मनीष कुमार अग्रवाल
महाप्रबंधक एवं कंपनी सचिव
MANISH KUMAR AGARWAL
General Manager & Company Secretary

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

No: 1:05:138:II:CS
Dated: 21.08.2023

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	**Bombay Stock Exchange Limited,** **Department of Corporate Services,** **Floor – 25, PJ Towers, Dalal Street,** **MUMBAI – 400 001.** बंबई स्टॉक एक्सचेंज लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी .जे .टावर्स, दलाल स्ट्रीट, मुंबई-400 001

Sub: Intimation regarding convening of 37th AGM and submission of Notice and Annual Report for the Financial Year 2022-23.

Dear Sir(s),

This is to inform that the 37th Annual General Meeting (AGM) of Power Finance Corporation Limited will be held on Tuesday, September 12, 2023 at 11.30 A.M. through video conferencing/other audio-visual means. In compliance with the provisions of the Companies Act, 2013 read with circulars issued by Ministry of Corporate Affairs and SEBI, from time to time, the Notice of 37th AGM and Annual Report containing the financial statements for the financial year 2022-23, Auditors' Report thereon, Board's Report and other documents, are being sent through e-mails on August 21, 2023, to all the members whose e-mail IDs are registered with the Company/Depository Participant (DP).

Further, in pursuance of Regulation 34(1) of SEBI (LODR) Regulations, 2015, please find enclosed a soft copy of Annual Report of Power Finance Corporation Limited for the financial year 2022-23, inter-alia containing the Notice of 37th AGM of the Company.

The said Annual Report is also hosted on the Company's website at the link: https://www.pfcindia.com/Home/VS/72

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: 2023.08.21 21:42:25 +05'30'

Man. Kumar

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

Power Finance Corporation Limited

(A Maharatna Company)

Powering
A New Growth Story

37th Annual Report 2022-23

Powering a New Growth Story

Today, India is the fifth largest economy in the world and the fastest growing among major economies. It is no secret that energy consumption often gauges a country's development.

As a Maharatna CPSE, we are truly proud to say that we have played a pivotal role in this meteoric rise by financing the country's energy needs.

At PFC, we always strive to maximise the value we generate for our country and our stakeholders. Till recently, we were only financing power projects, but we undertook the strategic decision of expanding our horizons and diversifying our portfolio; we revised our Memorandum of Association (MoA) to include infrastructure and logistics sectors. This strategic development favours us to capitalise on the attractive opportunities in these sectors and continue propelling India's rise to the top.

For more details scan to visit our website

Contents

Board of Directors

Seated *(Left to Right)*

Parminder Chopra
Chairman & Managing Director

Bhaskar Bhattacharya
Independent Director

Ajay Tewari
Director (Govt. Nominee)

Standing *(Left to Right)*

Manoj Sharma
Director (Commercial)

Rajiv Ranjan Jha
Director (Projects)

Usha Sajeev Nair
Independent Director

Prasanna Tantri
Independent Director

Senior Management*

Simmi R. Nakra
CVO

R. K. Bhardwaj
Executive Director

P. K. Sinha
Executive Director

Sandeep Kumar
Executive Director

Saurav Kumar Shah
Executive Director

Manoj Kumar Rana
Executive Director

G. Jawahar
Executive Director

Raj Kumar Malhotra
Executive Director

R. K. Chaturvedi
Executive Director

V. Packirisamy
Executive Director

Rajesh Kumar Shahi
Executive Director

Sanjay Mehrotra
Executive Director

Ali Shah
Executive Director

Sanjay Sharma
Executive Director

Hemant Kumar Das
Executive Director

Pawan Kumar
Executive Director

P. Shanmuga Sundaram
Executive Director

Samidha Jain
Executive Director

Manish Kumar Agarwal
Company Secretary

*As on 21.08.2023

Corporate Identity

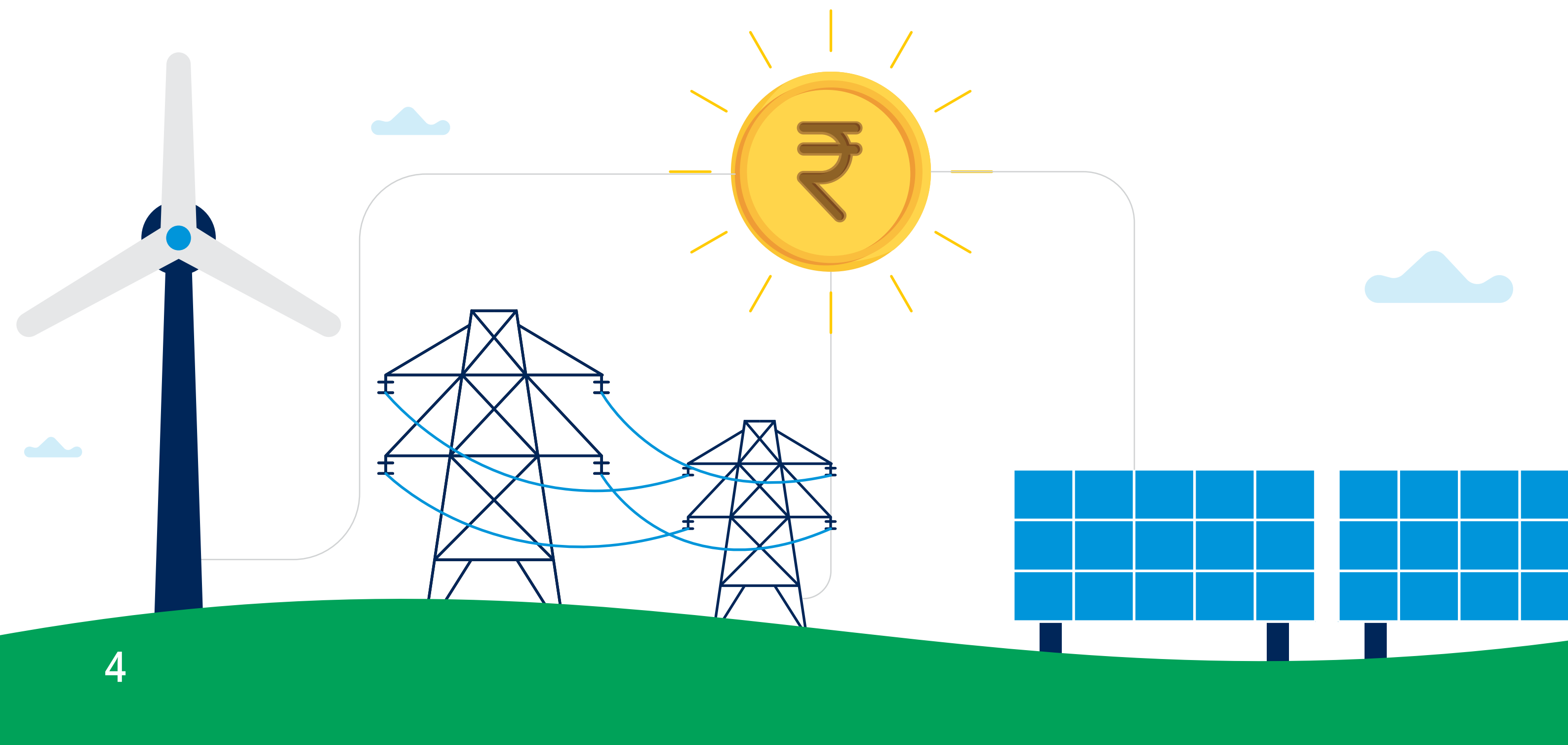
Powering India Since 1986

Established in 1986, we take immense pride in being India's largest NBFC, specialising in providing financial assistance to the country's power & infrastructure sectors. As a nodal agency, we play a critical role in managing key Government schemes, including the Revamped Distribution Sector Scheme (RDSS), Late Payment Surcharge (LPS) Rules, Integrated Power Development Scheme (IPDS), Ultra Mega Power Projects (UMPPs), and serving as the Bid Process Coordinator for Independent Transmission Projects (ITPs).

Power Finance Corporation Ltd. (PFC) stands tall as a distinguished Schedule-A Maharatna Central Public Sector Enterprise (CPSE) and India's largest Non-Banking Financial Company (NBFC) by assets.

Over the years, we have diligently expanded our horizons, offering a diverse range of financial products and services tailored to meet the needs of the power sector. Our offerings encompass rupee-term loans, short-term loans, equipment lease financing, transitional financing and more, catering to various power projects across generation, transmission, and distribution sectors.

Continuing our commitment to growth and diversification, we have ventured into the infrastructure & logistics sectors, focusing on e-vehicle fleets, charging infrastructure, roads, ports, metro rail, smart cities, and other large infrastructure projects. Our clientele include central sector, state sector and private sector power utilities, power equipment manufacturers, state Govt. departments and developers of large infrastructure projects.



Our Ethos

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.

Our Group's Structure

Power Finance Corporation

Associates

- 100% Ultra Mega Power Projects

Subsidiaries

- 100% PFC Consulting
- 100% PFC Projects
- 52.63% REC Ltd.

Key Facts

1st

Maharatna in the financial space

Largest consolidated Balance Sheet among all CPSEs*

Based on figures as on 31.03.2022

भारत सरकार
GOVERNMENT OF INDIA
सत्यमेव जयते

Majority Stake owned by the Government of India

Key financial Partner for the Government of India in the power sector

Forbes

#378
Rank globally in terms of assets as per Forbes Global List 2023

FORTUNE 500

#34 in Fortune 500 India 2022

Highest long-term Domestic Rating of 'AAA'

Offerings

Intrinsically Tailored Portfolio

With nearly four decades of experience, we have been at the forefront of lending to the Indian power sector. Our expertise lies in crafting tailored financial solutions that align with the unique financial profiles of our esteemed customers. Moreover, we closely consider the nation's fiscal health and the prevailing government priorities to align our offerings with the broader national objectives strategically.

Fund-based Products

- **Project term loans** (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

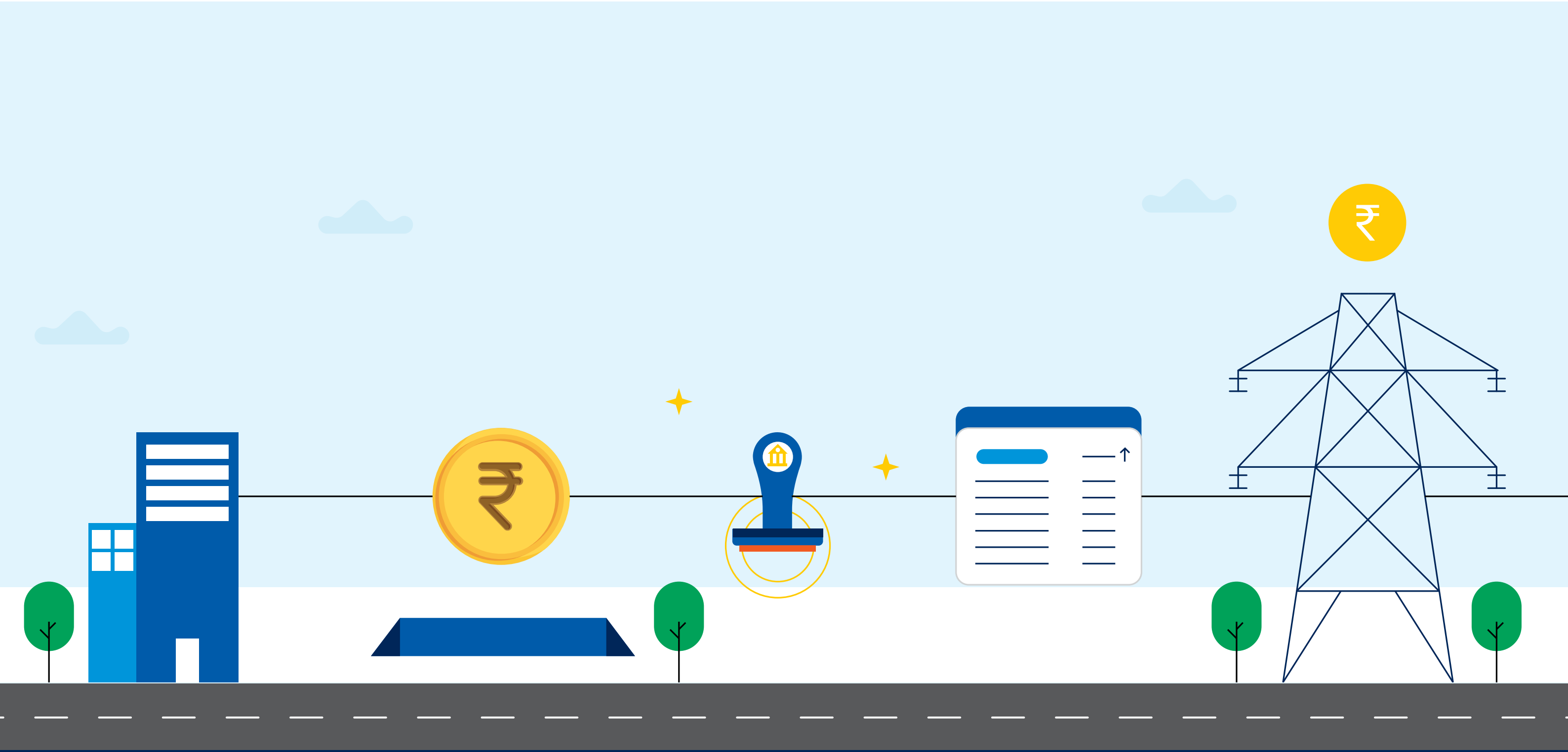
- **Guarantee for performance of contract/obligations in Power Purchase Agreements (PPA)**
- **Letter of Comfort (LoC)**

