee of promoters, Pledge of shares, Charge on assets / revenues of group/other companies

(c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)

(d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

(iii) Project Monitoring

PFC has comprehensive project/loan monitoring guidelines that captures aspects relating to monitoring, tracking of project construction, implementation, identifies risks where intervention is required to minimize the time/ cost overruns/ consequent slippages in disbursements and including progress of commissioned projects.

For State sector projects, monitoring is carried out based on project progress details obtained regularly from borrowers through progress monitoring reports, 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), PFC engages Lenders' Engineers (LEs) and Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The 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 where PFC is not the lead FI, the tasks related to LEs and LFAs services are coordinated with the concerned lead lender. From FY 2022-23 onwards PFC has started empaneling Project Management Agency (PMA), as a single entity, for private sector projects, thereby facilitating better coordination of project monitoring activities.

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 overdues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP) under IBC -2016, sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, etc. and other actions as specified under regulatory/legal framework.

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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 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.

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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 Group 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.

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 two quarters from the date of implementation of resolution plan.

III. Measurement of Expected Credit Loss (ECL)

PFC recognises impairment loss allowance for the financial assets in accordance with a board-approved expected credit loss (ECL) policy. ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). PFC has appointed an independent agency, CRISIL Ltd., during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

(i) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage 1 accounts, 12 months PD is used.

For Stage 2 (significantly increased credit risk accounts), Lifetime PD is used. For Stage 3 (credit impaired accounts), 100% PD is taken.

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos/Transcos/Others, PFC's internal rating grades have been considered. For Discoms / Power Department borrowers, PFC has adopted the MoP ratings . The ratings as above has been be mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various Credit Rating Agencies(CRAs) have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs . If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS/ ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped

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to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

(ii) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, the company considers the credit worthiness of the states on various parameters while estimating the LGD for state utilities. For estimating the credit worthiness of the state, parameters like State GDP per capita, Fiscal deficit/GDP ratio and Proportion on Revenue Expenditure on Energy Sector, etc. are used as key inputs. The state utilities are bifurcated into Low, Medium and High-risk category based on the state category.

In case of Private sector borrowers, LGD has been assessed considering 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 etc. A stress factor was also applied as a haircut to arrive at the realisable value.

For Stage 3 borrowers, LGD has been assessed project wise based on Bid value/resolution plan amount/OTS amount/any other value/ discounted cash flows etc. as applicable.

(iii) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal and interest accrued (including delayed charges) in respect of the loan. As per Note no.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

- PFC considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since PFC has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance and interest of the loan as on the reporting date.

(v) The calculation of ECL incorporates forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as IIP (index of industrial production) electricity y-o-y growth rate, Money supply y-o-y growth rate to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

B. In respect of RECL

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board- approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

I. RECL has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for State Distribution Companies (DISCOMs), RECL adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, RECL uses the external rating as published by various credit rating agencies or proxy risk scores in case such rating is not available. The proxy risk score model considers following parameters:

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Quantitative factors

- Debt/ EBITDA (30% weightage)
- Return on Capital Employed (15% weightage)
- Interest Coverage (25% weightage)
- Gearing (Debt/Equity) (30% weightage)

Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, and LAF
- 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 when on any financial instrument if the payment is more than 30 days past due on its contractual payments.

III. Definition of default and credit-impaired assets

RECL defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or any such period allowed by RECL in line with circular issued by the Reserve Bank of India.

IV. Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.
- LGD represents RECL's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

V. Determination of Probability of Default (PD)

RECL has analysed the available annual rating transition matrix published by credit rating agencies to arrive at annual transition matrix based PD. This annual transition matrix was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated.

VI. Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking, RECL has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, PPA status, FSA status etc. Based on internal research RECL has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realizable value of the assets were arrived at using suitable assumptions, including valuation on outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, RECL has factored in the state support and assumed that the State/Central governments would step in to repay debt obligations of the state utilities as witnessed in the past.

VII. Key assumptions used in measurement of ECL

a) RECL considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

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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 case 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 31.03.2024				As at 31.03.2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	**4,34,204.39**	**441.45***	-	**4,34,645.84**	3,89,559.28	674.51#	-	3,90,233.79
1-30 days	-	-	-	-	0.07	-	-	0.07
31-60 days	-	**30,742.84**	-	**30,742.84**	-	-	-	-
61-90 days	-	-	-	-	-	15,111.70	-	15,111.70
More than 90 days	-	-	**16,073.22**	**16,073.22**	-	650.51@	16,501.65	17,152.16
Total	**4,34,204.39**	**31,184.29**	**16,073.22**	**4,81,461.90**	**3,89,559.35**	**16,436.72**	**16,501.65**	**4,22,497.73**
Impairment Loss Allowance	**3,732.95**	**175.83**	**11,962.53**	**15,871.31**	2,893.68	1,182.54	11,999.38	16,075.60

Pending transfer of ownership, the account has been classified as Stage 2.

* Classified in Stage-II pursuant to resolution plan implemented without change in ownership.

@ Refer Note 46.1.10

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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 31.03.2024				As at 31.03.2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	2,03,407,58	18,161.39	-	2,21,568.97	1,92,836.82	276.33	-	1,93,113.15
Good (BBB | BB | B)	2,22,710.25	445.30	-	2,23,155.55	1,47,389.05	9,128.03	-	1,56,517.08
Average (C)	56,025.85	-	-	56,025.85	70,282.47	1,345.98	-	71,628.45
Fair (D)	410.44	-	-	410.44	1,796.13	157.74	-	1,953.87
Non- Performing (D)	-	392.96	13,810.33	14,203.29	-	5.50	14,892.08	14,897.58
Gross Exposure	**4,82,554.12**	**18,999.65**	**13,810.33**	**5,15,364.10**	**4,12,304.47**	**10,913.58**	**14,892.08**	**4,38,110.13**
Less: Loss allowance	2,767.04	191.70	9,453.80	12,412.54	3,521.81	238.30	10,519.51	14,279.61
Net Exposure	**4,79,787.08**	**18,807.95**	**4,356.53**	**5,02,951.56**	**4,08,782.66**	**10,675.28**	**4,372.57**	**4,23,830.51**

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 31.03.2024		As at 31.03.2023	
	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)	8,44,163.65	5657.78	7,42,981.50	5,828.25
Loans to private sector	1,46,660.02	22,626.03	1,14,518.50	24,526.97
Total	**9,90,823.67**	**28,283.81**	**8,57,500.00**	**30,355.22**

* Including impairment loss allowance on Letter of Comfort (LoC) of ₹ 80.65 Crore. (As at 31.03.2023 ₹ 66.80 Crore.)

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Companies considers that these loans have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

Further, the Companies have a lending portfolio comprising of loans to generation, renewable, transmission and distribution power projects spread across diverse geographical areas.

(₹ in crore)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes–				
Generation	3,17,213.88	21,202.09	3,42,425.28	22,913.72
Renewable	99,178.38	3,040.71	77,270.92	3,426.45
Transmission	83,845.58	318.45	79,173.24	404.07
Distribution	4,14,955.99	3,407.25	3,40,947.29	3,492.22
Others	75,629.84	315.31	17,683.27	118.76
Total	**9,90,823.67**	**28,283.81**	**8,57,500.00**	**30,355.22**

* Including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 80.65 Crore. (as at 31.03.2023 ₹ 66.80 Crore.)

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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 31.03.2024			As at 31.03.2023		
	Principal outstanding	Impairment loss allowance*	%	Principal outstanding	Impairment loss allowance*	%
Stage 1	9,10,756.18	6,499.95	0.71	7,98,755.96	6,415.49	0.80
Stage 2	50,183.94	367.53	0.73	27,350.31	1,420.84	5.19
Stage 3	29,883.55	21,416.33	71.67	31,393.73	22,518.89	71.73
Total	**9,90,823.67**	**28,283.81**	**2.85**	**8,57,500.00**	**30,355.22**	**3.54**

* Including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 80.65 Crore. (as at 31.03.2023 ₹ 66.80 Crore.)

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46.1.6 Details of Stage wise movement of Principal outstanding and Impairment loss Allowance:

The following tables explain the changes in the loans and the corresponding impairment loss allowance (including impairment loss allowance on Letter of Comfort and Guarantees) in respect of PFC & RECL between the beginning and the end of the reporting period:

(₹ in crore)

FY 2023-24	Stage 1		Stage 2		Stage 3		Total	
Particulars	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance
Opening Balance	798,755.96	6,415.49	27,350.31	1,420.84	31,393.73	22,518.89	857,500.00	30,355.22
Transfer to Stage 1	26,391.62	987.58	(26,391.62)	(987.57)		-	-	-
Transfer to Stage 2	(51,595.10)	(207.85)	52,377.47	452.13	(782.37)	(244.28)	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net change in Principal/ECL during the year within same stage	3,436.41	(446.65)	-	(426.85)	(15.44)	(357.19)	3,420.97	(1,230.69)
New financial assets originated	2,28,600.18	1,481.78	90.95	0.73	-	-	2,28,691.13	1,482.51
Financial Assets derecognized (includes loans repaid/ pre-payment with stage movement)	(94,832.89)	(1,730.41)	(3,272.41)	(91.74)	(212.35)	(1.07)	(98,317.65)	(1,823.22)
Financial Assets derecognized (Write Off)	-	-	29.25	-	(500.02)	(500.02)	(470.77)	(500.02)
Financial Assets derecognized during the period (Investment Received)	-	-	-	-	-	-	-	-
Closing Balance	**9,10,756.18**	**6,499.95**	**50,183.94**	**367.53**	**29,883.55**	**21,416.33**	**9,90,823.67**	**28,283.81**

(₹ in crore)

FY 2022-23	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	6,57,482.61	4,849.04	62,938.57	1,314.93	38,075.17	25,910.11	7,58,496.35	32,074.08
Transfer to Stage 1	43,615.34	(4.88)	(43,615.34)	4.88	-	-	-	-
Transfer to Stage 2	(2,798.11)	(11.28)	2,988.10	83.95	(189.99)	(72.67)	-	-
Transfer to Stage 3	(24.64)	(2.52)	(13.67)	(3.36)	38.31	5.88	-	-
Net change in Principal/ECL during the year within same stage	(8,952.62)	1,084.47	(708.96)	(84.46)	(55.53)	(25.59)	(9,717.11)	974.42
New financial assets originated	158,315.69	1,085.17	6,338.03	118.42	-	-	164,653.72	1,203.59
Financial Assets derecognized (includes loans repaid/ pre-payment with stage movement)	(48,882.31)	(584.51)	(576.43)	(13.52)	(4,443.25)	(1,564.15)	(53,901.99)	(2,162.18)
Financial Assets derecognized (Write Off)	-	-	-	-	(1,452.33)	(1,452.33)	(1,452.33)	(1,452.33)
Financial Assets derecognized during the period (Investment Received)	-	-	-	-	(578.64)	(282.36)	(578.64)	(282.36)
Closing Balance	**798,755.96**	**6,415.49**	**27,350.31**	**1,420.84**	**31,393.73**	**22,518.89**	**857,500.00**	**30,355.22**

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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 31.03.2024	As at 31.03.2023
(i)		Net Credit Impaired accounts to Gross Loans (%)	0.85%	1.03%
(ii)		Net Credit Impaired accounts to Net Loans (%)	0.87%	1.06%
(iii)	Movement of Gross Credit Impaired accounts		-	-
	(a)	Opening balance	31,393.73	38,075.17
	(b)	Additions during the year	0.32	45.80
	(c)	Reductions/ write offs during the year	(1,510.50)	(6,727.24)
	(d)	**Closing balance**	**29,883.55**	**31,393.73**
(iv)	Movement of Net Credit Impaired accounts		-	-
	(a)	Opening balance	8,874.84	12,165.06
	(b)	Additions during the year	448.16	399.06
	(c)	Reductions/ write offs during the year	(855.78)	(3,689.28)
	(d)	**Closing balance**	**8,467.22**	**8,874.84**
(v)	Movement of impairment loss allowance on Credit Impaired accounts			
	(a)	Opening balance	22,518.89	25,910.11
	(b)	Provisions made during the year	(341.43)	55.06
	(c)	Write-off / write-back of excess provisions	(761.13)	(3,446.28)
	(d)	**Closing balance**	**21,416.33**	**22,518.89**

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 Disclosure in respect of accounts that are beyond 90 days overdue but not treated as credit impaired:

Particulars	As at 31.03.2024	As at 31.03.2023
Number of Borrowers	-	1
Amount of loan outstanding (₹ in crore)	-	650.51
Amount overdue* (₹ in crore)	-	160.91
Amount of Impairment Loss allowance (₹ in crore)	-	422.68

*excluding overdue interest of Nil as at 31.03.2024 (As at 31.03.2023 ₹ 186.06 crore).

As at 31.03.2023, Pursuant to Ad-interim order from Hon'ble High Court(s) one borrower account had not been classified as Credit impaired. During FY 2023-24, the borrower account was upgraded to Stage 1 on implementation of resolution plan. As at 31.03.2024, there is no borrower account beyond 90 days overdue which has not been treated as credit impaired.