Sources of Funds

- **54 EC bonds**
- **Term loans/bonds**

Milestones

Looking Back at Key Events Across the Years



1986

Incorporated as a company

1988

Commenced lending

1998

Registered as an NBFC with the Reserve Bank of India

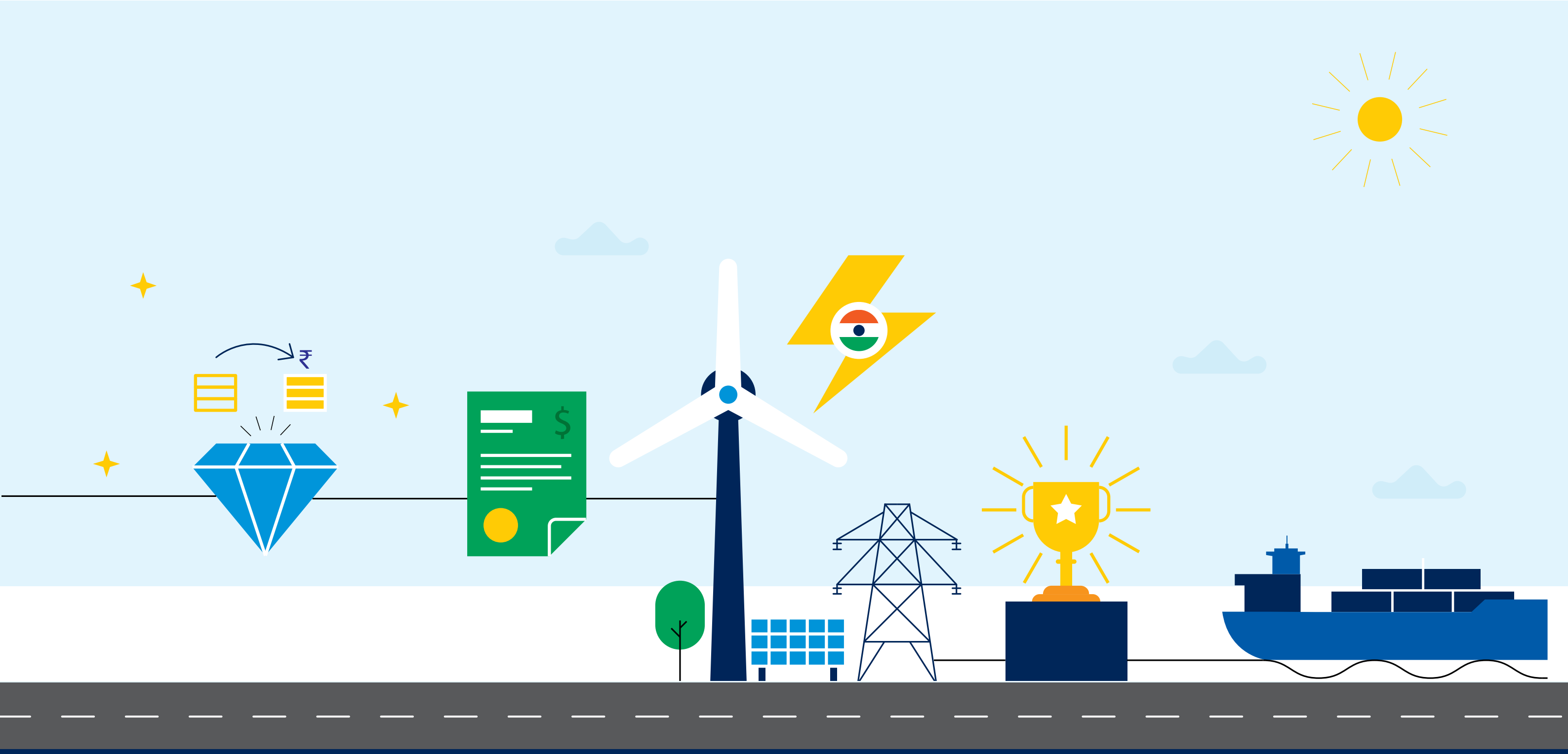
2007

Conferred Navratna Status and became a listed company

2010

Registered with the Reserve Bank of India (RBI) as an infrastructure finance company

Announced a follow-on public offer of equity shares



2014

Surpassed the ₹2 trillion mark in loan assets

2017

Issued green bonds worth USD 400 million

2019

Acquired REC Limited and became the largest financial player in the Indian power sector

2021

Awarded 'Maharatna' status by the Government of India (the highest recognition for a CPSE)

2023

Diversified into Infra & Logistics Sectors

Performance at a Glance

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
RESOURCES (At the end of the Year) (in ₹ crore)					
Equity Capital	2,640	2,640	2,640	2,640	**2,640**
Reserves and Surplus	40,648	42,524	49,753	56,710	**65,562**
Borrowings (Principal Outstanding):					
(i) Domestic Borrowings	2,59,601	2,55,751	2,75,259	2,63,840	**2,98,084**
(ii) Foreign Currency Borrowings	28,827	47,701	49,836	56,288	**64,554**
FINANCING OPERATIONS (During the Year) (in ₹ crore)					
Sanctions	95,230	1,11,089	1,66,370	51,616	**2,31,625**
Disbursements	67,678	67,997	88,302*	51,242	**85,756**
WORKING RESULTS (For the Year) (in ₹ crore)					
Total Income	28,766	33,371	37,767	38,591	**39,666**
Total Expenses	18,951	25,179	27,559	26,364	**25,495**
Profit Before Tax	9,816	8,193	10,207	12,228	**14,171**
Tax Expense	2,863	2,537	1,763	2,206	**2,565**
Profit After Tax	6,953	5,655	8,444	10,022	**11,605**
NO. OF EMPLOYEES	498	484	483	501	**519**

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

**Includes ₹20,144 crore towards moratorium loans during COVID Pandemic*

Statement of Value Added

(in ₹ crore)

Financial Year	2021-22	2022-23
VALUE ADDED		
Net interest income	14,030	**14,363**
Non interest income	1,890	**2,020**
Operating expenses excluding staff cost, depreciation, amortisation and Corporate Social Responsibility expenses	(1,029)	**(2,045)**
Impairment and write off	(2,222)	**296**
Value added available for distribution	**12,669**	**14,634**
DISTRIBUTION OF VALUE ADDED		
For Equity Shareholders as Dividend	3,366	**2,640**
For Employees as Remuneration and other benefits	213	**219**
For Society as CSR expense	215	**225**
For Government as Income Tax	2,206	**2,565**
For Reinvestment, expansion and growth - Depreciation, Amortisation, Retained Earnings, Reserves	6,669	**8,984**
Distribution of value added	**12,669**	**14,634**

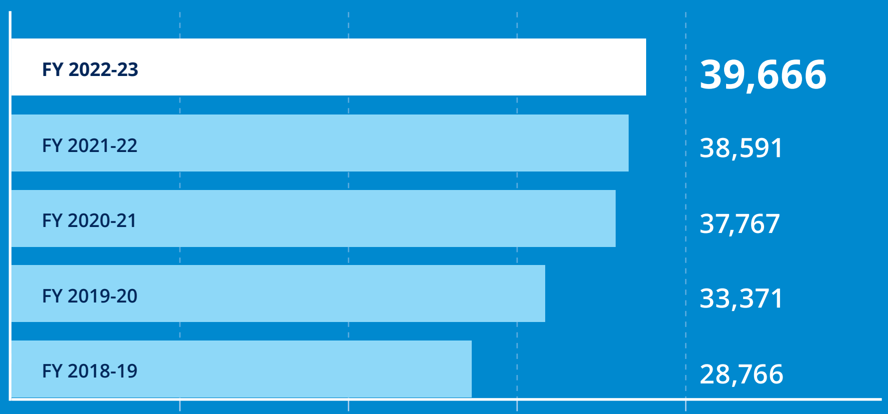
Key Ratios

Financial Year	2021-22	2022-23
P/E Ratio	2.96	**3.45**
Capital Risk weighted Assets Ratio (%)	23.48	**24.37**
Net Profit Margin (%)	25.97	**29.26**
Net NPA (%)	1.76	**1.07**
Net Debt to Equity Ratio (x)	5.38	**5.32**
EPS (₹)	37.96	**43.96**
Book value per share (₹)	224.80	**258.33**

Key Performance Indicators

Financial Performance

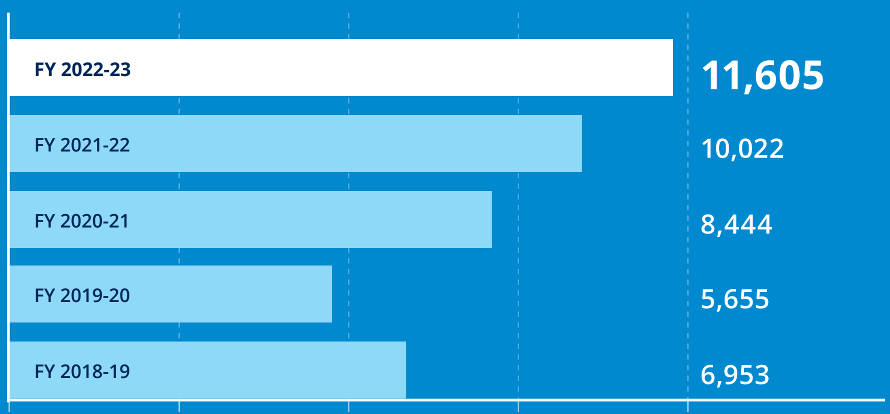
Total Income
(in ₹ crore)



↑ 2.79%
Y-o-Y growth

↑ 8.83%
5-year CAGR

Profit After Tax
(in ₹ crore)



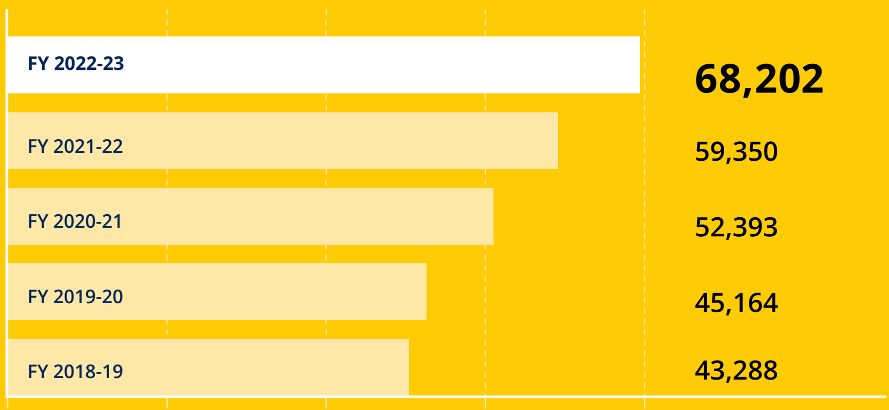
↑ 15.80%
Y-o-Y growth

↑ 21.48%
5-year CAGR

Key Performance Indicators

Operational Performance

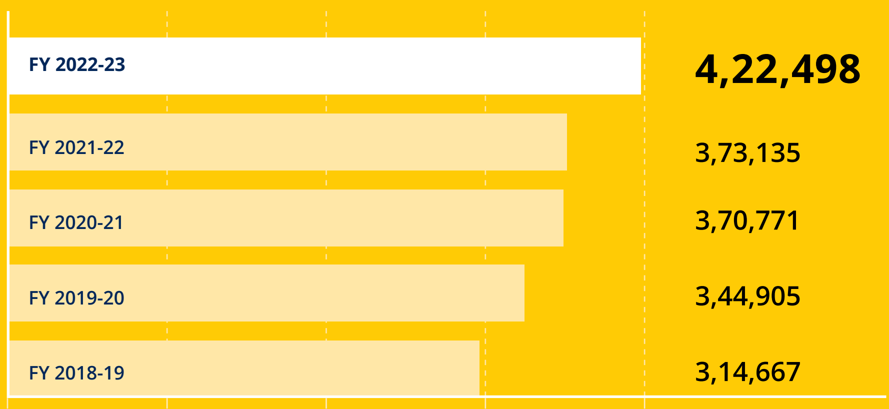
Net Worth
(in ₹ crore)



↑ 14.91%
Y-o-Y growth

↑ 13.04%
5-year CAGR

Loan Asset Book
(in ₹ crore)



↑ 13.23%
Y-o-Y growth

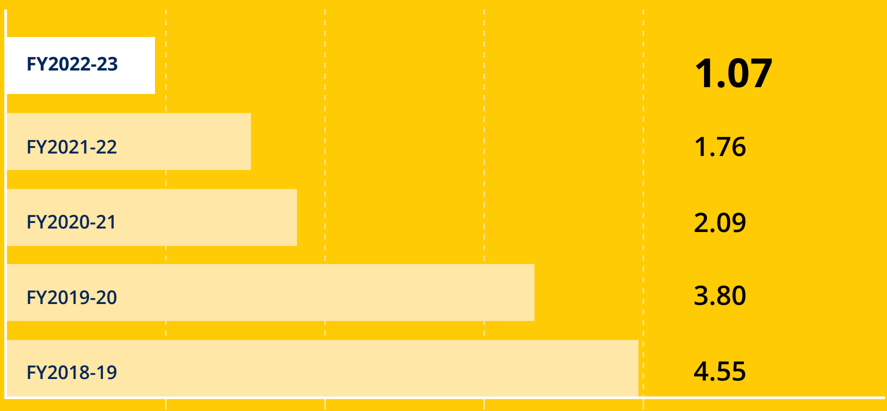
↑ 8.63%
5-year CAGR

All figures are as on March 31, 2023

Key Performance Indicators

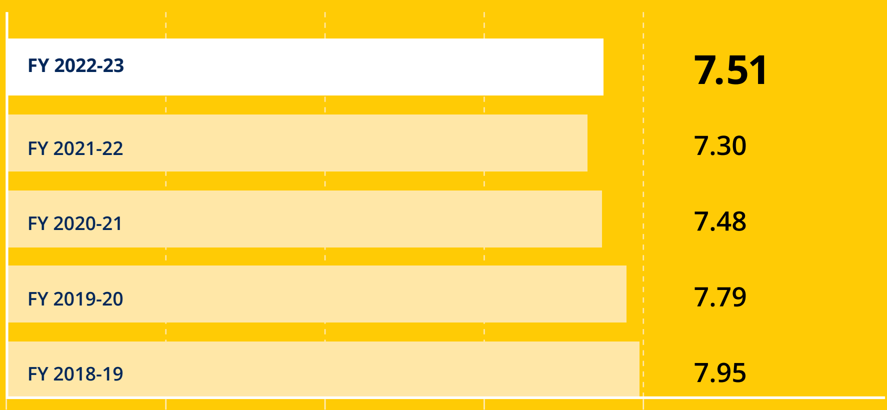
Operational Performance

Net NPA Ratio
(%)



69 BPS
Y-o-Y decline

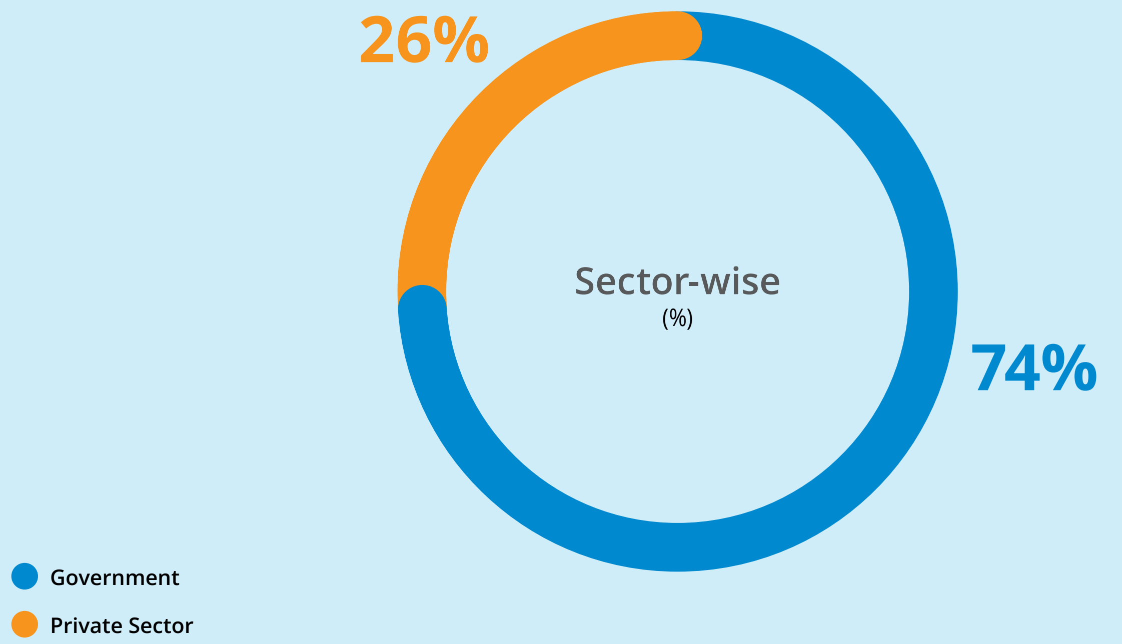
Cost of Funds
(%)

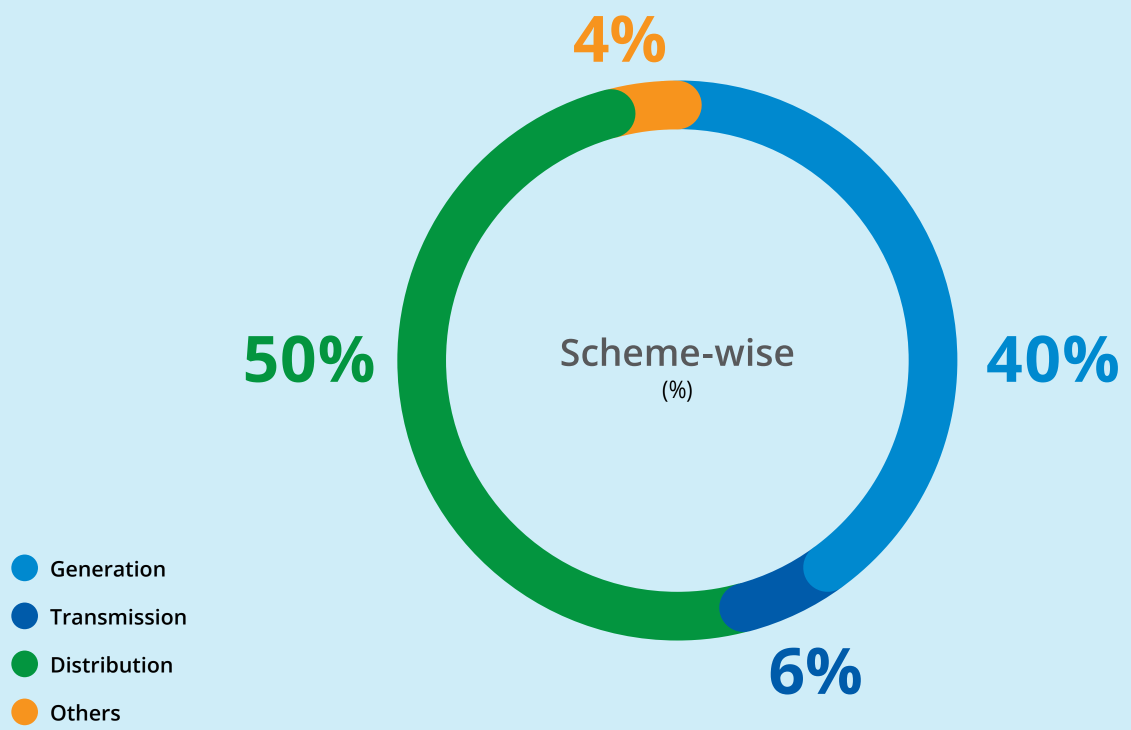


Consistent
over the years

Key Performance Indicators

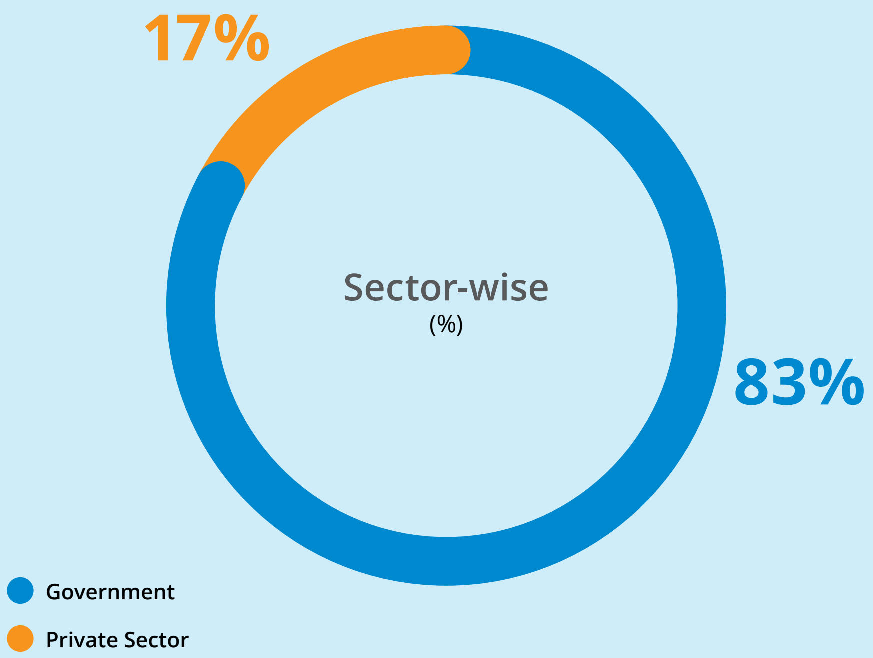
Disbursements

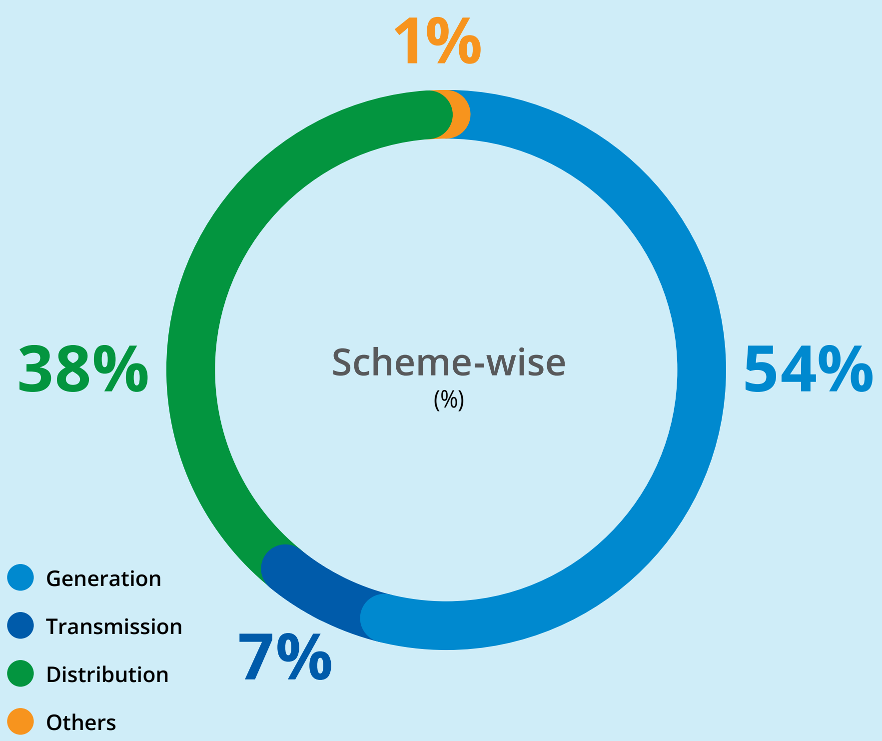




Key Performance Indicators

Loan Assets





Asset Snapshot 2023

₹4,22,498 crore
Loan Assets

₹85,756 crore
Disbursements

3.91%
Gross NPA ratio

1.07%
Net NPA ratio

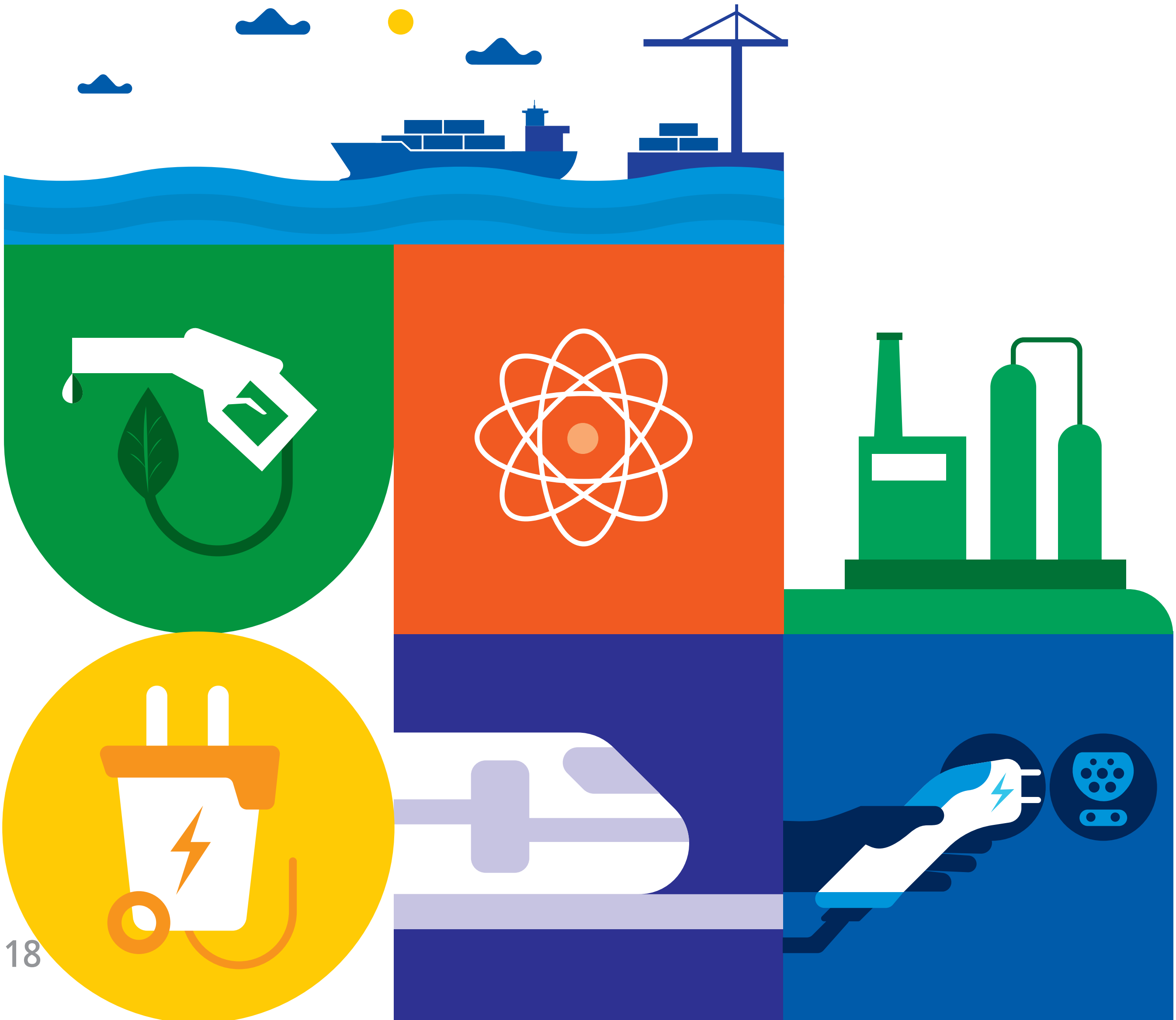
Diversification

Venturing into the Infrastructure Sector

As part of our overarching strategic approach, we have initiated a significant move towards diversification by stepping into the broader infrastructure sector. This strategic shift represents a long-term endeavour to enhance portfolio diversification and foster growth of our loan asset book. With a forward-looking perspective, we have designed this venture to create a more robust and resilient financial position while capitalising on the evolving demands of the market.

Our commitment to maintaining a balanced portfolio is evident in our policy of lending up to 30% of the outstanding loan book, conditional on two-thirds of the new sanctions in a financial year being towards the power sector. This approach reflects our dedication to ensuring a prudent distribution of resources while aligning with our expertise and the evolving needs of the power and infrastructure sectors. We are actively concentrating on building the requisite capabilities and scaling up our existing teams to facilitate seamless infrastructure funding. Drawing from our experience in funding the electro-mechanical components of infrastructure projects, we are well-equipped to navigate the complexities of this sector.

The domains of our diversification efforts encompass several key areas, including port infrastructure, irrigation projects, oil refineries, and fibre net infrastructure. By expanding our purview, we seek to strengthen our own financial position and contribute to the growth and advancement of critical sectors that drive the nation's economic progress.



₹16,647 crore
Loans sanctioned under RDSS till March 31, 2023

₹1,016 crore
Loans disbursed under RDSS till March 31, 2023

₹47,906 crore
Amount sanctioned under LPS in FY 2022-23

₹16,746 crore
Amount disbursed under LPS in FY 2022-23

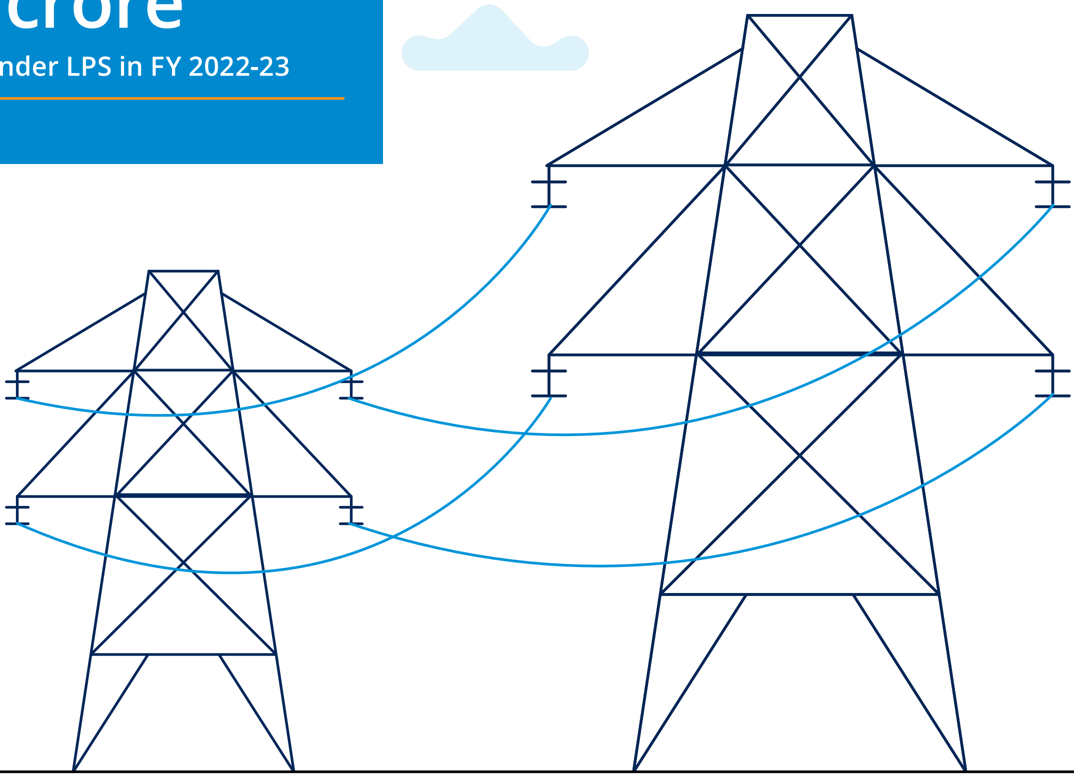
Striding forward with distribution sector schemes

Revamped Distribution Sector Scheme (RDSS)