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46.1.11 In accordance with Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, NPA ratios duly considering the loans which would have been otherwise required to be classified as NPA as per RBI norms is as under:

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 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Gross NPA to Gross Loans	4.17%	4.72%	3.00%	4.77%
Net NPA to Net Loans	1.66%	1.87%	1.16%	2.41%

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 31.03.2024

(₹ 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	434,363.00	3,398.17	430,964.83	2,424.42	973.75
	Stage 2	31,255.87	125.02	31,130.85	122.97	2.05
	Stage 3	-	-	-	-	-
Sub-total		**465,618.87**	**3,523.19**	**462,095.68**	**2,547.39**	**975.80**
Non-Performing Assets (NPA)						
Substandard	Stage 1	725.91	3.45	722.46	72.05	(68.60)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total for Substandard		**725.91**	**3.45**	**722.46**	**72.05**	**(68.60)**
Doubtful – up to 1 year	Stage 1	-	-	-	-	-
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	2,891.63	282.72	2,608.91	1,416.95	(1,134.23)
Doubtful – up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
More than 3 years	Stage 2	441.45	50.80	390.65	220.73	(169.93)
Doubtful – up to 1 year	Stage 3	37.37	37.37	-	18.47	18.90
1 to 3 years	Stage 3	1,312.74	706.86	605.88	463.22	243.64
More than 3 years	Stage 3	11,653.18	8,148.36	3,504.82	8,151.75	(3.39)
Sub-total for doubtful		**16,336.37**	**9,226.11**	**7,110.26**	**10,271.12**	**(1,045.01)**
Loss	Stage 3	3,069.93	3,069.93	-	3,069.93	-
Sub-total for NPA		**20,132.21**	**12,299.49**	**7,832.72**	**13,413.10**	**(1,113.61)**
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	48.63	(48.63)	-	48.63
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		**-**	**48.63**	**(48.63)**	**-**	**48.63**

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(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Total	**Stage 1**	**437,980.54**	**3,732.95**	**434,247.59**	**3,913.42**	**(180.47)**
	Stage 2	**31,697.32**	**175.83**	**31,521.49**	**343.70**	**(167.87)**
	Stage 3	**16,073.22**	**11,962.53**	**4,110.69**	**11,703.37**	**259.16**
	Total	**485,751.08**	**15,871.31**	**469,879.77**	**15,960.49**	**(89.18)**

As at 31.03.2023

(₹ 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	3,89,880.43	2,542.86	3,87,337.57	2,062.73	480.13
	Stage 2	16,956.30	1,182.54	15,773.76	390.50	792.04
	Stage 3	-	-	-	-	-
Sub-total		**4,06,836.73**	**3,725.40**	**4,03,111.33**	**2,453.23**	**1,272.16**
Non-Performing Assets (NPA)						
Substandard	Stage 1	453.88	1.82	452.06	45.30	(43.48)
	Stage 2	-	-	-	-	-
	Stage 3	37.04	16.38	20.66	3.70	12.68
Sub-total for Substandard		**490.92**	**18.20**	**472.72**	**49.00**	**(30.80)**
Doubtful - up to 1 year	Stage 1	-	-	-	-	-
1 to 3 years	Stage 1	79.76	0.04	79.72	23.43	(23.39)
More than 3 years	Stage 3	2,981.80	298.03	2,683.77	1,462.20	(1,164.17)
Doubtful - up to 1 year	Stage 3	1,142.64	572.64	570.00	256.41	316.23
1 to 3 years	Stage 3	170.10	133.51	36.59	89.70	43.80
More than 3 years	Stage 3	12,066.17	8,191.15	3,875.02	8,329.22	(138.07)
Subtotal for doubtful		**16,440.47**	**9,195.37**	**7,245.10**	**10,160.96**	**(965.60)**
Loss	Stage 3	3,085.70	3,085.70	-	3,085.70	-
Sub-total for NPA		**20,017.09**	**12,299.27**	**7,717.82**	**13,295.67**	**(996.40)**
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	-	50.93	(50.93)	-	50.93
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total	**-**	**-**	**50.93**	**(50.93)**	**-**	**50.93**
Total	**Stage 1**	**3,93,395.86**	**2,893.68**	**3,90,502.18**	**3,593.67**	**(699.98)**
	Stage 2	**16,956.30**	**1,182.54**	**15,773.76**	**390.50**	**792.04**
	Stage 3	**16,501.65**	**11,999.38**	**4,502.27**	**11,764.73**	**234.65**
	Total	**4,26,853.81**	**16,075.60**	**4,10,778.22**	**15,748.90**	**326.70**

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B. In respect of RECL

As at 31.03.2024

(₹ 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	4,77,502.34	2,712.85	4,74,789.49	2,470.03	242.82
	Stage 2	18,777.3	149.69	18,627.61	74.43	75.26
Sub-total		**4,96,279.64**	**2,862.54**	**4,93,417.10**	**2,544.46**	**318.08**
Non-Performing Assets (NPA)						
Substandard	Stage 1	1,029.73	20.94	1,008.79	102.94	(82)
Doubtful Assets						
Doubtful - up to 1 year	Stage 1	59.81	1.23	58.58	11.96	(10.73)
1 to 3 years	Stage 3	1,545.70	757.81	787.88	510.56	247.25
	Stage 2	392.27	41.21	351.06	172.93	(131.72)
More than 3 years	Stage 3	12,262.66	8,694.03	3,568.63	9,039.67	(345.64)
Subtotal for doubtful		**14,260.44**	**9,494.28**	**4,766.15**	**9,735.12**	**(240.84)**
Loss	Stage 2	0.80	0.80	-	0.80	-
	Stage 3	1.96	1.96	-	1.96	-
Subtotal for NPA		**15,292.93**	**9,517.98**	**5,774.94**	**9,840.82**	**(322.84)**
Total Loan Assets		**5,11,572.57**	**12,380.52**	**4,99,192.04**	**12,385.28**	**(4.76)**
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms -Letter of Comfort	Stage 1	5,993.15	32.02	5,961.13	-	32.02
Sub-total		**5,993.15**	**32.02**	**5,961.13**	**-**	**32.02**
Total	**Stage 1**	**4,84,585.03**	**2,767.04**	**4,81,817.99**	**2,584.93**	**182.11**
	Stage 2	**19,170.37**	**191.70**	**18,978.67**	**248.16**	**(56.46)**
	Stage 3	**13,810.32**	**9453.80**	**4,356.51**	**9,552.19**	**(98.39)**
	Total	**5,17,565.72**	**12,412.54**	**5,05,153.17**	**12,385.28**	**27.26**

As at 31.03.2023

(₹ 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	4,04,567.80	3,423.13	4,01,144.67	2,089.93	1,333.20
	Stage 2	11,016.14	232.80	10,783.34	43.63	189.17
Sub-total		**4,15,583.94**	**3,655.93**	**4,11,928.01**	**2,133.56**	**1,522.37**
Non-Performing Assets (NPA)						
Substandard	Stage 1	5,866.14	82.81	5,783.33	583.94	(501.13)
Doubtful Assets						
Doubtful - up to 1 year	Stage 3	1,512.48	754.15	758.33	350.72	403.43

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(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
1 to 3 years	Stage 3	594.27	452.12	142.14	344.21	107.91
More than 3 years	Stage 3	12,780.46	9,308.37	3,472.09	9,488.51	(180.14)
Subtotal for doubtful		**14,887.21**	**10,514.64**	**4,372.56**	**10,183.44**	**331.20**
Loss	Stage 2	5.50	5.50	-	5.50	-
	Stage 3	4.87	4.87	-	4.87	-
Subtotal for NPA		**20,763.72**	**10,607.82**	**10,155.89**	**10,777.75**	**(169.93)**
Total Loan Assets		**4,36,347.66**	**14,263.75**	**4,22,083.90**	**12,911.31**	**1,352.44**
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	Stage 1	3,098.35	15.87	3,082.48	-	15.87
Sub-total		**3,098.35**	**15.87**	**3,082.48**	**-**	**15.87**
Total	**Stage 1**	**4,13,532.29**	**3,521.81**	**4,10,010.48**	**2,673.87**	**847.94**
	Stage 2	**11,021.64**	**238.30**	**10,783.34**	**49.13**	**189.17**
	Stage 3	**14,892.08**	**10,519.51**	**4,372.56**	**10,188.31**	**331.20**
	Total	**4,39,446.01**	**14,279.62**	**4,25,166.38**	**12,911.31**	**1,368.31**

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	Less than 1 year	1 year- 2 year	2 year- 3 year	More than 3 year	Total
As at 31.03.2024					
Gross carrying value	115.13	50.10	8.80	39.46	213.49
Expected loss rate	7.67%	24.84%	46.97%	86.82%	27.95%
Expected credit loss (provision)	8.83	12.45	4.13	34.26	59.67
Carrying amount (net of impairment)	106.30	37.65	4.67	5.20	153.82
As at 31.03.2023					
Gross carrying value	128.73	21.32	16.30	56.35	222.70
Expected loss rate	19.94%	62.85%	90.00%	99.31%	49.62%
Expected credit loss (provision)	25.67	13.40	14.67	55.96	109.70
Carrying amount (net of impairment)	103.06	7.92	1.63	0.39	113.00

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.

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Ageing analysis of Trade receivables is as follows:

(₹ in crore)

Particulars	0 to 1 year	1 to 2 year	More than 2 year	Total
Gross carrying amount as at 31.03.2024	22.39	10.78	20.96	54.13
Gross carrying amount as at 31.03.2023	43.50	2.87	21.06	67.43

Movement in the expected credit loss allowance

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening Balance	9.25	8.96
Impairment allowance reversal	(1.57)	-
Impairment losses recognised	5.21	0.29
Closing Balance	**12.89**	**9.25**

C. In respect of PFC

Movement in the expected credit loss allowance

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening Balance	0.81	0.81
Impairment allowance reversal	-	-
Impairment losses recognised	-	-
Closing Balance	**0.81**	**0.81**

46.2 Liquidity Risk

Liquidity risk is the risk that the Group doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

46.2.1 The following table analyses the maturity pattern of items of financial liabilities (debt securities, borrowings and subordinated liabilities) by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)

Particulars*	Upto 1 year	1 – 5 years	More than 5 years	Total
As at 31.03.2024				
Domestic borrowings				
Principal	1,05,831.49	3,13,592.88	2,27,809.23	6,47,233.60
Interest	47,426.15	1,31,031.84	74,792.73	2,53,250.72
Foreign Currency borrowings				
Principal	50,529.16	1,19,877.21	27,738.15	1,98,144.52
Interest	6,780.13	16,949.13	1,196.47	24,925.73
Total	**2,10,566.93**	**5,81,451.06**	**3,31,536.58**	**11,23,554.57**
As at 31.03.2023				
Domestic borrowings				
Principal	90,123.05	259,152.30	229,514.69	578,790.04
Interest	41,565.92	114,557.45	67,338.04	223,461.42
Foreign Currency borrowings				
Principal	40,666.15	78,286.85	39,465.75	158,418.75
Interest	5,948.78	13,717.92	2,684.65	22,351.35
Total	**178,303.90**	**465,714.52**	**339,003.13**	**983,021.56**

*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.

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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 31.03.2024				
Forward	-	-	-	-
Option/ swaps	385.91	584.69	142.83	1,113.43
Total	**385.91**	**584.69**	**142.83**	**1,113.43**
As at 31.03.2023				
Forward	21.06	0.00	0.00	21.06
Option/ swaps	64.24	310.18	605.79	980.21
Total	**85.30**	**310.18**	**605.79**	**1,001.27**

* The above table details Group's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparties. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

46.2.3 Significant cash flows required for meeting the financial liabilities shall be funded through cash flows (principal and interest repayments) generated from loan assets. The following table analyses the maturity pattern of loans by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)

Particulars*	Upto 1 year	1 – 5 years	More than 5 years	Total
As at 31.03.2024				
Loan Assets				
Principal	1,55,763.97	3,55,093.36	4,58,550.01	9,69,407.34
Interest	89,602.19	2,53,990.58	2,08,779.64	5,52,372.41
Total	**2,45,366.16**	**6,09,083.94**	**6,67,329.65**	**15,21,779.75**
As at 31.03.2023				
Loan Assets				
Principal	1,16,979.37	3,08,341.85	4,09,659.87	8,34,981.09
Interest	76,654.89	2,22,171.89	1,73,464.65	4,72,291.43
Total	**1,93,634.26**	**5,30,513.74**	**5,83,124.52**	**13,07,272.52**

* 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.

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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 31.03.2024	As at 31.03.2023
CC/ OD/ LoC / WCDL limits	**11,888.52**	8,116.17

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 31.03.2024	As at 31.03.2023
Expiring within one year - Floating Rate	**11,813.99**	13,364.88
Expiring beyond one year -Floating Rate	**386.44**	1,393.58

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 ₹ 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. PFC and its subsidiary, RECL maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed.