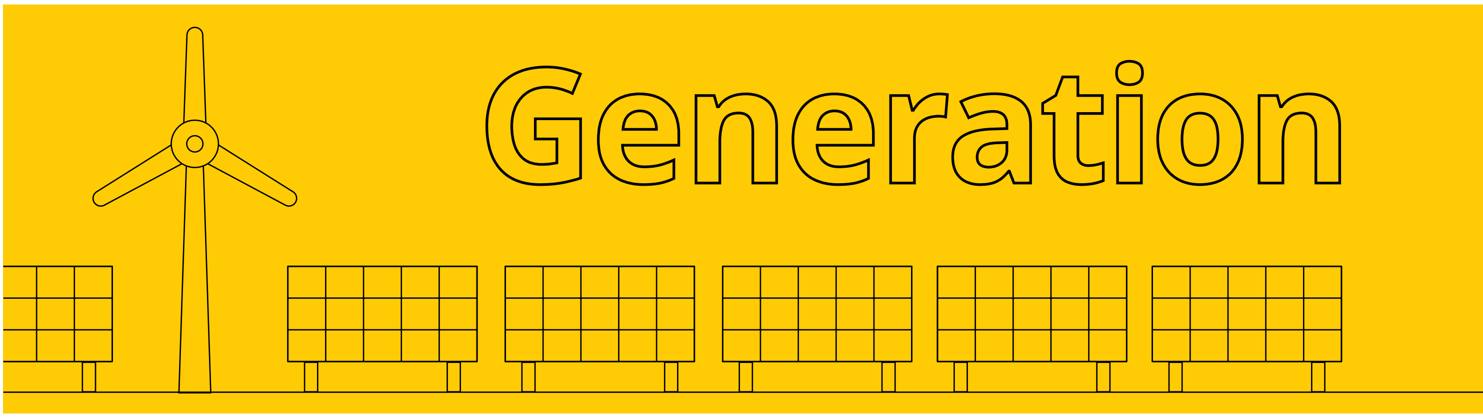
Action plans for nearly all eligible states with PFC have been approved under RDSS

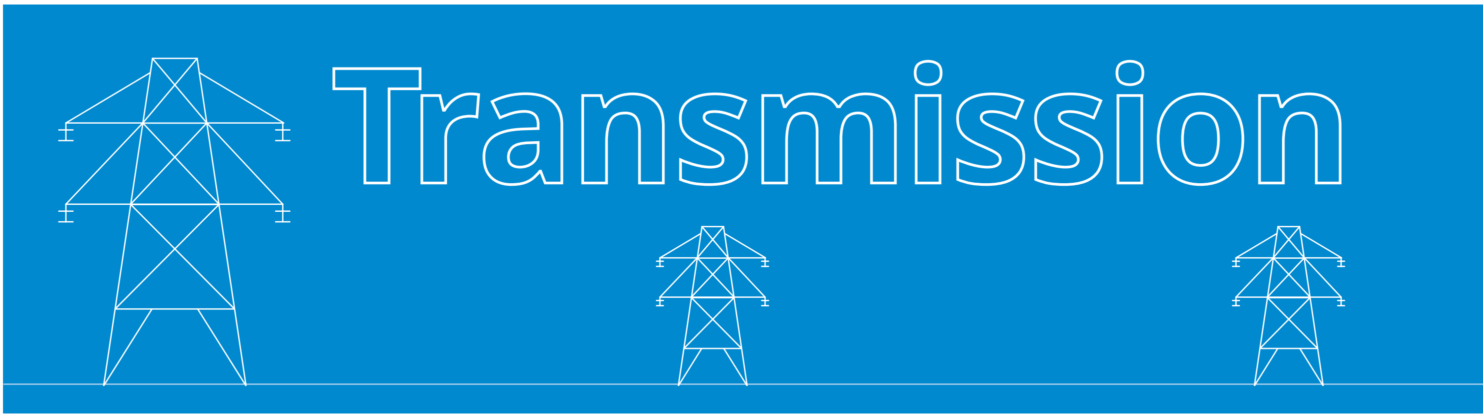
Late Payment Surcharge (LPS)

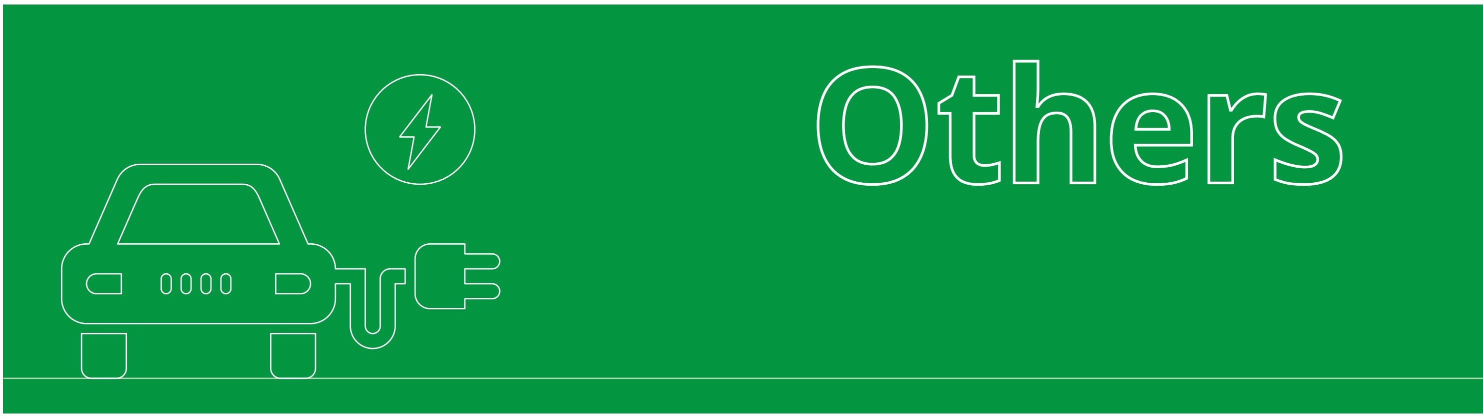
> 40% discom dues to gencos reduced in less than a year of LPS introduction



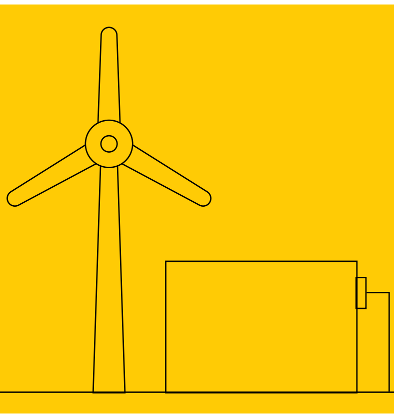
Business Outlook





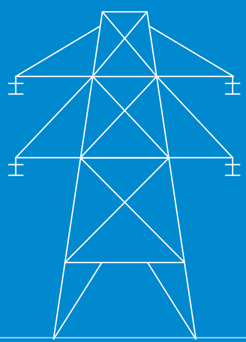


Business Outlook



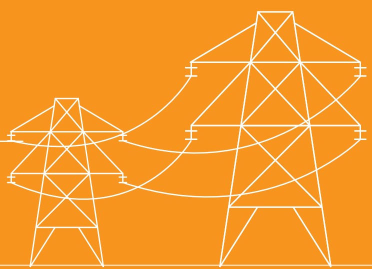
Renewable – solar power, offshore and onshore wind power, pumped hydroelectric power, and battery storage

Conventional – ammonia co-firing, flue gas desulphurisation (FGD), and thermal plants



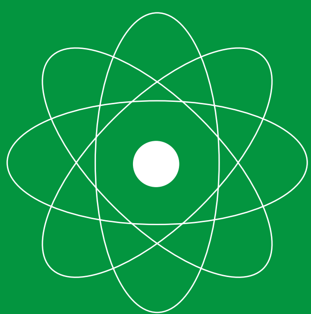
Green Corridors

Independent Transmission Projects (ITPs)



Late Payment Surcharge (LPS) rules

Revamped Distribution Sector Scheme (RDSS)



Green Hydrogen

Infrastructure

E-mobility

Nuclear

Green Focus

Powering Green Progress

We want to be at the forefront of India's progressive journey towards embracing green energy, spearheading financing initiatives that drive the transition to sustainable and renewable power sources. In line with this, we have been focusing on increasing our share in renewable avenues and have taken significant steps towards it.

Focusing on Renewables

Largest lender
To renewable energy in the country

20%
CAGR of the renewable energy loan book over the last 5 years

51,000 MW
Renewable energy capacity addition supported

Largest lender
In the Indian power sector

Aligning Our Strategy with India's Green Goals

>51 GW of renewable energy capacity addition supported by PFC till March 31, 2023

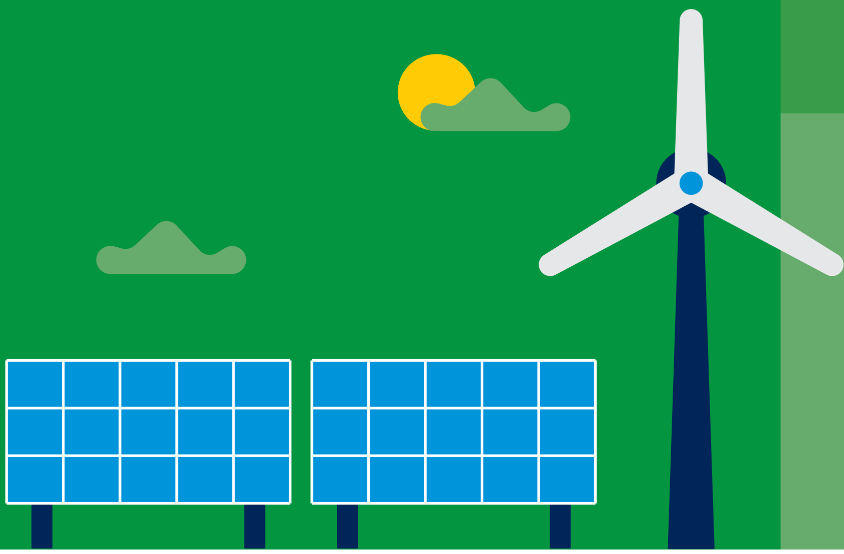
Additional financial incentives, like lower interest rates, offered to renewable loans compared to conventional generation loans

Separate policy and rating framework for renewable projects (policy guidelines for solar PV projects)

Green bond framework to raise green financing

India's Focus on Green Energy

The Government of India has been placing immense focus on increasing the country's green energy share. India has committed to achieving net zero by 2070, and the Government has set targets to propel new opportunities further.



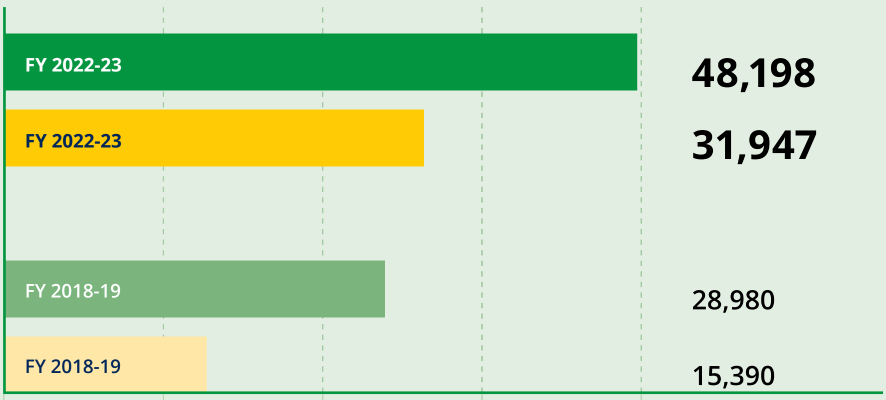
500 GW
Non-fossil fuel-based capacity by 2030

50%
Installed capacity from non-fossil fuel-based energy by 2030

45%
Reduction in emission intensity of GDP by 2030 (from 2005 levels)

1 billion tonnes
Reduction in projected carbon emissions during 2021-2030

Growing the Renewable Generation Loan Portfolio
(in ₹ crore)



OTHER THAN LARGE HYDRO
↑ 14%
CAGR

INCLUDING LARGE HYDRO
↑ 20%
CAGR

Letter to Shareholders

Ladies and Gentlemen,

Welcome to the 37th Annual General Meeting of your company. Let me begin by congratulating you for yet another year of stellar financial performance by your Company.

OPERATIONAL & FINANCIAL PERFORMANCE

The year 2022-23 was the year of resurgence for PFC, as we emerged from the adverse impact of COVID and achieved impressive growth along with outstanding financial performance.

I am delighted to share that, in FY 2022-23 we have delivered the highest ever net profit of ₹11,605 crore, up 16% from the previous fiscal. This is the third consecutive year in which we are setting a new record for the highest annual profit. We registered double-digit growth of 13% in our loan asset book. As a result, loan asset portfolio surpassed the ₹4 lakh crore mark and stood at ₹4,22,498 crore as on March 31, 2023. We have also achieved an all-time high loan sanctions of ₹2.32 lakh crore and disbursed ₹85,756 crore during the year, underscoring our role as the principal lender to the Indian power sector. On the asset quality front also, significant strides have been made in reducing Non-Performing Assets, resulting in the NPA ratios dipping to their lowest levels in the past seven years. In the fiscal year 2023, the Net NPA ratio stood at 1.07%. Coupled with strong growth, consistent profits and stable asset quality, we continued to have a robust net worth of ₹68,202 crore. Continuing with our commitment to maximise shareholders return, we have declared a dividend of ₹13.25 per share, which equates to impressive 132.5% on the share face value.

MACRO-ECONOMIC SCENARIO & POWER SECTOR OUTLOOK

The global macroeconomic scenario in FY 2022-23 has been challenging, but India has been one of the few bright spots, with the economy continuing to grow at a robust pace, supported by healthy domestic demand and prudent monetary policy.

This favourable economic environment is set to benefit the Power Sector's growth. Untapped demand potential is significant, driven by India's vast population of nearly 1.44 billion. The Government's "Make in India" initiative and the Production-Linked Incentive scheme are expected to further boost demand. Projections indicate a 7.18% Compound Annual Growth Rate (CAGR) in India's electricity consumption until 2027.

To address this growing demand, additional capacity would be needed. Government plans to double the installed capacity, with addition of around 500 GW of capacity by 2032, with 87% from non-fossil fuel sources and 13% from fossil fuels, requiring an estimated investment of approximately ₹31 lakh crore.

An integral aspect within the power sector value chain is the role of distribution companies (Discoms). Over recent years, Discoms have grappled with financial and operational challenges, which has put a strain on the entire power sector value chain. However, a transformative shift is underway. The government has undertaken significant reforms for Discoms over the past two years. The impact of these reformative measures, as part of the Revamped Distribution Sector Scheme (RDSS), is evident. All India level AT&C losses are at 16.5% in FY 2021-22, which is significantly lower than FY 2020-21 figure of 21.5%. The ACS-ARR gap, which is the cash-adjusted revenue gap per unit of electricity sold, significantly improved to 40 paise per unit in FY 2021-22 compared to 89 paise per unit in FY 2020-21.

Equally noteworthy is our success in implementing the LPS Rules. Over the past year, we have disbursed loans worth ₹16,800 crore to power distribution companies under these rules.

The scheme has led to a remarkable 40% reduction in legacy dues payable by distribution utilities from their peak level of ₹1.4 lakh crore.

> I am delighted to share that, in FY 2022-23 we have delivered the highest ever net profit of ₹11,605 crore, up 16% from the previous fiscal. This is the third consecutive year in which we are setting a new record for the highest annual profit.

Smt. Parminder Chopra
Chairman and Managing Director

The settlement of current dues are also being monitored rigorously with the help of PRAAPTI portal, which is set up and maintained by our subsidiary, PFCCL. The scheme has brought in the much needed fiscal discipline in the sector, which is helping all the players across the power sector value chain.

The power sector is currently at an interesting juncture, which creates plethora of growth opportunities for PFC.

"Nayi Soch Nayi Raahein" – PFC steering into new directions

Embracing the motto 'Nayi Soch Nayi Raahein,' PFC is boldly moving into new directions, shaping the future through innovative ideas and forward-looking perspectives.

Forayed into Infrastructure Financing

On 25th August, 2022, PFC was granted the mandate by the Ministry of Power to extend lending support to the infrastructure and logistics sector. With the amendment in the Memorandum of Association, PFC's lending capabilities have been extended to encompass the wider infrastructure and logistics sectors. This is one of those milestone decision, which will play a crucial role in PFC's long term business growth. The idea is to gradually build it over time and creating a complementing business line as the power sector matures.

Under the new mandate, we have supported projects in the domains of healthcare, sea water desalination, petrochemicals, optic fibre networks, roads, ports, and metro rail systems. In the last financial year, we have sanctioned projects worth ₹16,700 crore to non-power infrastructure segments. Being a new funding area for PFC, our present focus is on building appraisal and monitoring capabilities. Majority of the projects we have funded till now are from the Government sector.

Forging a Greener Future through integrating Environment, Social and Governance (ESG) pillars

In today's world, climate change is one of the most critical challenges we face. Among its drivers, the energy sector emerges as pivotal, with its transformation deeply impacting society. Recognising this, the Indian government has unveiled the 'Panchamrit' agenda, aiming for a non-fossil energy capacity of

Smt. Parminder Chopra, CMD along with Shri R. K. Singh Hon'ble Minister of Power and New and Renewable Energy and His Excellency Yasutoshi Nishimura, Minister of Economy, Trade and Industry, Government of Japan during the Bilateral Ministerial Meeting on the side lines of G20 summit, announcing PFC as 1st member from India to join Asia Transition Finance Study Group (ATFSG).

ATFSG - is an initiative by Japanese Ministry of Economy, Trade and Industry (METI) for promoting sustainable transition finance for Asian Countries.

Smt. Parminder Chopra, CMD receiving the "ICAI's Icon of the year Award" from Shri Arjun Ram Meghwal, Hon'ble Union Minister of Law and Justice & Minister of State for Culture and Parliamentary Affairs.

500GW by 2030, a billion-ton carbon reduction, a 45% emission intensity decrease by 2030, and net-zero emissions by 2070.

PFC is fully committed to the Government's vision for a Greener India. Over the years, PFC has consciously adapted its business model to tap renewable energy business by making structural changes to integrate climate risk into our appraisal and loan policies, as well as incorporating climate change considerations into our pricing strategies. This has led to PFC's renewable portfolio multiplying by over 6 times in last 6 years, currently standing at ₹48,200 crore. Today PFC is India's largest renewable financier, supporting almost a fifth of the India's renewable energy capacity. We are also focussing on reducing adverse environmental impact of fossil fuel based projects, which is demonstrated by over ₹2,500 crore of loans sanctioned for implementing Flue Gas De-sulphurisation (FGD) systems.

In the pursuit of India's net-zero objective, in FY 2022-23, PFC has achieved significant milestones in promoting clean energy transition.

Notably, PFC has sanctioned loan of ₹633 crore to Blu Smart for the purchase of 5000 passenger Electric Vehicles (EVs). This move is expected to lead to emission savings exceeding 100,000 tons of CO_2 equivalent. To put this into perspective, it's equivalent to the CO_2 absorption capacity of over 5 million fully-grown trees in a year. This transaction also marks the largest E-vehicle asset finance initiative in India, poised to greatly enhance the adoption of clean energy alternatives. Further, PFC's funding of ₹6,112 crore to refinance 1,227 MW solar and wind projects of JSW Energy Group underscores its commitment to sustainable energy. In alignment with Government initiative for making urban India "Garbage Free", PFC has cumulatively sanctioned waste to energy projects worth ₹1,600 crore with a combined capacity of 192 MW. Notably, more than 80% of the disbursement for these projects has already been made.

Our commitment to making a sustainable future is strong, and we are taking big steps forward. In the current FY 2023-24, PFC is steadfastly working to institute a well-structured approach to our ESG practices, seamlessly integrating Environmental, Social, and Governance principles into our operations. In this direction, PFC has already taken tangible actions to integrate ESG into our business. Recently, 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.

These endeavours constitute a few immediate steps we have taken towards ESG integration. Our promise is to keep lending responsibly and sustainably. But we are not just making changes for ourselves—we are leading the way for the entire energy sector.

Our goal is to have a greener and better tomorrow, and we are on a determined path to make that future a reality.

PFC'S FUTURE BUSINESS THRUST AREAS

We will continue to increase our financing in our traditional business areas of generation and T&D space. This will be further complemented with infrastructure financing. In addition to these areas, our financing endeavours will also be closely aligned with the government's goals and vision for the power sector particularly in clean energy space and RDSS.

Renewable & Emerging Technologies in Clean Energy Space

In order to achieve India's energy transition targets, the share of renewable energy in the energy mix, which is presently about 27%, will have to reach 50% by 2030. This requires quadrupling of the present solar and wind generation capacity. We would also have to add about 10 GW of pumped storage capacity and over 100 GWh of battery storage in order to meet the energy balancing needs. Commensurate equipment manufacturing capacity and evacuation infrastructure also need to be in place.

Given the huge investment required for decarbonisation of our economy, funding of energy transition related projects will be PFC's mainstay for the foreseeable future. PFC is focused on funding entire value chain of energy transition. In addition to the traditional solar/wind projects, we are also exploring bankable projects in the fields of renewable equipment manufacturing, energy storage, green evacuation corridors and electric mobility, green hydrogen and ammonia production and manufacturing of electric vehicles.

Smt. Parminder Chopra, CMD receiving 'Swachhta Pakhwara Award 2023' from Shri Pankaj Agarwal, Secretary (Power), Government of India. The award was conferred to PFC for its exemplary performance under Swachh Bharat Abhiyaan.

Revamped Distribution Sector Scheme (RDSS)

Your company has been designated by the Government of India as the nodal agency for the implementation Revamped Distribution Sector Scheme (RDSS)

RDSS has an outlay of ₹3,03,758 crore covering Smart metering and infrastructure works, with an estimated Government grant of ₹97,631 crore. The objective of the scheme is to reduce AT&C losses to pan-India levels of 12-15% by 2024-25 and reduction of ACS-ARR gap to zero by 2024-25.

The funding under the scheme will be from the Government grants, and balance will be counterpart funding from PFC or our subsidiary REC or State's own equity for infrastructure works.

Before the counter-part funding starts, the action plans submitted by the State Discoms are to be approved and Government grant portion is to be released based on achievements of milestones. The action plan approval process is complete for nearly all Eligible States of PFC. Further, sanctioned work is being awarded by Discoms and the grant release cycle has started

On Capex side, 80% of the tenders for loss reduction projects have been floated and 40% of the works awarded.

We also made remarkable progress in smart metering, with contracts awarded for installing 1 crore such meters.

Around ₹1,679 crore of grant has been released so far by PFC. With the progress we have made, we expect counterpart disbursements under RDSS to commence towards the end of FY 2023-24.

Smt. Parminder Chopra, CMD receiving "Rajbhasha Samman 2022-23" for effective implementation of Official Language from Shri R. K. Singh, Hon'ble Minister of Power and New and Renewable Energy at New Delhi.

In conclusion, we remain optimistic about our future growth. By leveraging favourable market conditions and maintaining our commitment to prudent lending practices, we expect to continue growing at a similar pace as we have witnessed this year.

CORPORATE GOVERNANCE & SOCIAL RESPONSIBILITY

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.

ACKNOWLEDGEMENT

Before I conclude, I want to express my heartfelt gratitude to our shareholders who have reposed faith in us. I am grateful to the Hon'ble Union Minister of Power, New and Renewable Energy, Hon'ble Minister of State for Power and the officials of Ministry of Power for their support and guidance. I also thank the Board of Directors for their valuable guidance, our client utilities, employees, various ministries, investors, auditors, regulators and other stakeholders of PFC for their continued support.

Let us move forward with renewed determination, knowing that our efforts are contributing to a brighter, more sustainable future for India. Together, we can continue to light up lives, power progress, and make a lasting impact on our nation's growth story.

Thank you, and let us make Power Finance Corporation's journey ahead even more remarkable.

Parminder Chopra
Chairman & Managing Director

Notice

Power Finance Corporation Limited

CIN: L65910DL1986GOI024862
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001, India
Tel: +91 11 23556000, **Fax:** +91 11 23512545,
E-mail ID: investorsgrievance@pfcindia.com
Website: www.pfcindia.com

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of Power Finance Corporation Limited will be held on **Tuesday, the September 12, 2023 at 11:30 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, 2023 including the Audited Balance Sheet as on March 31, 2023 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, 2023 including the Audited Balance Sheet as on March 31, 2023 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 2022-23.

3. To appoint a Director in place of Shri R. R. Jha (DIN: 03523954), who retires by rotation and being eligible, offers himself for re-appointment.

4. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

5. To approve issuance of Bonus Shares by capitalizing the 'Securities Premium Account' to the extent that the holder of each share of PFC shall be entitled to one (1) new equity share of ₹10/- each for every four (4) equity share(s) of ₹10/- and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions**:

   "**RESOLVED THAT** pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital & Debentures), Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Article 60 of the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [SEBI (ICDR) Regulations], Foreign Exchange and Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [Listing Regulations], all other applicable provisions, Regulations and Guidelines issued from time to time by the Securities and Exchange Board of India [SEBI], Reserve Bank of India [RBI] and other statutory authorities and subject to such consents, permissions, conditions and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, and pursuant to the recommendation of the Board of Directors of the Company (including any Committee duly constituted by the Board or any authority as may be approved by the Board for the time being exercising the powers conferred on the Board), approval of shareholders of the Company, be and is hereby accorded to the Board of Directors to capitalize a sum not exceeding ₹660,02,03,520/- (Rupees Six Hundred Sixty Crore Two Lakh Three Thousand Five Hundred and Twenty only) out of the sum standing to the credit of 'Securities Premium Account' of the Company, for issue and allotment of Bonus shares of Face Value of ₹10/- each (Rupee Ten only), credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their said holding, and whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date ("Record Date") fixed by the Company, in the proportion of 1:4 i.e. one (1) new fully paid equity share of ₹10/- each for every four (4) existing fully paid equity share(s) of ₹10/- each held by the shareholders as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase in the paid up equity share capital of the Company held by each of such member(s) and not as income."

   "**RESOLVED FURTHER THAT** the new equity shares of ₹10/- each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects and carry the same rights as the existing fully paid equity shares of the Company except that these Bonus Shares shall not be eligible for final dividend for the year ended March 31, 2023, and shall be entitled to participate in full in any dividend/s and any other corporate action(s) to be declared after the bonus shares so allotted."

"**RESOLVED FURTHER THAT** the issue and allotment of the new bonus equity shares to the extent that they relate to Non-Resident members (NRIs), Overseas Citizen of India (OCIs), Foreign Portfolio Investors (FPIs), Persons of Indian Origin (PIO), Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, shall be subject to the approval, if any, of the RBI under the Foreign Exchange Management Act, 1999 and other applicable rules/ regulations/guidelines issued/amended by RBI from time to time, in this regard."

"**RESOLVED FURTHER THAT** pursuant to SEBI (ICDR) Regulations and Listing Regulations, the allotment of shares in bonus issue shall be made only in dematerialized form and thus, in case of members who hold equity shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the bonus equity shares shall be transferred to the Suspense Account opened in this regard, within such time as prescribed by law and the relevant authorities, subject to guidelines issued by SEBI in this regard."

"**RESOLVED FURTHER THAT** in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board (including any Committee duly constituted by the Board or any authority as may be approved by the Board for the time being exercising the powers conferred on the Board) be and is hereby authorized to make suitable arrangements including engaging a Trustee, to deal with such fractions for the benefit of the eligible shareholders, including but not limited to, allotting the total number of new equity shares representing such fractions to a Committee/Trustee/ person(s) to be appointed who would hold them in trust for such shareholders and shall, as soon as possible, sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such shareholders who are entitled to such fractions in proportion of their respective fractional entitlements."

"**RESOLVED FURTHER THAT** the Board of Directors/ Company Secretary of the Company be and are hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolutions, including fixation of record date, to settle any question or doubt or difficulty whatsoever that may arise with regard to issue, allotment and listing of the said bonus shares and its decision shall be final and binding."

"**RESOLVED FURTHER THAT** Board of Directors, be and is hereby authorized to delegate all or any of the powers conferred by these resolutions to Committee(s) or any other Director(s), Company Secretary or any other Officer(s) of the Company to give effect to the foregoing resolution, with power to such Committee(s) to further delegate all or any of its powers."

6. Appointment of Smt. Parminder Chopra, (DIN:08530587) as a Chairman and Managing Director. 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), the Articles of Association of the Company, Ministry of Power, Government of India, vide Order No. 24-8/1/2022-PFC (Part-3) (MoP) dated 14th August, 2023, Smt. Parminder Chopra, (DIN:08530587), was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee as Chairman & Managing Director of the Company, be and is hereby appointed as the Chairman & Managing Director of the Company on terms & conditions determined by the Govt. of India from time to time."

By order of the Board of Directors

Manish Kumar

Manish Kumar Agarwal
Company Secretary

Registered office:
"Urjanidhi", 1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001
CIN: L65910DL1986GOI024862
Date: August 21, 2023

NOTES:-

1. Ministry of Corporate Affairs has, vide its circular dated December 28, 2022 read with Circulars dated May 5, 2022 and May 5, 2020 (collectively referred to as "MCA Circulars") and SEBI vide circular dated January 5, 2023 read with May 13, 2022, permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The Company has enabled the Members to participate at the 37th 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 37th 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 September 9, 2023 and will end at 5.00 p.m. on September 11, 2023. The e-voting module shall be disabled by KFintech at 5.00 p.m. on September 11, 2023. 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 37th 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 Wednesday, September 6, 2023 as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 37th 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 37th 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 37th 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 as nayan@mehta-mehta.in with a copy marked to evoting@kfintech.com.

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

11. The Register of Members and Share Transfer books will remain closed from Tuesday, September 5, 2023 to Tuesday, September 12, 2023 (both days inclusive).

12. In line with the MCA Circulars, the notice of the 37th AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company's website at https://www.pfcindia.com/investors/annual-reports/, 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 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 @ ₹4.50/- (Rupee Four 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 2022-23 subject to approval of

shareholders in the ensuing Annual General Meeting. This is in addition to the interim dividends of ₹8.75/- per equity share (subject to deduction of TDS) for the FY 2022-23 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 2023-24 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 2023-24 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 agm2023@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. September 12, 2023.

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 September 9, 2023 and will end at 5.00 p.m. on September 11, 2023. The e-voting module shall be disabled by KFintech at 5.00 p.m. on September 11, 2023.

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

Type of shareholders	Login Method
	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/myeasinew/home/login or 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/myeasinew/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 II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress
Individual Shareholder login through their demat accounts/Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – **Kfintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

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

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

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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://emeetings.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) 7537, 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. September 6, 2023 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. September 6, 2023, 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 September 9, 2023 and September 10, 2023.
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 September 9, 2023 and September 10, 2023. 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.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE.

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 approve issuance of Bonus Shares by capitalizing the 'Securities Premium Account' to the extent that the holder of each share of PFC shall be entitled to one (1) new equity share of ₹10/- each for every four (4) equity share(s) of ₹10/-

The Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, Government of India vide Office Memorandum F.No. 5/2/2016-Policy dated May 27, 2016 has issued guidelines on capital restructuring of CPSEs. In compliance of the said guidelines, the Board of Directors of the Company, in its meeting held on August 11, 2023, has recommended the proposal for issue of bonus shares to the shareholders of the Company in the proportion of 1:4 i.e. one (1) new fully paid equity share of ₹10/- each for every four (4) fully paid equity share(s) of ₹10/- each held by the shareholders as on the Record Date, by capitalization of a sum of ₹660,02,03,520/- (Rupees Six Hundred Sixty Crore Two Lakh Three Thousand Five Hundred Twenty Only) out of the sum standing to the credit of 'Securities Premium Account' of the Company.

The Articles of Association of the Company authorize the Company to issue bonus shares by the capitalization of securities premium account by the Board of Directors of the Company.