46.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

46.3.1 The Company and its subsidiary, RECL is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the foreign currency denominated borrowings of these companies is as follows:

Description	As at 31.03.2024		As at 31.03.2023	
	Crore in respective currency	₹ in Crore	Crore in respective currency	₹ in Crore
USD Loans	**1,889.00**	**1,57,493.03**	**1,585.32**	**130,340.51**
- Hedged	1,816.20	1,51,423.68	1,304.70	107,268.39
- Unhedged	72.80	6,069.35	280.62	23,072.12
Euro Loans	**99.12**	**8,942.57**	**162.13**	**14,527.63**
- Hedged	60.40	5,449.37	123.99	11,110.66
- Unhedged	38.72	3,493.20	38.14	3,416.97
JPY Loans	**54,361.58**	**29,947.79**	**19,073.36**	**11,787.34**
- Hedged	53,997.23	29,747.07	9,925.81	6,134.16
- Unhedged[#]	364.35	200.72	9,147.55	5,653.18
SGD Loans	**28.53**	**1,761.13**	**28.53**	**1,763.27**
- Hedged	28.53	1,761.13	28.53	1,763.27
- Unhedged	-	-	-	-
Total		**1,98,144.52**		**158,418.75**
- Hedged		1,88,381.25		126,276.48
- Unhedged		9,763.27		32,142.27

[#] Includes JPY loan liability hedged for one leg (USD/JPY) Nil as at 31.03.2024 (As at 31.03.2023 - ₹ 5,653.18 crore)

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46.3.2 Foreign currency risk monitoring and management

PFC & RECL have their respective Board approved risk management policies to manage risks associated with foreign currency borrowings. These policies prescribe appropriate systems and controls to identify, measure and monitor the foreign currency risks through committees comprising of senior level officials. Derivative transactions are done to cover exchange/interest rate risks through various instruments like foreign currency forwards contracts, currency options, principal only swaps, and IRS and forward rate agreements. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

46.3.3 Foreign Currency Sensitivity Analysis

The table below represents the impact on Group's total equity ((Gain / (Loss)) for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

(₹ in crore)

Foreign Currency	As at 31.03.2024		As at 31.03.2023	
Liabilities	**Decrease**	**Increase**	**Decrease**	**Increase**
USD	290.55	(290.55)	1,050.14	(1,050.14)
Euro	174.06	(174.06)	169.06	(169.06)
JPY	10.04	(10.04)	282.66	(282.66)
SGD	-	-	-	-
Total	**474.65**	**(474.65)**	**1,501.86**	**(1,501.86)**

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, PFC reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by PFC 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. PFC also enters into various derivatives transactions like interest rate swaps, cross- currency interest rate swaps to hedge its interest rate risk.

(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 (+/-) ₹ 315.68 crore. (As at 31.03.2023 (+/-) ₹ 194.52 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.

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(iii) Disclosures in respect of Interest Rate Benchmark Reform

PFC has variable interest rate borrowings whose interest rate is based on interest rate benchmarks. Also, to hedge the variability of cash flows on these borrowings, PFC has entered into multiple interest rate swaps with key terms (principal amount, payment dates, repricing dates, currency) that match those of the debt on which it pays a fixed rate and receives a variable rate Pursuant to successful transition to alternative benchmark rate, significant interest rate benchmark used in the Company's borrowings is Overnight Compounded SOFR (Secured Overnight Financing rate).

a) Exposure directly affected by the interest rate benchmark reform

The total amount of exposure that is directly affected by Interest Rate Benchmark Reform (IBOR) i.e. after June 2023 is USD 654.81 million (As at 31st March, 2023: USD 656.24 million).

Following is the detail of the foreign currency borrowings which will be impacted based on LIBOR transition from 6 month USD LIBOR as made effective after June 2023:-

Benchmark	As at 31.03.2024				As at 31.03.2023			
	Amount in respective currency (million)	Amount (₹in crores)	Of which, have yet to transition to an alternative benchmark rate		Amount in respective currency (million)	Amount (₹ in crores)	Of which, have yet to transition to an alternative benchmark rate	
			Amount in respective currency (million)	Amount (₹ in crores)			Amount in respective currency (million)	Amount (₹ in crores)
Non-derivative financial liabilities								
6 month USD LIBOR	-	-	-	-	656.24	5,395.44	650.00	5,344.10
Overnight Compounded SOFR	**654.81**	**5,459.44**	NA	NA	-	-	-	-
Derivatives								
6 month USD LIBOR	-	-	-	-	650.00	5,344.10	650.00	5,344.10
Overnight Compounded SOFR	**650.00**	**5,419.30**	NA	NA	-	-	-	-

(ii) Managing the process of transition to alternative benchmark rates

PFC has in place a Board approved Policy for undertaking Libor Transition namely "Framework for transition from London Inter Bank Offered Rate (LIBOR) to Alternative Reference Rate (ARR)'. The framework inter-alia covers aspects such as assessment of exposure linked to LIBOR, identification of risk arising out of LIBOR transition, contracts remediation, operational readiness, governing structure, regulatory compliance & reporting, etc. Further, PFC undertook all the transition activities as per the process/ guidelines detailed in the policy. The process of transition from 6 month USD LIBOR to Alternative Reference Rate (i.e. SOFR) has been duly completed within available timelines.

(iii) Significant assumptions for exposure affected by the interest rate benchmark reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the interest rate benchmark reform. The alternative reference rate / benchmarks for the LIBOR linked loans and their derivatives are yet to be agreed with the lenders and the derivative bankers. However, it has been assumed that as a result of such reform there shall be no change in the relationship of the hedged items, hedged instruments and its corresponding hedge effectiveness.

B. In respect of RECL

(i) RECL's borrowings are exposed to interest rate risk with floating interest rates linked to USD LIBOR (London Inter Bank Offered Rate), SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate), 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.

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The table below shows the overall exposure of RECL to the liabilities linked with floating interest rates as at 31.03.2024 is as under:

(Foreign Currency & INR Equivalent in ₹ crore)

Currency	As at 31.03.2024			As at 31.03.2023		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	61,162.28	-	61,162.28	62,798.20	-	62,798.20
USD $	561.11	521.80	39.32	506.20	189.20	317.00
INR Equivalent	46,782.38	43,504.51	3,277.87	41,618.19	15,555.43	26,062.76
JPY ¥	27,320.68	-	27,320.68	5,835.28	1,032.72	4,802.56
INR Equivalent	15,050.96	-	15,050.96	3,606.20	638.22	2,967.98
EURO €	60.40	-	60.40	60.40	-	60.40
INR Equivalent	5,449.37	-	5,449.37	5,412.51	-	5,412.51
SGD $	28.53	7.21	21.32	28.53	7.21	21.32
INR Equivalent	1,761.13	444.93	1,316.2	1,763.27	445.47	1,317.80
Total INR Equivalent	**1,30,206.12**	**43,949.44**	**86,256.68**	**1,15,198.37**	**16,639.12**	**98,559.25**

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 ₹ 15,950.70 crore as on 31st March 2024 (Previous year ₹ 15,950.70 crores) have been converted into floating rate borrowings through the use of MIBOR-linked Overnight Indexed Swaps.

RECL's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/6/12/36/30/120 months reset option with the borrower. RECL reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements etc. In order to manage pre-payment risks, RECL charges pre-payment premium from borrowers in case of pre- payment of loan. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

RECL is exposed to interest rate risk on following loan assets which are at semi-fixed rates:

(₹ in crore)

Description	As at 31.03.2024	As at 31.03.2023
Rupee Loans	4,96,192.74	4,31,992.47

(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 31.03.2024		As at 31.03.2023	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(322.74)	322.74	(368.77)	368.77
Interest Rate Swaps	(59.68)	59.68	(59.68)	59.68
Floating/ semi-fixed Rate Loan Assets	1,856.55	(1,856.55)	1,616.34	(1,616.34)

*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.

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(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' USD LIBOR (London Inter Bank Offered Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) etc. The summary of such borrowings as on March 31, 2024 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31.03.2024		As at 31.03.2023	
	Amount (₹ in Crore)	Amount (USD Mn Equivalent)	Amount (₹ in Crore)	Amount (USD Mn Equivalent)
3M USD LIBOR*	-	-	1,233.26	150.00
6M USD LIBOR*	-	-	29,080.13	3,537.00
3M Term SOFR	3,084.83	370.00	6,988.44	850.00
6M Term SOFR	2,427.46	291.15	822.17	100.00
Overnight SOFR	41,270.08	4,950.00	3,494.22	425.00
3M EURIBOR	2,293.28	275.06	3,595.53	437.32
6M EURIBOR	3,156.10	378.55	3,134.74	381.28
Overnight TONA	15,050.96	1,805.24	3,606.20	438.62
Overnight SORA	1,761.12	211.23	445.48	54.18
Total	**69,043.83**	**8,281.23**	**52,400.17**	**6,373.40**

*3M USD LIBOR & 6M USD LIBOR have ceased to be published after 30th June 2023 as announced by the UK Financial Conduct Authority (FCA) on 5 March.

(a) Exposure directly affected by the Interest Rate Benchmark Reform (IBOR)

While some of the floating rate borrowings of the Company are already under the new benchmarks, some of the borrowings were linked with the LIBOR benchmark rates i.e. 3M USD LIBOR and 6M USD LIBOR which have ceased to be published during the current financial year. The total amount of exposure that was directly affected by the Interest Rate Benchmark Reform (IBOR) as on March 31, 2023 was ₹ 28,159.29 crores (USD 3.425 Billion) and the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting was ₹ 4,110.85 crores (USD 0.500 Billion). As on the Reporting date, there are no borrowings linked with the LIBOR benchmark rates which have ceased to be published.

(b) Managing the process to transition to alternative benchmark rates

Pursuant to the Interest Rate Benchmark Reform, LIBOR has been replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) is the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) has replaced JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognized statutory body governing the global derivative deals, had come up with the ISDA 2020 IBOR Fallbacks Protocol (commonly referred to as Fallback Protocol) to move all the legacy contracts to new benchmarks. The Company had adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks automatically became applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has already transitioned to the new benchmark rates in discussion with the respective lenders and as on the Reporting date, there are no floating rate borrowings linked with the LIBOR benchmark rates which have ceased to be published.

(c) Significant Assumptions for exposures affected by the Interest Rate Benchmark Reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the Interest Rate Benchmark Reform. While the benchmarks for the underlying loan are yet to be agreed with the lenders, it has been assumed that there will be no change in the alternative benchmark rates of the underlying loan and the derivative contracts and hedge effectiveness is not altered as a result of such reform.

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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 31.03.2024		As at 31.03.2023	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	13.52	(13.52)	4.84	(4.84)
Impact on OCI	125.83	(125.83)	59.86	(59.86)

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	FY 2023-24	FY 2022-23
	Effective Portion of Cash flow Hedges		
(a)	**Opening balance of Reserves (net of tax)**	**1,092.25**	**394.55**
(b)	Changes in intrinsic value of options contracts	(2,621.09)	7,502.40
(c)	Changes in fair value of PoS/Forwards/IRS contracts	1,253.85	674.18
(d)	Amount reclassified from OCI to P&L	(2,111.32)	(7,244.23)
(e)	**Net amount recognised in OCI during the year (b + c + d)**	**(3,478.56)**	**932.35**
(f)	Deferred Tax on (e) above	875.49	(234.65)
(g)	**Net amount recognised in OCI during the year (Net of Tax) (e + f)**	**(2,603.07)**	**697.70**
(h)	**Closing balance of Reserves (net of Tax) (a + g)**	**(1,510.82)**	**1,092.25**
	Cost of Hedging Reserve		
(a)	**Opening balance of Reserves (net of tax)**	**(2,609.37)**	**(690.70)**
(b)	Changes in deferred time value of options/PoS/IRS contracts/Forwards	917.19	(5,453.45)
(c)	Amortisation of time value	3,842.28	2,889.49
(d)	**Net amount recognised in OCI during the year (b + c)**	**4,759.47**	**(2,563.96)**
(e)	Deferred Tax on (d) above	(1,197.86)	645.29
(f)	**Net amount recognised in OCI during the year (Net of Tax) (d + e)**	**3,561.61**	**(1,918.67)**
(g)	**Closing balance of Reserves (net of Tax) (a + f)**	**952.24**	**(2,609.37)**

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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 based dollar offset method.

(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 31.03.2024							
1.	Currency Derivatives	Forwards	-	-	-		
		Principal Only Swaps	11,219.24	318.87	128.47	Sep 2024 - Dec 2027	80.66
		Call Spread Option	5,419.30	499.24	-	June 2024 - Dec 2024	73.81
		Seagull Option	59,979.17	3,416.50	220.72	June 2024 - June 2029	USD/INR 79.91 USD/JPY 138.24
	Sub Total		**76,617.71**	**4,234.61**	**349.19**		
2.	Interest rate Derivatives	Interest Rate Swap	12,506.09	196.75	4.54	April 2024 - March 2029	2.56%
	Sub Total		**12,506.09**	**196.75**	**4.54**		
3.	**Total (1+2)**		**89,123.80**	**4,431.36**	**353.73**		
As at 31.03.2023							
1.	Currency Derivatives	Forward	507.09	20.40	-	Feb 2024	0.6303
		Principal Only Swaps	4,521.93	460.12	-	Sep 2023- Sep 2024	71.91
		Call Spread Option	13,705.76	679.45	-	Oct 2023- Dec 2024	76.99
		Seagull Option	29,169.51	2,826.19	3.26	Dec 2023- Dec 2027	USD/INR76.5202 EUR/USD- 1.0775 USD/JPY- 130.83
	Sub Total		**47,904.29**	**3,986.16**	**3.26**		
2.	Interest rate Derivatives	Interest Rate Swap	7,399.52	364.11	-	Sep 2023-Jun 2024	1.27%
	Sub Total		**7,399.52**	**364.11**	**-**		
3.	**Total (1+2)**		**55,303.81**	**4,350.27**	**3.26**		

[1] Forms part of the line item 'Derivative Financial Instruments' in the Consolidated Balance Sheet.

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge *

(₹ in crore)

Description (including derivative)	As at 31.03.2024	As at 31.03.2023
Currency derivatives		
Upto 1 year	24,615.43	16,901.55
1 – 5 years	51,167.91	31,002.74
More than 5 years	834.37	-
Sub Total (A)	**76,617.71**	**47,904.29**

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(₹ in crore)

Description (including derivative)	As at 31.03.2024	As at 31.03.2023
Interest rate Derivatives		
Upto 1 year	5,419.30	2,055.42
1 – 5 years	7,086.79	5,344.10
More than 5 years	-	-
Sub Total (B)	**12,506.09**	**7,399.52**
Total (A+B)	**89,123.80**	**55,303.81**

*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 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 31.03.2024					
1.	Currency Derivatives	(937.73)	-	1,307.32	Finance Costs
				(160.02)	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest rate Derivatives	103.66	-	(306.54)	Finance Costs
As at 31.03.2023					
1.	Currency Derivatives	504.02	-	945.75	Finance Costs
				1,972.41	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest rate Derivatives	221.69	-	(117.17)	Finance Costs

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 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.

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(i) Effects of hedge accounting

(₹ in crore)

Type of hedge and risks	Notional Amt (in Mln)	Carrying amount of hedging instruments		Maturity Dates	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31.03.2024								
Cash flow hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 11,452	**7,137.02**	**269.59**	Apr 2024 - Nov 2030	1:1	**79.66**	**111.47**	**(111.47)**
	USD 604.02	**679.46**	**-**	Oct 2027- Mar 2028	1:1	**85.93**	**16.20**	**(16.20)**
	USD 285.29	**311.62**	**93.21**	Mar 2025- Oct- 2027	1:1	**60.28**	**(3.51)**	**3.51**
	USD 3,34,306.79	**2,942.85**	**49.01**	Dec 2024 - Jan 2034	1:1	**0.58**	**(872.94)**	**872.94**
Call Spread	USD -	**-**	**-**	Matured during year	1:1	**0.00**	**3.68**	**(3.68)**
Principal only swaps	USD 375	**43.34**	**38.13**	Mar 2025 - Jun 2030	1:1	**75.41**	**(155.79)**	**155.79**
Interest rate swaps	USD 5,218	**834.11**	**12.02**	May 2023 - Mar 2025	1:1	**3.12%**	**1,237.36**	**(1,237.36)**
	USD -	**-**	**-**	Matured during year	1:1	**0.00%**	**(0.05)**	**0.05**
	USD 72.08	**18.08**	**-**	Aug 2023	1:1	**1.18%**	**(4.44)**	**4.44**
	INR 55,280.00	**53.11**	**-**	May 2023 - Nov 2030	1:1	**8.44%**	**53.11**	**(53.11)**
As at 31.03.2023								
Cash flow hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 8,387	6,970.98	2.25	May 2023 - Nov 2030	1:1	77.03	1,594.19	(1,594.19)
	EUR 673.79	403.91	-	Dec 2023- Mar 2028	1:1	1.03	210.89	(210.89)
	SGD 285.29	32.00	83.52	Mar 2025- Oct- 2027	1:1	0.36	(65.66)	65.66
	JPY 58,352.74	572.12	-	Aug 2023 - Mar 2027	1:1	0.61	(52.15)	52.15
Call Spread	USD 250	208.14	-	March 2024	1:1	57.52	58.14	(58.14)
Cross Currency Swaps	USD 800	85.92	-	May 2023 - Mar 2025	1:1	3.52% and 72.79	98.24	(98.24)
	JPY 10,327.12	-	0.60	Aug 2023	1:1	4.31% and 0.62	(0.33)	0.33
Principal only swaps	USD 375	38.85	-	Mar 2025 - Jun 2030	1:1	75.41	(35.15)	35.15
Interest rate swaps	USD 1992	251.77	10.87	May 2023 - Nov 2030	1:1	0.98%	189.27	(189.27)

(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	Lineitem affected on reclassification
As at 31.03.2024					
1.	Currency risk and interest rate risk	**385.09**	**-**	**(479.51)**	Net Translation / Transaction Exchange Loss / (Gain)
				(1,166.31)	Finance Costs
As at 31.03.2023					
1.	Currency risk and interest rate risk	1,997.43	-	(4,995.73)	Net Translation / Transaction Exchange Loss / (Gain)
				(158.91)	Finance Costs

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

(iii) Fair Value Hedges

At 31st March 2024, Company has outstanding interest rate swap agreements of ₹ 15,970.50 crores (Previous year ₹ 15,950.70 crores) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

(₹ in Crore)

Particulars	Fair value hedge	Notional amount	Carrying amount *	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2024	- Interest rate swap	**15,950.70**	**(221.33)**	Derivative financial instruments	**57.69**
As at 31-03-2023	- Interest rate swap	15,950.70	(279.02)	Derivative financial instruments	(167.10)

* 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 the balance sheet in which the hedged item is included	Change in value used for calculating hedge ineffectiveness
As at 31-03-2024	- Subordinated Liabilities	**2091.95**	**(143.77)**	Subordinated Liabilities	**34.39**
	- Institutional bonds	**11,960.91**	**(77.56)**	Debt Securities- Institutional Bonds	**23.30**
As at 31-03-2023	- Subordinated Liabilities	4,748.24	(178.16)	Subordinated Liabilities	(49.83)
	- Institutional bonds	11,950.08	(100.86)	Debt Securities- Institutional Bonds	(117.27)

The decrease in fair value of the interest rate swap of ₹ 57.69 crores (Previous year ₹ 167.10 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 31.03.2024	Fair Value as at 31.03.2023	Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
1)	**Quoted Equity investments (Refer Note 13.3)**				
	- PTC India Limited	**223.14**	102.06	Level 1	Quoted market price
	- Coal India Limited	**606.20**	298.35		
	- NHPC Limited	**1,149.49**	690.13		
	- Suzlon Energy Limited	**537.74**	105.15		
	- Housing & Urban Development Corporation. Ltd	**-**	1.50		
	- RattanIndia Power Limited	**270.35**	96.67		

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for the year ended March 31, 2024

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability – Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
		31.03.2024	31.03.2023		
2)	**Un-Quoted Equity investments**				
	- Power Exchange India Limited	4.78	3.59	Level 3	Fair value has been determined using the Ind AS financials of the investee company.
	- RKM PowerGen Pvt. Ltd	0.00	0.00		Allotted pursuant to restructuring, valued at ₹ 1 on prudent basis
	- Energy Efficiency Services Ltd (EESL)	317.56	298.51		Fair value has been determined using the Ind AS financials of the investee company.
	- Ind Barath Energy Utkal Limited	7.24	1.81		
	- Jhabua Power Limited	617.76	602.82		
	- 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 Rattan India Power Ltd., PFC & RECL estimates no material amount may be realized from the Investment.
4)	**Investment in debentures**				
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	114.64	122.49	Level 3	Fair valued using discounted future cash flow as per terms of agreement
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	49.22	52.59		
	- Essar Power Transmission Company Ltd. - Series C - OCD	0.00	0.00		Fair valued a ₹ 1 due to the non- availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	- RKM Powergen Pvt. Ltd. - Series 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	-		
	- DANS Energy Pvt. Ltd- OCD	0.00	-		
	- 7.99% Perpetual bonds -Canara Bank	208.49	208.47		Fair valued by discounting future cash flows at coupon rate.
	- 8.55% Perpetual Bonds of PNB- Quoted	510.65	-		
	- 9.50% Perpetual Bonds of UCO Bank	228.80	228.79		
5)	**Derivative Financial Instruments**				
	– Assets	16,944.05	13,785.01	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	1,113.43	1,001.27		

48.2 There were no transfers between Level 1 and Level 2 during the year.

Notes to the Consolidated Financial Statements

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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 2023-24				
Opening Balance	437.26	-	175.08	906.73
Investment made during the year	500.00	-	(29.46)	-
Settlement	-	-	-	-
Transfer in Level 3	-	-	-	-
Transfer from Level 3	-	-	-	-
Interest income[1]	10.68	2.73	14.20	-
Fair Value gain/(loss)	-	(2.73) [3]	4.04	40.61[2]
Closing Balance	**947.94**	**-**	**163.86**	**947.34**
Unrealized gains on balances held at the end of the year	19.94		14.98	24.61
FY 2022-23				
Opening Balance	-	-	288.27	456.47
Investment made during the year	428.00	-	-	633.53
Settlement	-	-	(26.66)	-
Transfer in Level 3	-	-	-	-
Transfer from Level 3	-	-	-	-
Interest income[1]	9.26	3.24	28.26	-
Fair Value gain/(loss)	-	(3.24) [3]	(114.79) [3]	(183.27) [2]
Closing Balance	**437.26**	**-**	175.08	906.73
Unrealized gains on balances held at the end of the year	9.26	-	15.70	(199.27)

(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 and 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 31.03.2024		As at 31.03.2023	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value
Loans	Level 3	9,69,111.15	9,75,201.63	832,903.36	840,976.30
Investments[a]	Level 1/3	6,124.96	6,120.93	3,159.96	3,176.94
Other financial assets	Level 2	29,885.31	29,880.12	29,834.86	29,841.51
Debt securities[a]	Level 1 / 2	5,60,331.04	552152.40	496,729.38	485,766.39
Borrowings other than debt securities[b]	Level 2	2,88,698.09	2,85,876.75	238,343.00	234,437.30
Subordinated liabilities	Level 2	12,931.93	13,213.58	16,085.14	16,589.24

(a) Includes listed instruments with Level 1 fair value hierarchy

Investment in G-Sec and SDL being fair valued using market price as at reporting date.

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

(b) Includes foreign currency loans linked to Floating rate of interest and multilateral agencies loans being valued at par.

In accordance with the interest rate benchmark reform, the fair value as at 31st March, 2024 has been arrived at using the alternative benchmark i.e. SOFR (Secured Overnight Financing rate).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(i) The fair value of the above financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.

(ii) The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

49. RELATED PARTY DISCLOSURES

49.1 Related Parties:

Associates:			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited		
	Through PFCCL		
12	Bijawar-Vidarbha Transmission Limited (Struck off from the records of Registrar of Companies on 13.01.2024)	13	Ananthpuram Kurnool Transmission Limited (Transferred on 27.09.2023)
14	Chhatarpur Transmission Limited	15	Siot Transmission Limited
16	Fatehgarh III Beawar Transmission Limited (Transferred on 01.08.2023)	17	Beawar Dausa Transmission Limited (Transferred on 30.10.2023)
18	Fatehgarh III Transmission Limited (Transferred on 02.08.2023)	19	Bhadla III Transmission Limited (Transferred on 27.09.2023)
20	Fatehgarh IV Transmission Limited (Transferred on 02.08.2023)	21	Tirwa Transmission Limited (Incorporated on 14.06.2023 and Transferred on 07.03.2024)
22	Bikaner III Neemrana Transmission Limited (Incorporated on 08.06.2023 and Transferred on 27.12.2023)	23	Neemrana II Kotputli Transmission Limited (Incorporated on 19.06.2023 and Transferred on 27.12.2023)
24	Bikaner III Neemrana II Transmission Limited (Incorporated on 13.06.2023 and Transferred on 27.12.2023)	25	Neemrana II Bareilly Transmission Limited (Incorporated on 08.06.2023 and Transferred on 27.12.2023)
26	Joda Barbil Transmission Limited (Incorporated on 13.06.2023)	27	Jewar Transmission Limited (Incorporated on 06.07.2023 and Transferred on 07.03.2024)
28	Koppal II Gadag II Transmission Limited (Incorporated on 21.07.2023 and Transferred on 26.12.2023)	29	Gola B -Ramgarh B Transmission Limited (Incorporated on 15.12.2023)
30	Halvad Transmission Limited (Incorporated on 31.10.2023 and Transferred on 26.12.2023)	31	Khavda PS1 and 3 Transmission Limited (Incorporated on 22.12.2023)
32	Paradeep Transmission Limited (Incorporated on 30.11.2023)	33	Ramakanali B -Panagarh Transmission Limited (Incorporated on 21.11.2023)
34	Solapur Transmission Limited (Incorporated on 14.12.2023 and Transferred on 20.03.2024)	35	Vataman Transmission Limited (Incorporated on 15.11.2023 and Transferred on 26.12.2023)
36	Angul Sundargarh Transmission Limited (Incorporated on 01.03.2024)	37	Barmer I Transmission Limited (Incorporated on 18.01.2024)
38	Beawar - Mandsaur Transmission Limited (Incorporated on 19.01.2024)	39	Bhadla-III & Bikaner-III Transmission Limited (Incorporated on 06.02.2024)
40	Bhuj II Transmission Limited (Incorporated on 01.03.2024)	41	Jamnagar Transmission Limited (Incorporated on 06.02.2024)
42	KPS III HVDC Transmission Limited (Incorporated on 18.01.2024)	43	Pune- III Transmission Limited (Incorporated on 16.01.2024)
44	Sirohi Transmission Limited (Incorporated on 19.01.2024)	45	South Olpad Transmission Limited (Incorporated on 19.01.2024)
	Through RECL		
46	Chandil Transmission Limited	47	Dumka Transmission Limited
48	Mandar Transmission Limited	49	Koderma Transmission Limited
50	Luhri Power Transmission Limited	51	NERES XVI Power Transmission Limited