The issue of bonus shares, if approved by the shareholders, will be made in line with the provisions of Section 63 of the Companies Act, 2013, Listing Regulations or any other statutory provisions for the time being in force and subject to consents and approvals as may be required from the appropriate authorities.

Further, in case of fractional entitlements arising out of the issue of bonus equity shares, the Board of Directors will make suitable arrangements to deal with such fractions for the benefit of the eligible shareholders, including but not limited to, aggregating of such fractions and allotting the total number of new equity shares representing such fractions to a Committee/ trustee/person(s) to be appointed by the Board who would hold them in trust for such shareholders and shall, as soon as possible, sell such equity shares at the prevailing market rate and the net sale proceeds of such shares, after adjusting the cost and the expenses in respect thereof, be distributed among such shareholders.

Further, pursuant to Regulation 294(6) of SEBI (ICDR) Regulations, the allotment of shares in bonus issue shall be made in dematerialized form only, and thus, in case of members who hold equity shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the bonus equity shares shall be transferred to the Suspense Account opened in this regard, within such time as prescribed by law and the relevant authorities, subject to guidelines issued by SEBI in this regard.

The Memorandum & Articles of Association and all other documents referred to in the Notice, will be available for inspection by the shareholders electronically, upon log-in to Company's website at www.pfcindia.com till the date of AGM. In view of the above and in terms of Article 60 of the Articles of Association of the Company, it is proposed to obtain the approval of shareholders for issue of the Bonus shares to the shareholders of the Company, by passing Ordinary Resolution.

None of the 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.

Accordingly, the Board of Directors of PFC 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 Smt. Parminder Chopra, (DIN:08530587) as Chairman and Managing Director.

Pursuant to the Ministry of Power Government of India, Order No. 24-8/1/2022-PFC (Part-3) (MoP) dated 14th August, 2023, the Board of Directors on recommendation of the Nomination & Remuneration Committee appointed Smt. Parminder Chopra, (DIN:08530587), as Chairman and Managing Director, with effect from 14th August, 2023.

The above appointment of Smt. Parminder Chopra as a Chairman and Managing Director 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 Smt. Parminder Chopra would be as determined by the Government of India from time to time.

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

Smt. Parminder Chopra, is concerned and interested, in the resolution.

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

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

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT 37TH AGM UNDER ITEM NO. 3 AND 6

Name	Sh. Rajiv Ranjan Jha	Smt. Parminder Chopra
Date of Birth and Age	26.04.1966/57 years	30.04.1967/56 years
Qualification	• Bachelor Degree in Science (Mechanical Engg.) from NIT Jamshedpur of Ranchi University • Diploma in Management from IGNOU	• Bachelor's degree in Commerce from Delhi University • Qualified Cost and Management Accountant. • Post Graduate Diploma in Business Management.
Date of Appointment	28.10.2021	14.08.2023
Terms and Conditions of Appointment	Appointed as Director (Projects) by President of India through Ministry of Power for a period from the date of his assumption of charge of the post till the date of his superannuation or until further orders, whichever is the earlier.	Appointed as Chairman and Managing by President of India through Ministry of Power w.e.f. the date of assumption of charge of the post till the date of her superannuation i.e. 30.04.2027 or until further orders, whichever is earlier.
Remuneration	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.
Expertise in Functional Areas	He has been working with Power Finance Corporation Limited (PFC) since March 1997. 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 35 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.	She has over 35 years of varied experience in Power and Financial Sector. She has been appointed as Chairman and Managing Director, Power Finance Corporation Limited (PFC) on August 14, 2023. Previously, she was holding the additional charge of Chairman and Managing Director (CMD), w.e.f 01.06.2023 and was Director (Finance), PFC since 01.07.2020.

Name	Sh. Rajiv Ranjan Jha	Smt. Parminder Chopra
	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.	During her term as Director (Finance), she spearheaded the Finance Division, leading to highest Net Profit, highest Net worth and lowest NPA levels. Such robust financial performance has also facilitated PFC getting the highest status of "Maharatna". She had 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. In PFC, she was heading key finance functions including resource mobilization (domestic & international markets), banking, treasury, asset liability management and stressed asset resolution. Her prior experience includes service 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 Sector and lead PFC's transformational journey. With her taking over, she will be providing impetus to PFC's crucial role of financing India's energy transition goals apart from funding power & infrastructure sectors. Under her leadership, PFC as India's largest renewable energy financier has significantly increased funding to clean energy projects including funding of Electric Vehicles, Bio fuels, hybrid renewables like Round The Clock, renewable equipment manufacturing etc. and recently signed MoUs with clean energy developers for ₹2.40 Lakh Crore and emerging as the principal financier of clean energy projects. She will continue to provide support in implementation of key power sector initiatives of the Government of India including Revamped Distribution Sector Scheme (RDSS) and Late Payment Surcharge (LPS) rules.
Number of Meetings of the Board held during the tenure and number of Board Meetings attended	14/14	14/14#
Relationship with any other Director, Manager and other KMP of the Company	NIL	NIL
Number of shares held in the Company	16004	2000
Directorship in other companies	• PFC Consulting Limited • Orissa Integrated Power Limited • Coastal Tamil Nadu Power Limited • Cheyyur Infra Limited • PTC India Ltd	• PFC Consulting Limited
Chairman/Membership of committees* across all public companies (as on the date of Notice)	**Power Finance Corporation Ltd** • Member, Stakeholders Relationship and Shareholder'/ Investor' Grievance Committee • Member, Audit Committee	NIL
Details of listed entities from which resigned in the past three years	NIL	NIL

#Attended as Director (Finance), PFC

* 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

With approval of Appointments Committee of the Cabinet (ACC), Ministry of Power has appointed Smt. Parminder Chopra as Chairman and Managing Director, Power Finance Corporation Limited (PFC). Previously, she was holding the additional charge of Chairman and Managing Director (CMD), w.e.f 01.06.2023 and was Director (Finance), PFC since 01.07.2020.

During her term as Director (Finance), she spearheaded the Finance Division, leading to highest Net Profit, highest Net worth and lowest NPA levels. Such robust financial performance has also facilitated PFC getting the highest status of "Maharatna". She had 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.

She has over 35 years of varied experience in Power and Financial Sector. In PFC, she was heading key finance functions including resource mobilization (domestic & international markets), banking, treasury, asset liability management and stressed asset resolution. Her prior experience includes service 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 Sector and lead PFC's transformational journey.

With her taking over, she will be providing impetus to PFC's crucial role of financing India's energy transition goals apart from funding power & infrastructure sectors. Under her leadership, PFC as India's largest renewable energy financier has significantly increased funding to clean energy projects including funding of Electric Vehicles, Bio fuels, hybrid renewables like Round The Clock, renewable equipment manufacturing etc. and recently signed MoUs with clean energy developers for ₹ 2.40 Lakh Crs and emerging as the principal financier of clean energy projects. She will continue to provide support in implementation of key power sector initiatives of the Government of India including Revamped Distribution Sector Scheme (RDSS) and Late Payment Surcharge (LPS) rules.

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 advanced programmes on Risk Management and Global Management in world renowned institutes i.e. Harvard University, USA and European School of Management.

Smt. Parminder Chopra was holding 2,000 equity shares in the Company as on 31.03.2023.

Shri Rajiv Ranjan Jha
Director (Projects)
DIN: 03523954

Shri Rajiv Ranjan Jha, aged 57 years has been working with Power Finance Corporation Limited (PFC) since March 1997.

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 35 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 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, was holding 16,004 equity shares in the Company as on 31.03.2023.

Shri Manoj Sharma
Director (Commercial)
DIN: 06822395

Shri Manoj Sharma, 57 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 31 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.

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, was holding nil equity shares in the Company as on 31.03.2023.

Shri Ajay Tewari
Government Nominee Director
DIN: 09633300

Shri Ajay Tewari, 53 years, is an Indian Administrative Service Officer of 1993 Batch. He is presently Additional Secretary, Ministry of Power looking after Energy Conservation, Energy Transition, International Co-operation, Training & Research and Perspective Planning of Ministry of Power. Mr. Ajay Tewari is B. Tech (Electrical Engineer) from Indian Institute of Technology and holds PG Diploma in Financial Management. Before joining Central deputation in the Ministry of Labour & Employment as Joint Secretary & Director General of Labour Welfare in the year 2018, he had worked in different capacities in the State of Assam and Meghalaya. Shri Ajay Tewari has wide range of experience of working in Finance, Education, Housing & Urban Affairs, Sports, Youth Welfare, General Administration, Revenue Administration, Disaster Management & Labour Welfare sectors.

Shri Ajay Tewari was born on 5th August, 1970 and before joining Indian Administrative Service in the year 1993, he had also worked in Gas Authority of India Ltd. (GAIL) and Ordnance Factory, Nagpur for brief periods.

Shri Ajay Tewari was holding nil equity shares in the Company as on 31.03.2023.

Shri Bhaskar Bhattacharya
Independent Director
DIN: 09406292

Shri Bhaskar Bhattacharya, 65 years, is an Honours Graduate in Commerce and Bachelor degree in Law. He also holds a Diploma in Business Management (2 years full time with 1st class). He has been acting as an Advocate for more than 28 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 was holding nil equity shares in the Company as on 31.03.2023.

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 was holding nil equity shares in the Company as on 31.03.2023.

Shri Prasanna Tantri
Independent Director
DIN: 06471864

Shri Prasanna Tantri, 41 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 was holding nil equity shares in the Company as on 31.03.2023.

Report of the Board of Directors' FY 2022-23

Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present the 37th Annual Report of your Company, along with Audited Standalone and Consolidated Financial Statements for the Financial Year 2022-23.

Your Company has registered yet another year of robust performance and made substantial progress in its field. The performance highlights of your Company for the financial year 2022-23 are briefly mentioned here to give an overview of accomplishments on all fronts:

1. PFC'S ROBUST GROWTH AND FINANCIAL STRENGTH: CATALYST FOR A GREENER TOMORROW

i. Forayed into infrastructure financing – A step forward in shaping India's Growth Story

- Your Company received the assent of Government of India to lend to Logistics and Infrastructure sectors, a milestone decision, which will play a crucial role in PFC's long term business growth.
- Since receiving the approval for lending to Infrastructure sector in August 2022, PFC has sanctioned around ₹ 16,647 crores and disbursed around ₹ 1,016 crores of loans till March 31, 2023 in its debut year. In the FY 2022-23, PFC has forayed into new areas of Desalination plants, Ports, Metro rail etc.

ii. Strong financial performance year on year - Maximizing value for Shareholders

- Highest ever PAT with an increase of 16%. i.e. ₹ 11,605 crore in FY 2022-23 vs. ₹ 10,022 crore in FY 2021-22.
- Net worth increased by 15% on account of increasing profits i.e. ₹ 68,202 crore as at March 31, 2023 vs. ₹ 59,350 crore as at March 31, 2022.
- Total income achieved during the FY 2022-23 was up by 2.78% to ₹ 39,666 crore.
- The Board of Directors of the Company has recommended final dividend (₹1,188.04 crore) @ 45% on the paid up equity share capital i.e. ₹ 4.50 /- per equity share of ₹ 10/- each for the financial year 2022-23, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company had also paid interim dividend (₹ 2,310.07 crore) of ₹ 8.75 /- per equity share of ₹ 10 /- each during FY 2022-23. Thus, the total dividend declared for the FY 2022-23 is (₹ 3,498.11 Crore) i.e. ₹ 13.25 per equity share of ₹ 10 each.
- PFC bagged SAFA Gold Award in Best Presented Accounts/Annual Report Awards (BPA) for the Financial Year 2020-21 in 'Public Services Entities category'.

iii. Consistent & Sustainable Growth

- Registered a growth of 13% in Loan assets book i.e. ₹ 4,22,498 crore as at March 31, 2023 vs. ₹ 3,73,135 crore as at March 31, 2022
- Total Loans Sanctioned by your Company amounted to ₹ 2,31,625 crore during the FY 2022-23 to State, Central, Private and Joint Sector entities and Disbursements amounted to ₹ 85,756 crore during the same period.
- Under the Late Payment Surcharge Rules, PFC sanctioned ₹ 47,906 crore and disbursed ₹ 16,764 crore till March 31, 2023.

iv. Stable Asset Quality

- Continuous efforts in resolution of stressed assets lead to 21% sharp reduction in stressed assets. The Net NPA ratio is of 1.07% in FY 2022-23 vs. 1.76% in FY 2021-22.
- During the year PFC successfully resolved four Stage III Loans viz; Suzlon Energy Ltd, South-East UP Power Transmission Company Limited, Jhabua Power Limited and Ind Barath Energy Utkal Ltd., the total principal outstanding prior to date of Resolution being ₹ 4,634 crore.

v. Thrust on Global and Green Borrowing

- During FY 2022-23, PFC has signed a Loan Agreement for JPY 30 Billion with Japan Bank for International Cooperation (JBIC). Further, a Project Loan agreement (PLA) has also been signed for JPY 2.65 billion between PFC and JBIC. JBIC has provided this long term facility under its initiative titled 'Global action for Reconciling Economic growth and Environmental preservation' ("GREEN"). Thus, the funds under the facility would be used by PFC to finance its renewable energy portfolio.
- Foreign Currency loans worth USD 1.60 bn were raised during the year:
  - JPY denominated loan equivalent to USD 875 mn at 1.02% - the largest FCL raised by PFC in a single transaction.
  - FCNRB loan of USD 720 mn at 4.96% - this was the first time PFC raised FCNRBs in USD with an embedded swap to EUR.
- Availed loans from Multi-lateral agencies:
  - EUR 58.74 mn availed from KfW after a gap of 20 years.