Notes to the Consolidated Financial Statements
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52	Khavda II-D Transmission Limited (under the process of striking off the name of Company from the records of Registrar of Companies)	53	KPS1 Transmission Limited (transferred on 20.04.2023)
54	Beawar Transmission Limited (transferred on 20.09.2023)	55	Ramgarh II Transmission Limited (transferred on 26.10.2023)
56	Bidar Transmission Limited (transferred on 09.02.2024)	57	Sikar Khetri Transmission Limited (transferred on 09.02.2024)
58	Meerut Shamli Power Transmission Limited	59	Dhule Power Transmission Limited (incorporated on 08.06.2023 and transferred on 09.02.2024)
60	Ishanagar Power Transmission Limited (incorporated on 09.06.2023 and transferred on 09.02.2024)	61	Karera Power Transmission Limited (incorporated on 14.06.2023 and transferred on 09.02.2024)
62	Pachora Power Transmission Limited (incorporated on 20.07.2023 and transferred on 14.02.2024)	63	Jalpura Khurja Power Transmission Limited (incorporated on 28.04.2023)
64	Kallam Transco Limited (incorporated on 15.09.2023)	65	Rajasthan Part I Power Transmission Limited (incorporated on 30.04.2023)
66	Shongtong Power Transmission Limited (incorporated on 14.06.2023)	67	Khavda IV C Power Transmission Limited (incorporated on 27.09.2023)
68	Khavda IV-E2 Power Transmission Limited (incorporated on 05.10.2023)	69	Khavda IVA Power Transmission Limited (incorporated on 09.10.2023)
70	Khavda V-A Power Transmission Limited (incorporated on 10.10.2023)	71	Rajasthan IV A Power Transmission Limited (incorporated on 10.10.2023)
72	Rajasthan IV C Power Transmission Limited (incorporated on 11.10.2023)	73	Rajasthan IV H1 Power Transmission Limited (incorporated on 13.10.2023)
74	Rajasthan IV E Power Transmission Limited (incorporated on 14.10.2023)	75	Tumkur-II REZ Power Transmission Limited (incorporated on 13.12.2023)
76	NERGS-I Power Transmission Limited (incorporated on 13.12.2023)	77	Kankani Power Transmission Limited (incorporated on 18.12.2023)
78	ERES-XXXIX Power Transmission Limited (incorporated on 27.03.2024)		

Key Managerial Personnel (KMP) of the Company & their relatives :		Designation
In respect of PFC		
1	Smt Parminder Chopra	Chairman and Managing Director (w.e.f 14.08.2023) and additional charge Director (Finance)
2	Shri Ravinder Singh Dhillon (upto 31.05.2023)	Chairman and Managing Director
3	Shri Rajiv Ranjan Jha	Director (Projects)
4	Shri Manoj Sharma	Director (Commercial)
5	Shri Ajay Tewari	Government Nominee Director
8	Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director
9	Shri Prasanna Tantri	Part Time Non-Official Independent Director
10	Smt Usha Sanjeev Nair	Part Time Non-Official Independent Director
11	Shri Manohar Balwani (up to 30.04.2023)	CGM & Company Secretary
12	Shri Manish Kumar Agrawal (w.e.f 01.05.2023)	GM & Company Secretary
In respect of RECL		
1	Sh. Vivek Kumar Dewangan	Chairman & Managing Director
2	Sh. Ajoy Choudhury	Director (Finance) (ceased w.e.f. February 1, 2024)
3	Sh. V.K. Singh	Director (Technical)
4	Sh. Piyush Singh	Government Nominee Director (ceased w.e.f. August 21, 2023)
5	Sh. Shashank Misra	Government Nominee Director (appointed w.e.f. August 21, 2023)
6	Smt. Parminder Chopra	PFC Nominee Director (ceased w.e.f. July 11, 2023)
7	Sh. Manoj Sharma	PFC Nominee Director (appointed w.e.f. July 11, 2023)
8	Dr. Gambheer Singh	Part Time Non-Official Independent Director
9	Dr. Manoj M. Pande	Part Time Non-Official Independent Director
10	Dr. Durgesh Nandini	Part Time Non-Official Independent Director
11	Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director

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Key Managerial Personnel (KMP) of the Company & their relatives :		Designation	
12	Sh. J.S. Amitabh	Executive Director & Company Secretary	
In respect of PFCCL			
1	Smt. Parminder Chopra (Director upto 31.05.2023)	Chairman (w.e.f 01.06.2023)	
2	Shri. Ravinder Singh Dhillon	Chairman (upto 31.05.2023)	
3	Shri Rajiv Ranjan Jha	Director	
4	Shri. Manoj Sharma	Director	
5	Shri Manoj Kumar Rana	Chief Executive Officer (CEO)	
6	Sh. Milind M. Dafade	Chief Finance Officer (CFO)	
7	Sh. Sachin Arora	Company Secretary (CS)	
Trusts / Funds under control of the Company			
1	PFC Employees Provident Fund	2	PFC Employees Gratuity Fund
3	PFC Defined Contribution Pension Scheme 2007	4	PFC Superannuation Medical Fund
Trusts / Funds under control of RECL			
1	REC Limited Contributory Provident Fund Trust	2	REC Gratuity Fund
3	REC Employees' Superannuation Trust	4	REC Employees' Benevolent Fund
5	REC Retired Employees' Medical Trust		
Society of subsidiary RECL			
1	REC Foundation		
Company in which KMP of subsidiary RECL are directors			
1	Samarpan Hospitals Private Limited		

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 2023-24	During FY 2022-23
Associates		
Recoveries of advances (including interest) from associates	3.49	1.83
Interest income on advances to associates	23.11	19.81
Repayment of advance taken from Associate	0.32	2.27
Interest expenses on advances from associates	5.81	4.66
Income on transfer of associate	190.33	58.89
Consultancy Fee	104.42	148.60
Others	18.85	23.44
Trusts / Funds/ Foundations of the Group		
Contributions made during the year	40.37	48.64
Finance cost on bonds	4.87	5.32
Subscription of bonds	2.00	-
Redemption of bonds	-	5.10
Payment towards CSR Expenses	243.00	151.95
Key managerial personnel		
Short term employee benefits (i)	9.34	8.36
Post-employment benefits (ii)	1.01	0.96
Other long term benefits (iii)	0.80	0.14
Sub Total (i+ii+iii)	**11.15**	**9.46**
Repayment/ recovery of loans and advances including Interest Income	0.60	0.66
Subscription of bonds	-	-
Redemption of bonds	0.07	0.10
Directors' sitting fee paid	0.85	0.80
Finance cost on bonds paid	0.02	0.08

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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 31.03.2024	As at 31.03.2023
Amount recoverable towards loans, advances and others(including interest)		
Associates	244.29	223.51
Key managerial personnel	1.56	0.53
Trusts / Funds under control of the Group	23.55	15.11
Amount payable towards loans, advances and others (including interest)		
Associates	179.56	177.12
Debt Securities		
Key managerial personnel	0.20	0.35
Trusts/ Funds under control of the Company	57.50	57.30
Provisions made w.r.t Trusts/ Funds under control of the Company	10.75	17.95
Investments made in		
Associates	0.72	0.63
REC Foundation		
Others	1.25	-

49.4 Disclosure in respect of entities under the control of the same government (Government related entities)

Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions, includes but not limited to:

Tehri Hydro Development Corporation	Damodar Valley Corporation
Neyveli UP Power Ltd.	Mumbai Metro Rail Corporation Limited
Meja Urja Nigam Pvt Ltd.	Bihar Grid Company Ltd.
Raichur Power Corporation Ltd.	Coal India Ltd.
NLC Tamil Nadu Power Ltd.	NHPC Ltd.
National High Power Test Laboratory Pvt Ltd.	Neyveli Lignite Corporation Ltd.
Power Foundation of India	SJVN Thermal Pvt Ltd.
Nabinagar Power Generating Co. Pvt. Ltd.	NTPC Tamil Nadu Energy Company Ltd.
Patratu Vidut Utpadan Nigam Ltd.	Power Grid Corporation of India Ltd.
HPCL Rajasthan Refinery Limited	MSTC Ltd.
PTC India Limited	Tusco Limited
NTPC Renewable Energy Limited	NTPC Vidyut Vyapar Nigam Limited
SBI Capital Markets Limited	Railtel Enterprises Ltd
SJVN Limited	

Significant transactions with entities under the control of same government:

(₹ in crore)

Particulars	During FY 2023-24	During FY 2022-23
Disbursement of loans	12,757.21	9,220.07
Interest received	4,896.63	4,144.59
Membership fees	10.00	13.40

Refer Note 14, 23, 25.1, 25.3 and 56 in respect of material transactions with the Central Govt.

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The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, lease rental, deposits, expenses on Government Programmes, etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

49.5 Major Terms and conditions of transactions with related parties

(i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(ii) The remuneration to Key Managerial Personnel are in line with the HR Policies of the respective Companies.

(iii) Loans and advances given to Directors/KMPs have specified terms / period of repayment and are in line with the HR Policies of the respective Companies in the group.

(iv) The Companies in the Group makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the respective Company's policy.

(v) The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the respective 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:

50.1.1 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 Account (Pension Account) of the employees.

50.1.2 Provident Fund

In respect of PFC

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trusts, which invests the funds in permitted securities. The trusts have to ensure, a minimum rate of return to the members, as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

The Company has recognised an expense in the Consolidated Statement of Profit and Loss of ₹ 22.60 Crore (previous year ₹ 17.10 Crore) towards defined contribution plans.

50.2 Defined benefit plans:

50.2.1 Gratuity

The Companies in the Group have a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
a) Present value of Defined benefit obligation	**58.49**	58.77
b) Fair Value of Plan Assets	**57.14**	54.97
c) Net Defined Benefit (Asset)/ Liability (a-b)	**1.35**	3.80

Notes to the Consolidated Financial Statements
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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	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
I.	**Opening Balance**	**58.77**	**57.96**	**54.97**	**57.59**	**3.80**	**0.37**
	Included in profit or loss						
	Current service cost	2.45	2.90	-	-	2.45	2.90
	Past service cost	-	2.16	-	-	-	2.16
	Interest cost / income	4.12	4.11	4.02	4.27	0.10	(0.16)
II.	**Total amount recognised in profit or loss**	**6.57**	**9.17**	**4.02**	**4.27**	**2.55**	**4.90**
	Included in OCI						
	Re-measurement loss/ (gain	-	-	-	-	-	-
	Actuarial loss (gain) arising from changes in financial assumptions	0.72	0.40	-	-	0.72	0.40
	Actuarial loss (gain) arising from experience adjustment	(0.88)	(1.30)	-	-	(0.88)	(1.30)
	Effect of change in demographic assumptions	-	-	-	-	-	-
	Return on plan assets excluding interest income	-	-	1.04	0.15	(1.04)	(0.15)
III.	**Total amount recognised in OCI**	**(0.16)**	**(0.90)**	**1.04**	**0.15**	**(1.20)**	**(1.05)**
IV.	Contribution by participants	-	-	2.68	-	(2.68)	-
V.	Contribution by employer	-	-	1.12	0.42	(1.12)	(0.42)
VI.	Benefits paid	(6.69)	(7.46)	(6.69)	(7.46)	-	-
VII.	**Closing Balance (I+II+III+IV+V+VI)**	**58.49**	**58.77**	**57.14**	**54.97**	**1.35**	**3.80**

50.2.2 Post-Retirement Medical Scheme (PRMS)

The Companies in the Group have Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated and deceased employees and their dependent family members. 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. However, any short fall has to be compensated by the respective Company. The Companies in the Group estimates 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 31.03.2024	As at 31.03.2023
a)	Present value of Defined benefit obligation	245.73	228.98
b)	Fair Value of Plan Assets	261.41	238.58
c)	Net Defined Benefit (Asset)/ Liability (a-b)	(15.68)	(9.60)

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	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
I.	**Opening Balance**	**228.98**	**221.90**	**238.58**	**214.92**	**(9.59)**	**6.98**
	Included in profit or loss						
	Current service cost	8.20	6.74	-	-	8.20	6.74
	Past service cost	-	-	-	-	-	-

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(₹ 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Interest cost / income	16.47	16.07	17.45	15.89	(0.98)	0.18
II. Total amount recognised in profit or loss	**24.67**	**22.81**	**17.45**	**15.89**	**7.22**	**6.92**
Included in OCI						
Re-measurement loss/ (gain	-	-	-	-	-	-
Actuarial loss (gain) arising from changes in financial assumptions	(2.32)	2.74	-	-	(2.32)	2.74
Actuarial loss (gain) arising from experience adjustment	11.29	(4.07)	-	-	11.29	(4.07)
Effect of change in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	1.98	2.14	(1.98)	(2.14)
III. Total amount recognised in OCI	**8.97**	**(1.33)**	**1.98**	**2.14**	**6.99**	**(3.46)**
IV. Contribution by participants	0.10	0.44	0.10	0.14	-	0.30
V. Contribution by employer	-	-	6.43	8.23	(6.43)	(8.23)
VI. Benefits paid	(16.99)	(14.84)	(3.13)	(2.74)	(13.86)	(12.10)
VII. Closing Balance (I+II+III+IV+V+VI)	**245.73**	**228.98**	**261.41**	**238.58**	**(15.68)**	**(9.60)**

50.2.3 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 31.03.2024	As at 31.03.2023
Present value of Defined benefit obligation	12.78	11.99

Movement in Defined Benefit Obligation

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2024	31.03.2023
I. Opening Balance	**11.99**	**10.92**
Included in profit or loss		
Current service cost	0.82	0.67
Past service cost	-	-
Interest cost / income	0.84	0.77
II. Total amount recognised in profit or loss	**1.66**	**1.44**
Included in OCI		
Actuarial loss (gain) arising from changes in financial assumptions	0.96	0.27
Actuarial loss (gain) arising from experience adjustment	(0.03)	1.28
Effect of change in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
III. Total amount recognised in OCI	**0.93**	**1.55**
IV. Contribution by participants	-	-
V. Contribution by employer	-	-
VI. Benefits paid	(1.80)	(1.92)
VII. Closing Balance (I+II+III+IV+V+VI)	**12.78**	**11.99**

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50.2.4 Provident Fund

In respect of RECL

The Company pays fixed contribution of Provident Fund at pre-determined rates to a separate registered trust which invests the funds in permitted securities. The trust declares the rate of interest on contribution to the members based upon the returns earned on its investments during the year, subject to minimum interest rate specified by Employees' Provident Fund Organisation. Any shortfall in the specified interest rate and returns earned on investments of the trust, for payment of interest to members, is to be compensated by the Company. The Company started from the FY 2023-24, treating the contribution to the recognised provident fund trust for its employees, as a Defined Benefit Plan instead of Defined Contribution Plan being followed hitherto. As such, there is no financial impact of it on the profit of the Company. The Company's obligation towards provident fund is determined and provided for on the basis of actuarial valuation as per IND AS 19 on Employee Benefits. The details of the fair value of plan assets and obligations are as under :

(₹ in crore)

	Particulars	As at 31.03.2024	As at 31.03.2023
a)	Present value of Defined benefit obligation	**297.79**	276.16
b)	Fair Value of Plan Assets	**298.03**	280.99
c)	Net Defined Benefit (Asset)/ Liability (a-b)	**(0.24)**	(4.83)

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 matching 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, are as follows:

(₹ in crore)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Gratuity	PRMS	Gratuity	PRMS
Cash & Cash Equivalents	0.17	5.01	0.27	1.16
State/ Central Government Debt Securities	27.03	82.43	25.71	76.40
Corporate Bonds/ Debentures	21.43	173.97	20.69	161.02
Others	8.51	-	8.30	-
Total	**57.14**	**261.41**	**54.97**	**238.58**

- Actual return on plan assets is ₹ 25.09 crore (previous year ₹ 22.44 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 31.03.2024 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

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Discount Rate & expected return on plan assets, if funded	7.09%	7.33%	7.09%	7.33%	7.09%	7. 33%
Salary Escalation Rate/ Medical inflation rate	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%
Mortality Rate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate
Withdrawal rate	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

B. In respect of RECL

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Method used PUCM						
Salary Escalation Rate/ Medical inflation rate	7.09%	7.31%	7.09%	7.31%	7.09%	7.31%
Mortality Rate	6.00%	6.00%	5.50%	6.00%	6.00%	6.00%
Withdrawal rate	20.07	17.72	20.07	17.72	20.07	17.72

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 31.03.2024		As at 31.03.2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(2.17)	2.35	(2.05)	2.21
- PRMS	(15.24)	16.71	(16.72)	17.93
- ERS	(0.56)	0.61	(0.43)	0.48

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(₹ in crore)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Increase	Decrease	Increase	Decrease
Salary Escalation/ Medical inflation rate (0.50% movement)				
- Gratuity	0.31	(0.34)	0.40	(0.32)
- PRMS	14.49	(13.41)	14.34	(13.03)
- ERS	0.46	(0.42)	0.44	(0.39)
Medical Cost (10% movement)				
- PRMS	24.67	(24.18)	22.68	(21.28)

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.

50.2.9 Expected maturity analysis of the defined benefit plans in future years

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Up to 1 year	7.42	8.28	17.68	16.24	2.08	2.11
1 to 5 years	24.58	26.89	102.81	93.89	5.91	5.50
Over 5 years	91.38	88.11	430.54	379.01	14.26	11.83
Total	**123.38**	**123.28**	**551.03**	**489.14**	**22.25**	**19.44**

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	Gratuity		PRMS	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Expected contribution	4.15	6.26	11.52	8.61

50.2.11 The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.13 years (as at 31.03.2023: 13.14 years) for PFC and 11.78 years (as at 31.03.2023: 11.18 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 ₹ 14.66 crore (previous year ₹ 11.88 crore) for the year has been made at the year end and debited to the Consolidated Statement of Profit and Loss.

50.3.2 Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 3.66 crore for the year (previous year ₹ 5.04 crore) has been made on the basis of actuarial valuation and debited to the Consolidated Statement of Profit and Loss.

50.3.3 In case of RECPDCL, the Loyalty incentive to the employees is payable after completion of three years of continuous service only, except in case of separation due to death. The payment of dues to outgoing employee is released at the time of

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separation. Expenses amounting to nil (previous year nil) have been debited to the Consolidated Statement of Profit and Loss on the basis of actuarial valuation.

50.4 Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of PFC's/RECL's employees working in its wholly-owned subsidiaries PFCCL /RECPDCL on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

51. LEASES

The Group has recognised a Right of Use Asset and Lease Liability with respect to leasehold land:

51.1 The table below shows the movement of Lease Liabilities during the year

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening balance	**17.01**	**19.07**
Additions during the year	-	-
Finance cost accrued during the period	1.45	1.65
Payment of lease liabilities	(3.72)	(3.71)
Reassessment of lease liabilities	-	-
Closing balance	**14.74**	**17.01**

51.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ in crore)

Particulars	As at 31.03.2024	As at 31.03.2023
Upto 1 year	3.91	3.72
1-5 years	6.51	9.65
More than 5 years	53.97	54.74

51.3 During the year 2023-24, the expenses relating to short-term/low value leases amounting to ₹ 25.53 crore (Previous year ₹ 16.88 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 ₹ 26.77 crore. (Previous year ₹ 20.12 crore).

52. CONTINGENT LIABILITIES AND COMMITMENTS:

(₹ in crore)

Sr. No.	Description	As at 31.03.2024	As at 31.03.2023
Contingent Liabilities			
(i)	Guarantees	-	7.50
(ii)	Claims against the Group not acknowledged as debts	28.17	27.67
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned[(a)]	7,599.22	5,510.43
(iv)	Additional demands raised by the Income Tax Department of earlier years which are being contested	307.59	307.15
	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	0.90
(v)	Service Tax/GST demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested	47.08	43.87
	Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of Service Tax. The same is also being contested.	53.95	50.90
(vi)	Bank Guarantees	17.93	33.57

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(₹ in crore)

Sr. No.	Description	As at 31.03.2024	As at 31.03.2023
(vii)	Penalty imposed by BSE & NSE	1.59	1.31
(viii)	Others – Arbitration Proceedings through Project Management Consultant (PMC) (Counter claim of ₹ 33.23 crores)	352.94	315.30
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for		
	a) Towards purchase of building	1,003.28	253.83
	b) Towards Implementation of SAP	11.02	11.02
(ii)	Other Commitments – unspent CSR	469.21	306.53
Total		**9,892.88**	**6,867.73**

(a) Necessary impairment loss allowance has been made. Refer note 26

53. During the year, PFC and REC does not have any transactions with the struck off companies except for PFC equity shares held by eight companies as on 31.03.2024, 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 (NCI):

(₹ in crore)

Name of Subsidiary	Proportion of ownership interests held by NCI		TCI allocated to non-controlling interests (₹ in crore)		Accumulated non-controlling interests (₹ in crore)	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
RECL	47.37%	47.37%	7,194.64	4,829.33	33,141.77	27,822.74

* Includes Instruments in nature of equity of ₹ 558.40 crore issued by PFC's subsidiary RECL

55. SUMMARIZED FINANCIAL INFORMATION FOR GROUP'S SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (BEFORE INTRA GROUP ELIMINATIONS):

(₹ in crore)

Particulars (RECL)	As at 31.03.2024	As at 31.03.2023
Financial assets	5,44,588.13	4,61,166.67
Non-financial assets	3,582.76	4,331.43
Assets classified as held for sale	20.20	4.65
Financial liabilities	4,78,377.20	4,07,153.50
Non-financial liabilities	463.64	228.72
Liabilities directly associated with assets classified as held for sale	-	0.02
Equity attributable to the owners of the Company	36,208.48	30,297.72
Non-Controlling interests towards Instruments Entirely Equity in Nature	558.40	558.40
Non-Controlling interests towards Equity Shareholders	32,583.37	27,264.39
Total Non-controlling interests	**33,141.77**	**27,822.79**

(₹ in crore)

Particulars (RECL)	FY 2023-24	FY 2022-23
Total Revenue	47,571.23	39,520.16
Total Expenses	29,611.29	25,622.49
Profit/(loss) for the year	**14,145.46**	**11,166.98**
Profit/(loss) attributable to owners of the Company	7,445.44	5,877.72
Profit/(loss) attributable to the non-controlling interests	6,700.02	5,289.26

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(₹ in crore)

Particulars (RECL)	FY 2023-24	FY 2022-23
Other comprehensive income for the year	**1,044.27**	**(971.04)**
Other comprehensive income attributable to owners of the Company	549.65	(511.11)
Other comprehensive income attributable to the non-controlling interests	494.62	(459.93)
Total comprehensive income for the year	**15,189.73**	**10,195.94**
Total comprehensive income attributable to owners of the Company	7,995.09	5,366.61
Total comprehensive income attributable to the non-controlling interests	7,194.64	4,829.33
Dividends paid to non-controlling interests	1,914.50	1,477.97
Net cash inflow(outflow) from operating activities	(57,722.64)	(37,359.77)
Net cash inflow(outflow) from investing activities	(1,830.96)	(942.95)
Net cash inflow(outflow) from financing activities	59,587.82	38,122.84
Net cash inflow(outflow)	34.21	(179.88)

56. THE GOVERNMENT OF INDIA (GOI) SCHEMES BEING IMPLEMENTED IN THE GROUP

A. In respect of PFC

PFC has been designated Nodal Agency for operationalization and implementation of RDSS Scheme. The role of Nodal Agency inter-alia includes transfer onward the GoI funds received from MoP to project implementing agencies i.e. State Power Distribution Utilities/ Power Departments as per the Scheme guidelines issued by MoP. The release of the funds under GoI Scheme is being done through Treasury Single Account (TSA) maintained with RBI, as per the office memorandum issued by MoF, GoI dated 09th March 2022.This ensures that funds of these schemes are released to project implementing agencies 'Just in time' from the Consolidated Fund of India (CFI).

56.1 Revamped Distribution Sector Scheme (RDSS)

This Scheme was launched by GoI in July, 2021 to improve the operational efficiencies and financial sustainability of DISCOMs, by providing 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) with the sunset date of 31.03.2026. 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% by 2024-25.

iii) Reduce ACS-ARR gap to zero by 2024-25.

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 grant received and administered to the eligible entities (net of lapses/surrendered by power utilities) during FY 2023-24 is ₹ 2,834.87 crore (previous year ₹ 212.06 crore) and the cumulative grant administered (net of lapses/surrendered by power utilities) till 31.03.2024 is ₹ 3,308.23 crore (till 31.03.2023 is ₹ 473.37 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 2023-24 stands at ₹ 45.73 crore. (Previous year ₹ 71.58 crore)

Further, no amount of grant remained undisbursed as on 31.03.2024 and 31.03.2023.

B. In respect of RECL

56.2 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India launched a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - Saubhagya to achieve universal household electrification in the country during Oct 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹ 16,320 Crore including Gross Budgetary Support of ₹ 12,320 Crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

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56.3 Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the flagship scheme of Government of India covering all aspects of rural power distribution was launched in Nov 2014. Under the scheme 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant up to 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of '24x7 Power for All' in the country through the following project components:

56.3.1 Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;

56.3.2 Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;

56.3.3 Micro-grid and Off-grid distribution network;

56.3.4 Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

The scheme had estimated outlay of ₹ 75,893 Crore including budgetary support of ₹ 63,027 Crore from Government of India during the entire implementation period. Additional Infra under DDUGJY was sanctioned with a total outlay of ₹ 7,069 Crore including budgetary support of ₹ 5,302 Crore. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

56.4 National Electricity Fund (NEF)

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 Crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. RECL has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

56.5 Revamped Distribution Sector Scheme (RDSS)

Government of India has approved the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to them so as to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹ 3,03,758 Crore over 5 years i.e. FY 2021-22 to FY 2025-26 including an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore.

(i) Reduction of AT&C losses to pan-India levels of 12-15% by 2024-25.

(ii) Reduction of ACS-ARR gap to zero by 2024-25.

(iii) Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

Components of the scheme are:

Part A – Financial support for Prepaid Smart Metering & System Metering and up-gradation of the Distribution Infrastructure.

Part B – Training & Capacity Building and other Enabling & Supporting Activities.

56.6 J&K Prime Minister's Development Plan (PMDP)

Government of Jammu & Kashmir, Power Development Department has appointed RECPDCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of transmission projects under PMDP in J&K state and Ladakh on nomination basis, as per actual cost to be discovered through competitive biddings.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

56.7 11 kV Feeder Monitoring

Ministry of Power has appointed RECPDCL to implement 11 kV Feeder Monitoring Scheme. The scheme is to develop a Self-sustained independent web based system for automated 11 kV Rural Feeder Monitoring System through Data Logging of various essential parameters of all the Outgoing 11kV rural feeders from 66, 33/11 kV sub stations and make the information available online for various stake holders including public portal, on real time basis for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit.

56.8 Rooftop Solar Program (RTS)

PM-Surya Ghar: Muft Bijli Yojana was launched by Government of India on 13.02.2024 for installation of Rooftop Solar (RTS) in one crore households with the financial outlay of ₹ 75,021 crore and the phase-II of RTS will be subsumed under this scheme. The phase-II of Grid connected RTS programme is being implemented under Ministry of New and Renewable Energy (MNRE) for achieving cumulative capacity of 40GW from RTS projects by 2026.