2. FINANCIAL SYNOPSIS

i. Profitability

(₹ in crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Income	**39,665.63**	**38,591.17**	**77,625.19**	**76,344.92**
Profit Before Tax	**14,170.62**	**12,227.65**	**26,496.07**	**23,382.22**
Tax expenses	2,565.15	2,205.75	5,317.48	4,614.01
Profit After Tax	**11,605.47**	**10,021.90**	**21,178.59**	**18,768.21**
Owners of the Company			15,889.33	14,014.79
Non-Controlling Interests			5,289.26	4,753.42
Total Comprehensive Income	**11,445.80**	**10,202.73**	**20,047.88**	**18,889.78**
Owners of the Company			15,218.55	14,163.78
Non-Controlling Interests			4,829.33	4,726.00

ii. Reserve & Surplus

(₹ in crore)

Particulars	Standalone		Consolidated*	
	2022-23	2021-22	2022-23	2021-22
Opening Balance of Surplus	8,863.49	7,203.86	12,757.10	9,760.52
Profit after tax for the year	11,605.47	10,021.90	15,889.33	14,014.79
Re-Measurement of Defined Benefit Plans	(2.68)	(3.70)	(5.04)	(6.98)
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	(529.39)	(576.44)	(529.39)	(576.44)
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	(2,372.31)	(2,423.45)	(3,780.27)	(4,044.97)
Transfer to Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	(2,321.09)	(2,004.38)	(3,484.93)	(3,062.34)
Transfer to Debenture Redemption Reserve	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Interest Differential Reserve - KFW Loan (net)	(0.90)	(1.42)	(0.90)	(1.42)
Dividends	(2,640.08)	(3,366.10)	(2,640.08)	(3,366.10)
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	46.13	13.22	48.77	58.90
Pooling of interest accounting for common control business combination	-	-	-	-
Impairment Reserve	-	-	-	-
Adjustments	-	-	(18.30)	(18.86)
Closing Balance of Surplus	**12,648.64**	**8,863.49**	**18,236.28**	**12,757.10**

*Attributable to owners of the Company (PFC)

3. OPERATIONAL SYNOPSIS

i. Asset Quality

(₹ in crore)

Particulars	2022-23	2021-22
Gross Loan Assets	4,22,498	3,73,135
Stage III Assets	16,502	20,915
Provision on Stage III Assets	11,999	14,344
Gross Stage III as % of Gross Loan Assets	3.91%	5.61%
Net Stage III as % of Gross Loan Assets	1.07 %	1.76%

ii. Sanction/Disbursement (excluding RDSS/IPDS/R-APDRP)

(₹ in crore)

SECTOR	FY2022-23		FY 2021-22	
Category	Sanctions	Disbursements	Sanctions	Disbursements
State Sector	149,300	57,963	36,197	41,512
Central Sector	26,704	3,063	63	10
Joint Sector	19,418	2,300	6,743	773
Private Sector	36,203	22,430	8,613	8,947
Total	**2,31,625**	**85,756**	**51,616**	**51,242**

4. BORROWINGS

i. Borrowings from Domestic Market

During the FY 2022-23, PFC has raised funds to an amount of ₹ 62,297.47 crore vide Private Placement of Bonds including 54EC Capital Gain Bonds and rupee term loans from Domestic market. The object/purpose of the said bond issuances under private placement is to augment resources of PFC for meeting fund requirement. The details of borrowings made from domestic market during FY 2022-23 are as under;

(₹ in crore)

Source	Amount
Bonds (including 54EC)	44,697.47
Rupee Term Loans	17,600.00
Total	**62,297.47**

Further, for maintaining adequate liquidity, credit lines to the tune of ₹ 12,150 crore were sanctioned as on March 31, 2023 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 FY 2022-23 are as follows:

(₹ in crore)

Sr. No.	Source	Amount
1.	Foreign Currency Term Loans	7,258.77
2.	Foreign Currency Non-Resident Borrowings	5,930.87
3.	Loan from KFW – under ODA (Official Development Assistance) route	516.58
	TOTAL	**13,706.23**

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, 2023, outstanding loan balances of Solar & Wind energy projects funded by PFC are ₹ 14,765 crore & ₹ 13,442 crore respectively. The total capacity (MW) of outstanding Solar & Wind energy projects funded by PFC as on March 31, 2023 is 9,324 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, 2023 is as follows:

Particulars	Amount
KFW	EUR 63,428,374.05*
Credit National	EUR 2,104,961.44
ADB	USD 6,245,707.13

* Includes Eur 58,747,000.56 disbursed by KFW in FY 2022-23 under Discom Investment Facility (ODA Loan- Without Govt. Guarantee).

5. 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, 2023:

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.

6. 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 FY 2021-22, your Company was accorded 'Excellent' rating. The rating for FY 2022-23 is still awaited.

In FY 2022-23, the achievement of your Company on some of the key MoU parameters (on consolidated basis) has been as under:

MoU Parameter	Achievement
Revenue from Operations	₹ 77,568.30 crore
Loans Disbursed to Total Funds Available	99.99%
Overdue loans to Total Loans	0.11%
NPA to Total Loans	1.07%
Cost of raising funds through Bonds as compared to similarly rated CPSEs/ entities (Margin over Reuters)	-16.69 bps

7. SUBSIDIARIES

A. REC Limited

The following subsidiaries of REC as on March 31, 2023 are also subsidiaries of PFC:

i. REC Power Development & Consultancy Ltd.

ii. Bidar Transmission Limited

iii. Chandil Transmission Limited

iv. Dumka Transmission Limited

v. Koderma Transmission Limited

vi. Mandar Transmission Limited

vii. Sikar Khetri Transmission Limited

viii. Ramgarh II Transmission Limited

ix. Beawar Transmission Limited

x. Meerut Shamli Power Transmission Limited

xi. Luhri Power Transmission Limited

xii. Neres XVI Power Transmission Limited

xiii. Khavda II-D Transmission Limited

xiv. KPSI Transmission 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 FY 2022-23, the total income of REC was ₹ 39,520 crore and the net profit was ₹ 11,167 crore on standalone basis.

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

B. PFC Consulting Limited

Your Company had been offering consultancy support to the Power Sector through PFC Consulting Limited (PFCCL), 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)
- **Project Development:** Project Development & implementation of various GoI initiatives (Ultra Mega Power Projects, Ultra Mega Renewable Energy Power Parks, Owner's Engineer, 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 projects of assignments undertaken as on date are more than 200.

Further, during the FY 2022-23, the total income of PFCCL is ₹ 139.66 crore and the net profit earned is ₹ 63.80 crore. The net worth of PFCCL as on March 31, 2023 is ₹ 163.09 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. Further various State Governments have appointed PFCCL as Bid Process Coordinator for their Intra State Transmission Projects. .

The following Special Purpose Vehicles (SPVs) have been incorporated as subsidiaries of PFCCL as on March 31, 2023:

i. Bijawar-Vidarbha Transmission Limited (Under process of Strike-off)
ii. Ananthapuram Kurnool Transmission Limited
iii. Chhatarpur Transmission Limited
iv. Fatehgarh IV Transmission Limited
v. Fatehgarh III Transmission Limited
vi. Bhadla III Transmission Limited
vii. Fatehgarh III Beawar Transmission Limited
viii. Beawar Dausa Transmission Limited
ix. Siot Transmission Limited

C. 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. During FY 2022-23, CKPL's MoA has been amended to enable for Bidding in lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL).

D. 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

8. 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.

An 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, 2023 the ALM Committee of Functional Directors comprised of Smt. Parminder Chopra, Director (Finance) as Chairman of the Committee and Shri R.R. Jha, Director (Projects) as Member.

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, 2023, the total o/s foreign currency liabilities stand at USD eqv 7,852 mn, and currency wise denominated borrowings are USD 5,841 mn, JPY 1,32,381 mn & EUR 932 mn. Out of the total foreign currency borrowing portfolio, USD eqv 4,959 mn i.e. 63% is hedged. Also, 82% of the FC portfolio with residual maturity up to 5 years is hedged.

iii. 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 above would also cover aspects relating to development and implementation of a risk management policy for the Company including identification therein of elements of risk, which should cover the requirements of Sec. 134(3)(n) of Companies Act, 2013.

9. PFC A STRATEGIC PARTNER OF GOVERNMENT 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 a nodal agency for the IPDS (R-APDRP subsumed) and Revamped Distribution Sector Scheme (RDSS) launched by Govt. of India in July, 2021.

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 approved projects under IPDS/R-APDRP were subsumed in RDSS. All State-owned distribution companies and State/UT Power Dept. excluding private sector companies are eligible for financial assistance under the Scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26).

Scheme Objectives

a) Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

b) Reduce AT&C losses to pan-India levels of 12-15% by 2024-25.

c) Reduce ACS-ARR gap to zero by 2024-25.

Scope of Scheme

The Scheme has two parts:

a) **Part A** covers Metering works (prepaid smart metering for consumers and system metering) and distribution infrastructure works (loss reduction; modernisation & system augmentation components).

b) **Part B** covers Training & Capacity Building and other Enabling & Supporting Activities.

Outlay and Budgetary Support

The Scheme has an outlay of ₹ 3,03,758 crore with an estimated gross budgetary support of ₹ 97,631 crore from the GoI.

Targeted infrastructure creation under RDSS in States across India based on fund sanction:

- Around 500 new Substations
- Over 4,00,000 Distribution transformers
- Around 7.5 lakh ckm of AB and XLPE cables
- Around 7 lakh ckm of overhead lines
- Over 20 crore Smart meters

Financial Assistance under RDSS in states allocated to PFC (as on March 31, 2023)

(Amounts in ₹ crore)

Scheme	FY 2022-23		Cumulative up to March, 2023	
	Approved Cost	GoI Fund Disbursed	Approved Cost	GoI Fund Disbursed
RDSS	54,534	1,142	1,16,951	1,679

Other Initiatives

- Supporting the States by preparing Model Bidding Documents for Automation and ERP projects under RDSS.
- Working on developing a Centre of Excellence in the form of National SCADA Resource Centre (NSRC) under RDSS at NPTI, Faridabad for developing the technical and operational skills of the Distribution Workforce across SCADA / DMS systems supplied by multiple OEMs.
- PFC (alongwith its subsidiary company i.e. REC) has developed an Integrated web portal that will serve as single version of truth for various government Schemes as well as vital reports being published by PFC/ REC viz. RDSS Scheme, DISCOM Integrated Rating (IR) Report, DISCOM Performance Report, Consumer Services Rating of DISCOMs (CSRD), PRAAPTI Portal, Energy audit reports etc.
- PFC is taking-up capacity building/ training programme for DISCOMs' employees under RDSS by engaging NPTI. Till March 2023; 175 training programmes were conducted through NPTI covering 6,490 DISCOM personnel.
- PFC is supporting skill development of the workforce for rolling out the RDSS Smart metering programme by training 1,000 persons on various job-roles under PFC's CSR Programme.
- PFC, in partnership with The United States Agency for International Development (USAID) has launched the South Asia Distribution Utilities Network (DUN), a regional platform to foster collaboration among electricity distribution Utilities across Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka for the reform and modernisation of the sector. PFC will act as the anchor institution with technical support from USAID through its South Asia Regional Energy Partnership (SAREP) programme.
- PFC with technical assistance of Foreign Commonwealth and Development Office (FCDO), Government of UK in association with MoP, GoI has developed Digital Utility Manager (DUM) Training Programme. The programme aimed at proactive technology adoption at DISCOMs, to have flexibility in the mode of learning making this self-paced, covering frontier technologies such as Smart Grids, AMI, EVs, Energy Storage, AI/ ML, Blockchain, Robotics etc.
- PFC is also handholding the DISCOMs in incorporating better corporate governance practices.

The impact of various reforms measures undertaken by States Government/DISCOMs under RDSS Scheme is evident as all India average AT&C losses have improved to 16.5% in FY 22 (data based on 11th Integrated Rating report), which is significantly lower than 21.5% in FY 21. Further, ACS-ARR gap, which captures the cash-adjusted revenue gap per unit, also significantly improved to 40 paise per unit energy in FY 22 compared to 89 paise per unit energy in FY 21. In addition, there has been significant improvement in compliances in form of filing and issuance of Tariff Orders, submission of Quarterly and Annual accounts by DISCOMs etc.

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

The erstwhile Schemes 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 increased 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' is now 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 better power supply to the people of India and improving operational efficiency and financial health of Distribution Utilities.

ii. Late Payment Surcharge Rule, 2022

Ministry of Power (MoP) vide Gazette Notification dated June 3, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules). 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 ₹ 1,39,747 crore as on 03.06.2022, 13 States/UTs have paid instalment of ₹ 69,790 crore (12 EMIs). Discoms of 11 out of these 13 states opted for loans from PFC/REC (total loan sanctioned of ₹ 1,05,065 crore). Further, 20 States/UTs reported to have no outstanding dues as on 03.06.2022

In view of regulations under LPS Rules, 2022 the Distribution companies are paying their current dues in time. Since implementation of the rule, as on July 24, 2023, total bills amounting to ₹ 4,85,041 crores have been settled against total billed amount of ₹ 5,60,366 crore (excluding EMI Payments against legacy dues and including Disputed Invoices).

iii. Independent Transmission Projects (ITPs)

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

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

MoP has designated PFC Consulting Limited (a wholly-owned subsidiary of PFC) as one of the Bid Process Coordinator for Independent Transmission Projects. As on March 31, 2023, 49 SPVs have been established for ITPs by PFC / PFCCL.

During the year, the following nine companies / ITP-SPVs were incorporated:

i. Siot Transmission Limited

ii. Fatehgarh III Beawar Transmission Limited

iii. Beawar Dausa Transmission Limited

iv. Khandukhal Rampura Transmission Limited – Transferred

v. Fatehgarh III Transmission Limited

vi. Bhadla III Transmission Limited

vii. Fatehgarh IV Transmission Limited

viii. Raipur Pool Dhamtari Transmission Limited – Transferred

ix. Dharamjaigarh Transmission Limited –Transferred

Further, during the FY 22-23, following SPVs established for development of transmission projects has been transferred to the successful bidders selected through TBCB:

i. Khetri-Narela Transmission Limited

ii. Khandukhal Rampura Transmission Limited

iii. Kishtwar Transmission Limited

iv. Bhadla-Sikar Transmission Limited

v. Raipur Pool Dhamtari Transmission Limited

vi. Dharamjaigarh Transmission Limited

As on March 31, 2023, out of 49 SPVs, 36 SPVs were transferred to the successful bidders and bidding process for 8 SPVs are under progress. Further, due to de-notification of schemes by MoP, 4 SPVs were closed and 1 SPV is under process of closure.

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 FY 22-23. Further, SPV namely Coastal Karnataka Power Ltd. (Karnataka UMPP) is being utilised by PFC for bidding stressed assets projects (name of the SPV changed to PFC Projects Ltd.).

As the Country is transforming from fossil to non-fossil fuel, MoP has decided to close remaining UMPP's also and advised your Company to take necessary steps for closure of UMPP in consultation with state Government.

10. OTHER MAJOR INVESTMENTS

i. PTC India Limited

PTC India Limited ("PTC") was jointly promoted by Power Grid, NTPC, NHPC and PFC. PFC has invested ₹ 12 crore in PTC constituting 120,00,000 equity shares which is 4.05% of PTC's total equity share capital. PTC is the leading provider of power trading solutions in India, a GoI initiated public-private partnership, whose primary focus is to develop a commercially vibrant power market in the country. PTC has reported profit after tax of ₹ 370 crore for the financial year 2022-23 as compared to Profit after Tax of ₹ 425 crore for Financial year 2021-22. As on March 31, 2023, PFC holds 120,00,000 shares of PTC valued at ₹ 102.06 crore.

ii. Power Exchange India Limited

Power Exchange India Limited ("PXIL") is India's first institutionally promoted Power Exchange, that provides innovative and credible solutions to transform the Indian power markets. PXIL, provides nationwide, 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. As on March 31, 2023, PFC's investment in 32,20,000 equity shares of PXIL is valued at ₹ 3.59 crore.

iii. Energy Efficiency Services Limited

Energy Efficiency Services Limited ("EESL") was incorporated as a public limited company on December 10, 2009 under the Companies Act, 1956. EESL intends to focus on energy efficiency and climate change initiatives. The Company along with its subsidiary RECL is holding 33.33 % 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.

As at March 31, 2023, the Company along with its subsidiary RECL holds 33.13% stake in equity share capital of EESL (17.65% directly and 15.68% through its subsidiary RECL). As on March 31, 2023, PFC holds 24,55,00,000 Equity Shares of FV of ₹ 10 each of Energy Efficiency Services Limited valued at ₹ 158.08 crore.

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 10,52,17,881 number of equities shares till March 31, 2023. As on March 31, 2023 PFC holds 15,53,24,170 shares of NHPC Limited valued at ₹ 624.40 crore.

NHPC has reported profit after tax of ₹ 3,834 crore for the financial year 2022-23 as compared to Profit after Tax of ₹ 3,538 crore for Financial year 2021-22.

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 ₹ 298.35 crore.

CIL has reported profit after tax of ₹ 14,802 crore for the financial year 2022-23 as compared to Profit after Tax of ₹ 11,202 crore for Financial year 2021-22.

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 are carried out by reputed independent agencies 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. Eleventh Integrated Ratings for FY 2021-22, covering 69 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 April 10, 2023.

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 States and UTs of India and all State Gencos/ Transcos/ Trading utilities, offering a comprehensive insight into the Indian Power Sector.