C. In respect of subsidiary PFCCL

56.9 PFC's subsidiary PFCCL has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30.03.2016. As per the guidelines, every bidder is required to deposit with PFCCL the requisite fees of ₹ 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid. Only successful bidder(s) will have to pay the fees to PFCCL for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder.

56.10 In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories has to be corporatised/privatised. MoP through PFC has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest. PFC has appointed PFCCL as the nodal agency for this work.

57. STATUS OF DOCUMENTATION SUBSEQUENT TO UNBUNDLING OF SEBS

Some of the erstwhile State Electricity Boards (SEBs) against whom loans were outstanding or on whose behalf guarantees were given, were restructured by the respective State Governments and new entities were formed in the past. Consequently, the liabilities of the erstwhile SEBs stand transferred to new entities.

57.1 Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir

After the bifurcation of the State of Jammu & Kashmir into two Union territories- Jammu & Kashmir UT and Ladakh UT , the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

57.2 Status of documentation subsequent to 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.

In respect of RECL,

57.2.1 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).

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

57.2.2 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.

57.2.3 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.

58. IN THE CONTEXT OF REPORTING BUSINESS / GEOGRAPHICAL SEGMENT AS REQUIRED BY IND AS 108 - 'OPERATING SEGMENTS'

The Group's operations majorly comprise of one business segment i.e. lending to power , logistics and infrastructure sector entities. All activities revolve around the main business. Accordingly, there are no reportable segments as per Ind AS 108. Based on "management approach" as defined in Ind AS 108 'Operating Segments', the Chief Operating Decision Maker evaluates the Group's performance based on analysis of various factors of one business segment.

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)

	FY 2023-24	FY 2022-23
Interest income		
- on loans	**89,115.50**	75,912.83
- others	**969.90**	583.10
Dividend income	**68.53**	103.00
Fees and commission income	**341.35**	548.79
Other operating income	**601.44**	420.58
Total Revenue from Operations	**91,096.72**	**77,568.30**

58.3 Information about major borrowers

No single borrower contributed 10% or more to respective companies' revenue for both FY 2023-24 and FY 2022- 23.

59. AMOUNTS EXPECTED TO BE RECOVERED/ SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES

(₹ in crore)

	Particulars	As at 31.03.2024			As at 31.03.2023		
		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	**339.34**	**-**	**339.34**	127.59	-	127.59
(b)	Bank Balance other than included in Cash & Cash Equivalents	**3,026.21**	**23.01**	**3,049.22**	3,902.57	70.86	3,973.43
(c)	Derivative Financial Instruments	**3,122.64**	**13,821.41**	**16,944.05**	2,937.48	10,847.53	13,785.01
(d)	Trade Receivable	**191.87**	**-**	**191.87**	171.46	-	171.46
(e)	Loans	**1,71,066.25**	**7,98,044.90**	**9,69,111.15**	1,33,824.78	6,99,078.58	8,32,903.36
(f)	Investments	**2,779.35**	**8,191.67**	**10,971.02**	1,272.39	4,700.50	5,972.89
(g)	Other Financial Assets	**597.30**	**29,288.02**	**29,885.31**	368.72	29,463.07	29,831.79
	Total Financial Assets (1)	**1,81,122.95**	**8,49,369.01**	**10,30,491.96**	**1,42,604.66**	**7,44,160.87**	**8,86,765.53**
2	**Non- Financial Assets**						
(a)	Current Tax Assets (Net)	**17.56**	**544.77**	**562.33**	26.91	516.17	543.08
(b)	Deferred Tax Assets (Net)	**-**	**6,055.95**	**6,055.95**	-	7,340.03	7,340.03
(c)	Property, Plant and Equipment	**-**	**723.71**	**723.71**	-	737.66	737.66

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in crore)

Particulars		As at 31.03.2024			As at 31.03.2023		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
(d)	Capital Work-in-Progress	-	28.06	28.06	-	10.66	10.66
(e)	Intangible Assets under development	-	11.20	11.20	-	11.20	11.20
(f)	Other Intangible Assets	-	0.54	0.54	-	1.67	1.67
(g)	Right of use asset	-	40.10	40.10	-	42.97	42.97
(h)	Other Non-Financial Assets	258.88	675.27	934.15	207.61	433.53	641.14
(i)	Investments accounted for using equity method	-	0.33	0.33	-	0.51	0.51
	Total Non-Financial Assets (2)	**276.44**	**8,079.93**	**8,356.37**	**234.52**	**9,094.40**	**9,328.92**
3	**Assets classified as held for sale**	29.05	-	29.05	17.41	-	17.41
	Total Assets (1+2+3)	**1,81,428.44**	**8,57,448.94**	**10,38,877.38**	**1,42,856.59**	**7,53,255.27**	**8,96,111.86**
	LIABILITIES						
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	385.90	727.53	1,113.43	87.43	913.84	1,001.27
(b)	Trade Payables	110.94	2.78	113.72	34.84	29.44	64.28
(c)	Debt Securities	77,641.57	4,82,689.47	5,60,331.04	63,400.22	4,33,329.16	4,96,729.38
(d)	Borrowings (other than Debt Securities)	61,899.07	2,26,799.02	2,88,698.09	72,559.00	1,65,784.00	2,38,343.00
(e)	Subordinated Liabilities	2,325.58	10,606.35	12,931.93	6,699.20	9,385.94	16,085.14
(f)	Other Financial Liabilities	10,915.48	29,029.18	39,944.66	1,718.84	29,229.49	30,948.33
	Total Financial Liabilities (1)	**1,53,278.55**	**7,49,854.32**	**9,03,132.87**	**1,44,499.53**	**6,38,671.87**	**7,83,171.40**
2	**Non- Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	67.51	15.31	82.82	28.32	105.02	133.34
(b)	Provisions	443.46	105.97	549.43	336.47	101.64	438.11
(c)	Other Non-Financial Liabilities	487.26	336.45	823.71	314.17	73.54	387.71
	Total Non-Financial Liabilities (2)	**998.24**	**457.72**	**1455.96**	**678.96**	**280.20**	**959.16**
3	Liabilities directly associated with assets classified as held for sale	-	-	-	0.02	-	0.02
	Total Liabilities (1+2+3)	**1,54,276.78**	**7,50,312.04**	**9,04,588.82**	**1,45,178.51**	**6,38,952.07**	**7,84,130.58**

60. DETAILS IN AGGREGATE, FOR INTERESTS IN ALL INDIVIDUALLY IMMATERIAL ASSOCIATES THAT ARE ACCOUNTED FOR USING THE EQUITY METHOD:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Profit or loss from continuing operations	(0.18)	0.01
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	**(0.18)**	**0.01**

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 31.03.2024		As at 31.03.2023	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
PFC Ltd.	58.98%	79,203.49	60.91%	68,202.23
Subsidiaries-Indian				
RECL	51.64%	69,350.25	51.90%	58,120.51
PFC Consulting Limited (PFCCL)	0.18%	239.49	0.15%	163.08
PFC Projects Limited	0.00%	(0.23)	0.00%	-
PFC Infra Finance IFSC Limited*	0.07%	97.44	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

(₹ in crore)

Name of entity	As at 31.03.2024		As at 31.03.2023	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Associates-Indian				
Orissa Integrated Power Limited	0.00%	-	0.00%	-
Coastal Tamil Nadu Power Limited	0.00%	0.08	0.00%	0.08
Sakhigopal Integrated Power Limited	0.00%	0.05	0.00%	0.05
Ghogarpalli Integrated Power Company Limited	0.00%	0.05	0.00%	0.05
Deoghar Mega Power Limited	0.00%	0.05	0.00%	0.05
Cheyyur Infra Limited	0.00%	-	0.00%	0.05
Odisha Infrapower Limited	0.00%	-	0.00%	0.04
Deoghar Infra Limited	0.00%	-	0.00%	0.05
Bihar Infrapower Limited	0.00%	-	0.00%	0.05
Bihar Mega Power Limited	0.00%	0.05	0.00%	0.05
Jharkhand Infrapower Limited	0.00%	0.05	0.00%	0.04
Adjustments or eliminations effect	(10.87%)	(14,602.23)	(12.95%)	(14,505.05)
Total	**100.00%**	**1,34,288.54**	**100.00%**	**1,11,981.28**

* PFC Infra Finance IFSC Limited , subsidiary w.e.f 11.02.2024.

61.2 Share in profit and loss

(₹ in crore)

Name of entity	As at 31.03.2024		As at 31.03.2023	
	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount
Parent				
PFC Ltd.	54.29%	14,367.02	54.80%	11,605.47
Subsidiaries-Indian				
REC Limited	53.46%	14,145.46	52.73%	11,166.98
PFC Consulting Limited (PFCCL)	0.60%	158.66	0.30%	63.81
PFC Projects Limited	0.00%	(0.19)	0.00%	(0.11)
PFC Infra Finance IFSC Limited*	(0.01%)	(2.56)	-	-
Associates-Indian	0.00%	(0.18)	0.00%	0.01
Adjustments or eliminations effect	(8.34)%	(2,207.03)	(7.83)%	(1,657.57)
Total	**100.00%**	**26,461.18**	**100.00%**	**21,178.59**

* PFC Infra Finance IFSC Limited , subsidiary w.e.f 11.02.2024.

61.3 Share in other comprehensive income

(₹ in crore)

Name of entity	As at 31.03.2024		As at 31.03.2023	
	As a % of consolidated Other Comprehensive income	Amount	As a % of consolidated Other Comprehensive income	Amount
Parent				
PFC Ltd.	57.07%	1,388.46	14.12%	(159.67)
Subsidiaries-Indian				
REC Limited	42.93%	1,044.27	85.88%	(971.04)
PFC Consulting Limited (PFCCL)	0.00%	-	0.00%	-
PFC Projects Limited	0.00%	-	0.00%	-
PFC Infra Finance IFSC Limited*	0.00%	-		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in crore)

Name of entity	As at 31.03.2024		As at 31.03.2023	
	As a % of consolidated Other Comprehensive income	Amount	As a % of consolidated Other Comprehensive income	Amount
Associates-Indian	0.00%	-	0.00%	-
Adjustments or eliminations effect	0.00%	-	0.00%	-
Total	**100.00%**	**2,432.73**	**100.00%**	**(1,130.71)**

* PFC Infra Finance IFSC Limited , subsidiary w.e.f 11.02.2024.

61.4 Share in total comprehensive income

(₹ in crore)

Name of entity	As at 31.03.2024		As at 31.03.2023	
	As a % of consolidated total comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent				
PFC Ltd.	54.53%	15,755.48	57.09%	11,445.80
Subsidiaries-Indian				
REC Limited	52.57%	15,189.73	50.86%	10,195.95
PFC Consulting Limited (PFCCL)	0.55%	158.66	0.32%	63.81
PFC Projects Limited	0.00%	(0.19)	0.00%	(0.11)
PFC Infra Finance IFSC Limited*	(0.01%)	(2.56)	-	-
Associates-Indian	0.00%	(0.18)	0.00%	0.01
Adjustments or eliminations effect	(7.64%)	(2,207.03)	(8.27%)	(1,657.57)
Total	**100.00%**	**28,893.91**	**100.00%**	**20,047.88**

* PFC Infra Finance IFSC Limited , subsidiary w.e.f 11.02.2024.

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/ rearranged wherever necessary, in order to make them comparable with the current year figures.

64. Figures have been rounded off to the nearest crore of rupees with two decimals. Further, figures in 0.00 represent value less than ₹.50,000/-

For and on behalf of the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN - 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN - 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 15.05.2024

FORM AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

PART "A" : SUBSIDIARIES

(₹ in crore)

A.	Subsidiaries[1]	REC Ltd	PFC Consulting Limited (PFCCL)	REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	PFC Projects Limited (PPL)6	PFC Infra Finance IFSC Limited
1	Information for the year ended as on[2]	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024
2	Date of acquisition / incorporation	28.03.2019	25.03.2008	28.03.2019	06.02.2022	11.02.2024
3	Share Capital	2,633.22	0.05	0.09	0.05	100.00
4	Reserves & Surplus	65,591.53	239.44	567.09	(0.28)	(2.56)
5	Instruments in the nature of Equity	558.40	-	-	-	-
6	Total Assets	5,47,440.39	349.22	805.59	0.15	100.00
7	Total Liabilities	4,78,657.24	109.73	238.41	0.38	2.56
8	Investments	5,320.31	-	78.79	-	-
9	Turnover[3]	47,146.30	267.07	390.64	-	-
10	Profit before Taxation	17,780.64	212.45	202.70	(0.19)	(2.56)
11	Provision for Taxation	3,761.43	53.79	53.05	-	-
12	Profit after taxation	14,019.21	158.67	149.65	(0.19)	(2.56)
13	Proposed Dividend	Nil	Nil	44.90	Nil	Nil
14	% of Shareholding	52.63%	100.00%	100.00%	100.00%	100.00%

Note:

1. The Company does not have any foreign subsidiary.
2. Reporting period of all the subsidiaries is same as that of the holding company.
3. Turnover is considered as Revenue from Operations.
4. Name of Subsidiaries which are yet to commence operations - Nil
5. Name of Subsidiaries which have been liquidated or sold during the year - Nil
6. In view of PFC acquiring the ability to direct the activities of PPL, it is being considered a subsidiary w.e.f. 01.07.2022

FORM AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

PART "B": ASSOCIATES AND JOINT VENTURES

(in crore)

B.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associates held by the company on the year end			Description of how there is Significant Influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance sheet	Profit / Loss for the year	
			No. of shares	Amount of Investments in Joint Venture/ Associates	Extent of Group's Holding %				Considered in Consolidation	Not considered in Consolidation
Associates1										
1	Sakhigopal Integrated Power Company Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	0.00	-
2	Ghogarpalli Integrated Power Company Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	0.00	-
3	Jharkhand Infrapower Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	0.04	-	-
4	Odisha Infrapower Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	0.04	-	-
5	Orissa Integrated Power Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	(0.07)	0.00	-
6	Cheyyur Infra Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	-	-
7	Coastal Tamil Nadu Power Ltd [2]	31-Mar-22	50,000	0.05	100%	SPVs are managed as per the mandate from Government of India (GoI). and the Company does not have the practical ability to direct the relevant activities of these SPVs unilaterally. Therefore, investment in these SPVs are considered as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.	NA	0.08	-	-
8	Bihar Infrapower Limited [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	-	-
9	Bihar Mega Power Limited [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	0.00	-
10	Deoghar Infra Limited [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	-	-
11	Deoghar Mega Power Ltd [2]	31-Mar-22	50,000	0.05	100%		NA	0.05	0.00	-
12	Chhatarpur Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	-
13	Fatehgarh III Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	-
14	Ananthpuram Kurnool Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	-	-
15	Fatehgarh III Beawar Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	-
16	Siot Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	-
17	Bhadla III Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	-
18	Beawar Dausa Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	
19	Fatehgarh IV Transmission Limited	31-Mar-23	10,000	0.01	100%		NA	0.01	0.00	-
20	Koderma Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(2.28)	-	(0.01)
21	Chandil Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(2.55)	-	(0.01)
22	Dumka Transmission Limited [2]	31-Mar-23	50,000	0.05	100%		NA	(2.10)	-	0.00
23	Mandar Transmission Limited [2]	31-Mar-23	50,000	0.05	100%		NA	(1.87)	-	0.00
24	Bidar Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.10)	-	(0.11)
25	Sikar Khetri Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.67)	-	(0.72)
26	KPS1 Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.57)	-	(0.62)
27	Ramgarh II Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.69)	-	(0.74)

FORM AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(in crore)

B.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associates held by the company on the year end: No. of shares	Amount of Investments in Joint Venture/ Associates	Extent of Group's Holding %	Description of how there is Significant Influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance sheet	Profit / Loss for the year: Considered in Consolidation	Not considered in Consolidation
28	Beawar Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.71)	-	(0.76)
29	Khavda II-D Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	0.03	-	(0.02)
30	Luhri Power Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.46)	-	(0.51)
	Koderma Transmission Limited *	31-Mar-23	50,000	0.05	100%		NA	(0.59)	-	228.00
	Chandil Transmission Limited *	31-Mar-23	50,000	0.05	100%		NA	(0.59)	-	254.00
	Dumka Transmission Limited *	31-Mar-23	50,000	0.05	100%		NA	(0.59)	-	248.00
	Mandar Transmission Limited *	31-Mar-23	50,000	0.05	100%		NA	(0.59)	-	222.00
	Luhri Power TL*	31-Mar-23	50,000	0.05	100%		NA	(104.99)	-	(59.36)
	Meerut Shamli Power TL*	31-Mar-23	50,000	0.05	100%		NA	(95.10)	-	(56.31)
	NARES XVI Power TL#		50,000	0.05	100%		NA	(86.88)	-	(91.88)
	Jalpura Khurja Power Transmission Limited#		50,000	0.05	100%		NA	(81.10)	-	(86.10)
	Rajasthan Part I Power Transmission Limited#		50,000	0.05	100%		NA	(62.24)	-	(67.24)
	Shongtong Power Transmission Ltd.#		50,000	0.05	100%		NA	(52.00)	-	(57.00)
	Kallam Transco Ltd#		50,000	0.05	100%		NA	(46.63)	-	(51.63)
	Khavda IV C Power Transmission Limited#		50,000	0.05	100%		NA	(36.80)	-	(41.80)
	Khavda IV-E2 Power Transmission Limited#		50,000	0.05	100%		NA	(28.84)		(33.84)
	Khavda IV A Power Transmission Limited#		50,000	0.05	100%		NA	(49.69)		(54.69)
	Rajasthan IV A Power Transmission Limited#		50,000	0.05	100%		NA	(36.39)		(41.39)
	Rajasthan IV C Power Transmission Limited#		50,000	0.05	100%		NA	(29.08)		(34.08)
	Rajasthan IV H1 Power Transmission Limited#		50,000	0.05	100%		NA	(46.84)		(51.84)
	Rajasthan IV E Power Transmission Limited#		50,000	0.05	100%		NA	(33.53)		(38.53)
	Khavda V-A Power Transmission Limited#		50,000	0.05	100%		NA	(49.69)		(54.69)

FORM AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(in crore)

B.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associates held by the company on the year end			Description of how there is Significant Influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance sheet	Profit / Loss for the year	
			No. of shares	Amount of Investments in Joint Venture/ Associates	Extent of Group's Holding %				Considered in Consolidation	Not considered in Consolidation
	Kankani Power Transmission Limited#		50,000	0.05	100%		NA	(4.55)		(0.44)
	NERGS-1 Power Transmission Limited#		50,000	0.05	100%		NA	(30.66)		(35.66)
	Tumukur-II REZ Power Transmission Limited#		50,000	0.05	100%		NA	(15.28)		(20.25)
	Khavda V-A Power Transmission Limited#		50,000	0.05	100%		NA	(37.96)		(42.96)
	ERES XXXIX Power Transmission Ltd##									
	Chhatarpur Transmission Limited (Unaudited)	31.03.2023	10,000	0.01	100%		N/A	0.01	-	N/A
	SIOT Transmission Limited (Unaudited)	31.03.2023	10,000	0.01	100%		N/A	0.01	-	N/A
	Joda Barbil Transmission Limited (Unaudited)	-	10,000	0.01	100%		N/A	0.01	(0.00)	N/A
	Ramakanali B -Panagarh Transmission Limited (Unaudited)	-	10,000	0.01	100%		N/A	0.01	(0.00)	N/A
	Gola B -Ramgarh B Transmission Limited (Unaudited)	-	10,000	0.01	100%		N/A	0.01	(0.00)	N/A
	Khavda PS1 And 3 Transmission Limited (Audited)	31.03.2024	10,000	0.01	100%		N/A	0.01	(0.00)	N/A
	Paradeep Transmission Limited (Audited)	31.03.2024	10,000	0.01	100%		N/A	0.01	(0.00)	N/A
31	Meerut Shamli Power Transmission Limited[2]	31-Mar-23	50,000	0.05	100%		NA	(0.38)	-	(0.43)
32	NERES XVI Power Transmission Limited[2]	31-Mar-23	50,000	0.05	100%		NA	(0.14)	-	(0.19)

Note:

1 SPVs from sl no 1 to 19 are under pre-operative stage and yet to commence operations.

2 Amount of Profit/Loss is as per management approved financial statements as on 31.03.2024

3 Names of SPVs struck off by the Registrar of Companies during the year :

Name of SPV	Date of Striking off
Tatiya Andhra Mega Power Limited	27-Sep-22
Coastal Maharashtra Mega Power Limited	29-Sep-22
Chhattisgarh Surguja Power Limited	11-Jan-23

FORM AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

4 Names of associates or joint ventures which have been liquidated or sold during the year :

Name of SPV	Date of Sale
KPS1 Transmission Limited	20.04.2023
Beawar Transmission Limited	20.09.2023
Ramgarh II Transmission Limited	26.10.2023
Sikar Khetri Transmission Limited	09.02.2024
Bidar Transmission Limited	09.02.2024
Dhule Power Transmission Limited	09.02.2024
Ishanagar Power Transmission Limited	09.02.2024
Karera Power Transmission Ltd.	09.02.2024
Pachora Power Transmission Ltd.	14.02.2024
GADAG II-A Transmission Limited	08.11.2022
WRSR Power Transmission Ltd	18.01.2023
Khavda II-A Transmission Limited	28.03.2023
Khavda II-B Transmission Limited	21.03.2023
Khavda II-C Transmission Limited	21.03.2023
KPS3 Transmission Limited	21.03.2023
KPS2 Transmission Limited	21.03.2023
Khavda RE Transmission Limited	21.03.2023
ERWR Power Transmission Ltd	21.03.2023
Neemuch Transmission Limited	24.08.2022

5 The Following companies were incorporated during the year:

Siot Transmission Limited	Meerut Shamli Power Transmission Limited
Fatehgarh III Beawar Transmission Limited	Khavda II-D Transmission Limited
Beawar Dausa Transmission Limited	Neemuch Transmission Limited
Nangalbibra-Bongaigaon Transmission Limited	WRSR Power Transmission Ltd
Fatehgarh III Transmission Limited	Khavda II-C Transmission Limited
Bhadla III Transmission Limited	Khavda II-B Transmission Limited
Fatehgarh IV Transmission Limited	Khavda RE Transmission Limited
Khandukhal Rampura Transmission Limited	KPS3 Transmission Limited
Raipur Pool Dhamtari Transmission Limited	ERSR Power Transmission Ltd.
Dharamjaigarh Transmission Limited	KPS2 Transmission Limited
Ramgarh II Transmission Limited	KPS1 Transmission Limited
Luhri Power Transmission Limited	Khavda II-A Transmission Limited
Sikar Khetri Transmission Limited	NERES XVI Power Transmission Limited

6 Assocaites classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered

For and on behalf of the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
ED & Chief Financial Officer
DIN - 08529035

Sd/-
(Parminder Chopra)
CMD & Director (Fin.) (Addl. Charge)
DIN - 08530587

Signed in terms of our report of even date attached

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No.: 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

For Chokshi & Chokshi LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Sd/-
CA Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 15.05.2024

Reference Information

REGISTERED OFFICE

'Urjanidhi',
1, Barakhamba Lane, Connaught Place,
New Delhi-110001
Tel. No. : (91) (11) 23456000
Website: http://www.pfcindia.com

SUBSIDIARIES *(as on March 31, 2024)*

REC Limited
PFC Consulting Limited
PFC Infra Finance IFSC Lmited
PFC Projects Limited
Coastal Tamil Nadu Power Limited
Orissa Integrated Power Limited
Sakhigopal Integrated Power Company Limited
Ghogarpalli Integrated Power Company Limited
Deoghar Mega Power Limited
Cheyyur Infra Limited
Odisha Infrapower Limited
Deoghar Infra Limited
Bihar Infrapower Limited
Bihar Mega Power Limited
Jharkhand Infrapower Limited
Chattarpur Transmission Limited*
Siot Transmission Limited*
Joda Barbil Transmission Limited*
Ramakanali B -Panagarh Transmission Limited*
Paradeep Transmission Limited*
Gola B -Ramgarh B Transmission Limited*
Khavda PS1 and 3 Transmission Limited*
Pune- III Transmission Limited*
Barmer I Transmission Limited*
KPS III HVDC Transmission Limited*
Sirohi Transmission Limited*
Beawar - Mandsaur Transmission Limited*
South Olpad Transmission Limited*
Bhadla-III & Bikaner-III Transmission Limited*
Jamnagar Transmission Limited*
Bhuj II Transmission Limited*
Angul Sundargarh Transmission Limited*
REC Power Development & Consultancy Ltd.$
Chandil Transmission Limited$
Dumka Transmission Limited$
Koderma Transmission Limited$
Mandar Transmission Limited$
Meerut Shamli Power Transmission Limited$
Luhri Power Transmission Limited$
Neres XVI Power Transmission Limited$
Khavda II-D Transmission Limited$
Jalpura Khurja Power Transmission Limited$
Kallam Transco Limited$
Rajasthan Part I Power Transmission Limited$
Shongtong Power Transmission Limited$
Khavda IV C Power Transmission Limited$
Khavda IV-E2 Power Transmission Limited$
Khavda IV A Power Transmission Limited$
Khavda V-A Power Transmission Limited$
Rajasthan IV A Power Transmission Limited$
Rajasthan IV C Power Transmission Limited$
Rajasthan IV HI Power Transmission Limited$
Rajasthan IV E Power Transmission Limited$
Tumkur-II REZ Power Transmission Limited$
NERGS-I Power Transmission Limited$
Kankani Power Transmission Limited$
ERES-XXXIX Power Transmission Limited$

* Through PFC Consulting Limited.
$Through REC Ltd.

SHARES LISTED AT

National Stock Exchange of India Limited
BSE Limited

DEPOSITORIES

National Securities Depository Limited
Central Depository Services (India) Limited

COMPANY SECRETARY

Shri Manish Kumar Agarwal

AUDITORS

Prem Gupta & Company, Chartered Accountants
Chokshi & Chokshi LLP, Chartered Accountants

SECRETARIAL AUDITORS

M/s Mehta & Mehta, Company Secretaries

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited
Selenium Building, Tower-B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad, Telangana, India
Tel: +91 40 67162222
Email: einward.ris@kfintech.com,
Website: www.kfintech.com

BANKERS

Reserve Bank of India
State Bank of India
ICICI Bank
HDFC Bank

Power Finance Corporation Limited
(A Maharatna Company)

Regd. Office: “Urjanidhi”, 1, Barkhamba Lane, Connaught Place, New Delhi-110001
Tel: 011-23456000 | Fax: 011-23412545 | Website: www.pfcindia.com
CIN: L65910DL1986GOI024862

/pfclindia | /pfclindia | /pfclindia