The Report for the years 2018-19 to 2020-21 was released by the Hon'ble Cabinet Minister for Power, New & Renewable Energy in the Conference of Power and Renewable Energy Ministers of State/UTs held in October 2022.

The report for the years 2019-20 to 2021-22 is under finalisation.

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

12. PRESIDENTIAL DIRECTIVES

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

13. RIGHT TO INFORMATION: EMPOWERING CITIZENS THROUGH TRANSPARENT COMMUNICATION

The RTI Act, 2005 is a progressive legislation based on citizen's right to know which is a fundamental right enshrined in the Constitution of India. The primary goal of the Right to Information Act is to empower citizens, promote openness and accountability in government operations, combat corruption, and make our democracy truly function for the people. An informed citizen is better equipped to keep a required track on governance instruments and hold the government responsible to the governed. The Act is a significant step in informing citizens about the activities of the government.

All constitutional authorities, agencies, owned and controlled, also those organisations which are substantially financed by the government comes under the purview of the Act. The Act also mandates public authorities of union government or state government, to provide timely response to the citizens' request for information.

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. For effective implementation of the RTI Act, PFC has designated its Company Secretary as Public Information Officer (PIO) to dispose off the RTI applications received in the corporation at its registered office. Further, an ED level officer has been designated as a First Appellate Authority (RTI) in PFC to dispose off the RTI appeals. The relevant information/ disclosures are also made available on the official website (www.pfcindia.com) of the Company.

As regards process in disposal of RTI applications, it is stated that PIO compiles the information from respective Head of the Units who are Deemed PIOs under Section 5(5) of the RTI Act, 2005 and the said information is made available to the applicant within the prescribed period of 30 days.

If the RTI applicant is not satisfied with the reply of the PIO, he can file an appeal with the First Appellate Authority (RTI) of PFC, within 30 days of the receipt of the reply. The First Appellate Authority (RTI) disposes off the appeals within the prescribed period of 30 days. During the period from April 1, 2022 to March 31, 2023, all 140 applications and 13 RTI appeals 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:

a) Suo moto disclosure of more items under Section 4;

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

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

d) 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.

To strengthen the proactive / suo motu disclosure, DoPT has come out with detailed instructions vide DoPT OM No. 1/6/2011-IR dated April 15, 2013. The guidelines lay down one of the most important mechanisms in terms of getting its proactive disclosures audited by the third party every year to ensure effective compliance of the guidelines. In line with the above, PFC has successfully got its RTI Disclosures audited through National Power Training Institute (NPTI) during 2022-23. The said audit report is also placed on PFC website for information of the public.

14. CORPORATE SOCIAL RESPONSIBILITY

The aim of PFC's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Company 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.

The policy embodies a holistic approach, aligning the company's efforts with the key tenets of Environmental, Social, and Governance (ESG) principles, as is evident through the comprehensive array of initiatives, spanning Environment Sustainability, Healthcare, Education, and more.

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 etc. Further, as per DPE's mandate, PFC has also contributed to thematic areas i.e. 'Health & Nutrition, with preference given to Aspirational Districts.

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

15. HR INITIATIVES

Capacity Building

Your Company firmly believes that being in service sector, Human Resource is the most important asset of the organisation. To foster market competitiveness, your Company is committed to cultivating a high-performance work culture that unleashes individuals' full potential, while equipping and empowering them to engage in continuous learning in line with business goals and adapt to future challenges. Our goal is to develop top-tier organisational capabilities that set us apart from the competition.

During this year, your Company organised various training and development programmes in line with corporate goals. The range of trainings imparted include orientation programme to new recruits as well as hands-on, managerial, behavioural and leadership training for its employees. Besides this, a wide range of functional training programmes were also organised which included Stressed Asset Management with focus on Insolvency & Bankruptcy Code 2016, Advanced Excel, Public Procurement through GeM Portal, Capacity Building for Financial Institutions on Energy Efficiency Financing, AML-KYC-CFT and Fraud Monitoring & Recovery Aspects of Loan Assets, Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, Implementation of ISO 45001:2018 - OHS Standards, Exposure Norms & Capital Requirements for NBFCs, and more.

Furthermore, all newly recruited employees of PFC participated in a comprehensive 3-week Foundation course for Power Sector Professionals of National Power Training Institute (NPTI). This course covered essential topics such as Basics of Power Sector, Renewables & Solar Energy, Government Schemes, Energy Transition, Energy Conservation & Energy Efficiency, SCADA, Project Appraisal, and more.

As of March 31, 2023, your Company successfully provided 2,608 mandays of training to its employees by organising need based customised programmes and sponsoring employees to external programmes organised by reputed training agencies.

Overall, these initiatives have significantly contributed to enhancing the skills and knowledge of our workforce in alignment with our organisational goals.

Employee Engagement Activities

PFC being a founding member of Power Sports Control Board (PSCB), PFC employees participated with full vigor and enthusiasm in various Inter-CPSU sports tournaments organised by the PSCB member organisations during the period, viz. Badminton, Chess, Carrom and Table Tennis Tournament. PFC Chess Team won Ist Prize in single tournament. PFC organised the Inter CPSU Chess Tournament under the aegis of PSCB from 27-29th April, 2022 at Vishwa Yuvak Kendra, New Delhi successfully. PFC also participated in Power Cup Cricket Tournament which was organised in collaboration with all power sector CPSEs based in Delhi-NCR during the month of January-February, 2023 organised by Power Grid and won 2nd Prize in the Tournament.

Apart from these, PFC organised a PFC Foundation Day programme for its employees & their family member on July 16, 2022 at JLN Stadium, New Delhi. During the year PFC organised Family Picnic in March 2023 for its employees and their dependent family members at Vishalgarh Farms, Gurgaon.

Talent Management

Your Company has put in place effective human resource acquisition and maintenance function, which is 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. PFC's recruitment efforts are focused on attracting and nurturing diverse talent.

The Industrial Relations within the Company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the Company. There were no man-days lost during the year under review. The attrition during the period from April 1, 2022 to March 31, 2023 was 0.04%.

Employee Welfare Measures

Your Company endeavours to follow 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 the period, several new initiatives were taken for employees' welfare such as introducing flexi-timing for employees below HoU level, implementing paperless medical claims system and review of certain provisions under TA Rules, Company Leased Accommodation Rules, etc.

Diversity & Inlcusion

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

Status of Reservation of Posts for various categories

Group	Total Employees as on March 31, 2023	SC[1]	SC%	ST[2]	ST%	OBC[3]	OBC%	EWS[4]	EWS%
A	500	89	17.80%	32	6.40%	100	20.00%	5	1.00%
B	4	0	0.00%	1	25.00%	0	0.00%	0	0.00%
C	15	2	13.33%	1	6.67%	3	20.00%	0	0.00%
D	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**519**	**91**	**17.53%**	**34**	**6.55%**	**103**	**19.84%**	**5**	**0.96%**

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]/ PwD[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.

[1]Scheduled Caste
[2]Scheduled Tribe
[3]Other Backward Classes
[4]Economically Weaker Section
[5]Ex-Servicemen
[6]Persons with Disabilities

Empowering Diversity: Women's Representation In Workforce

Your Company has women in important and critical functional areas. Women representations have gone across hierarchical levels. The Company provides equal growth opportunities for the women in line with Govt. of India philosophy on the subject. The women are adequately represented, with 21.00% of the total work force.

Group	Total Employees as on March 31, 2023	Number of Women Employees	Percentage of overall staff strength
A	500	107	21.40%
B	4	1	25.00%
C	15	1	6.67%
D	0	0	0.00%
Total	**519**	**109**	**21.00%**

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.

Fostering A Safe Workplace: Compliance With Sexual Harassment Prevention

The 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 2022-23	NIL
b)	Number of complaints disposed of during the financial year 2022-23	NIL
c)	Number of complaints pending as on end of the financial year 2022-23	NIL

16. AWARDS & RECOGNITIONS

Awards received under the pillars of Environment, Social, Governance (ESG): Showcasing PFC's efforts in creating sustainable impact:

- **Environmental**
  - PFC received 'Green Urja Energy Efficiency Award' for being the Best Renewable Energy Financing Institution this year at the Atma Nirbhar Bharat Summit organized by Elets.
  - Indian Chamber of Commerce's (ICC) Gold Award for the "Top Financing institution in Renewable Energy and Energy Efficiency category at the 11th Green Energy Summit.
- **Social**
  - PFC has been ranked 2nd in "Swachhata Ranking" by NDMC in the category of offices in NDMC area.
  - PFC won the Rajbhasha Kirti Puraskar. PFC was awarded the third prize of highest and prestigious 'Rajbhasha Keerti' for the year 2021-22 in the category of undertaking 'A' area for best performance in official language. PFC has been awarded this award for the ninth consecutive time.
- **Governance**
  - PFC has been ranked 9th amongst the Top 10 Profit-making CPSEs as per the "Public Enterprises Survey 2021-22" published by the Department of Public Enterprises, Ministry of Finance, Govt. of India.
  - PFC was ranked at '34' out of 'Top 500' Indian Companies by the Fortune Magazine.
  - ICAI Gold Shield Award in the category of 'Public Sector Entities' of ICAI Awards for Excellence in Financial Reporting for 2021-22.
  - Governance Now (Sab TV Group's) Award to PFC in the categories of "Best Performer (Financial) & Use of Emerging Technologies: Cloud".
  - PFC bagged Dun & Bradstreet's India's Best PSU Award in the category of "Best Navratna" in a virtual format.
  - Smt. Parminder Chopra, presently CMD, PFC has been bestowed with 'Icon of the year' award by the Institute of Cost Accountants of India.
- **Others**

  PFC bagged four awards at the 16th Annual Global Communications Conclave organized by the Public Relations Council of India in the categories of Best Corporate Film (Gold), Best Annual Report (Silver), Best House Journal Print (Regional) and Best Use of Social Media.

17. VIGILANCE: FOSTERING ACCOUNTABILITY AND TRANSPARENCY

PFC operates with a proactive vigilance unit functioning as a robust vigil mechanism within the corporation. During the Financial Year 2022-23, the Vigilance Unit has undertaken preventive vigilance, emphasizing periodic & surprise inspections of various units, contributing to operational integrity and transparency. During the period, the Vigilance Unit has also issued instructions/operative guidelines to rationalize systems and procedures in order to eliminate gaps and confirming transparency in day to day operations. As a new initiative the first edition of the Vigilance Magazine "Prahari" was inaugurated, which contains various articles related to vigilance, power & allied sector and award winning entries of the Vigilance Awareness Week. The Vigilance Unit carried out detailed investigation in respect of complaints registered during this period.

Power Finance Corporation Limited observed Vigilance Awareness Week from 31.10.2022 to 06.11.2022, actively promoting ethical practices and the theme "Corruption-Free India for a developed India." On this 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 -2022 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, Instagram, and Newspapers including their online editions. To instill integrity and ethical values, "e-pledge on Integrity" was taken by the employees via the intranet and PFC website.

During the week, competitions focused on Pictorial, Slogan Writing, Poem Writing were organized 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. A one day workshop on the topic PFC's Conduct, Discipline and Appeal Rules" was also organized by the Corporation with eminent faculty for the benefit of employees, in which regular employees participated. A talk "ABBFF and Role of IAC" was also organized for the employees of the PFC by Shri Vijay Kumar Tyagi, CVO, PNB. A Talk session on Preventive Vigilance was organized by the PFCCL for employees of the PFCCL by Shri R. N. Nayak, Ex-Director, CVC. It emphasized upon constant systemic improvements, integrity and transparency in public life.

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 2023 were prepared in respect of corporate office at Delhi and regional offices at Mumbai and Chennai in consultation with the CBI, aligning with transparent and responsible practices. Prescribed periodical statistical returns were sent to CVC, CBI, MOP on time.

The Vigilance Unit continuously pursued systemic improvements to improve transparency, objectivity and accountability in the operations of the corporation. Thus, it has contributed towards strengthening in the functioning of the organization.'

18. OFFICIAL LANGUAGE

PFC always gives utmost priority to Rajbhasha Hindi in all its official working. It is a matter of great pride that PFC has been awarded with the Third Prize in Public Sector Category in Region 'A' of 'Rajbhasha Kirti Puraskar' for 2021-22 by Rajbhasha Vibhag, Ministry of Home Affairs for its concerted efforts made in implementation of Official Language Policy. The Prize has been received by PFC for consecutively 9th time.

Hindi Day on September 14, 2022 and Hindi Month from September 14, 2022 to October 13, 2022 were celebrated to create a Hindi oriented environment. Five (05) competitions like 'Katha Visataran', 'Hindi Tippan evam Aalekhan', 'Rajbhasha Niti', 'Shabd Gyan' and 'Anek Rang Ek Pratiyogita ke sang' were organised during the Hindi Month. A play "Mahabharat – Ek Amar Katha" was organised for PFC employees during Hindi Month on 07.10.2022 at Sirifort Auditorium Complex, New Delhi. The play was presented by the well-known theatre company 'Felicity Theatre'. The drama is written and directed by film, television veteran Puneet Issar. Along with Puneet Issar, many veteran actors like Gufi Paintal, Rahul Bhuchar presented their brilliant performances in this play.

During the year, 06 Hindi workshops and 01 Sangoshthi were organised in which 336 employees participated. Apart from the competitions held during Hindi month, in order to motivate employees, 04 Hindi competitions namely 'Smaranshakti Pratiyogita', 'Bujho toh Jaane Pratiyogita' and 'Shabdon Ka Taana-baana Pratiyogita' and 'Vishwa Hindi Diwas Pratiyogita' were also organised in which 205 employees participated. Review meetings with various units, internal inspections and Personal contact programme were conducted for the purpose of reviewing the Rajbhasha related work being done by these units and employees. To motivate the employees towards Hindi, the book "Kamayani" written by Jaishankar Prasad was distributed to all the employees.

The meeting of Hindi Salahakar Samiti, Ministry of Power was held on May 12, 2022 at Ashok Hotel, New Delhi. All co-ordination work related to the arrangement of this meeting was done by PFC. The meeting was presided over by Shri R. K. Singh, Hon'ble Minister of Power and New & Renewable Energy.

Four (04) Issues including 'Atulya Bharat Visheshank' of House Journal 'Urja Deepti' were also published and made available on website of Department of Official Language, Ministry of Home Affairs.

All these efforts were motivational tools in creating possibilities of better and progressive use of Rajbhasha Hindi 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

Dass Gupta & Associates, Chartered Accountants and Prem Gupta & Company, Chartered Accountants were appointed as Joint Statutory Auditors of the Company for FY 2022-23 by the Office of the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2022-23 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 FY 2022-23. Secretarial Audit Report is annexed herewith.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY 2022-23 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. DIGITIZING 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 e-mail IDs are registered. The intimation of dividend (interim/final) is also being sent electronically to such shareholders. Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in postal ballot and Annual General Meeting (AGM). The Company 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 FY 2022-23. Further, no Perpetual Debt Instruments (PDI) was issued by your Company during FY 2022-23. The Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines.

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 FY 2022-23.

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.

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 FY 2022-23 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 FY 2022-23 aggregated to ₹ 10,226.94 crore. The Foreign exchange earnings for the FY 2022-23 were nil. The payments are majorly for the purpose of servicing principal and interest component of foreign currency borrowings.

xiv. Total expenditure for the FY 2022-23 amounted to ₹ 25,495.01 crore as against total expenditure of ₹ 26,363.52 crore in FY 2021-22. Out of it, finance cost amounted to ₹ 23,282.57 crore in FY 2022-23 as compared to ₹ 22,671.30 crore in FY 2021-22. This constituted 91.32 % of total expenses in FY 2022-23. During FY 2022-23, employee benefit expenses and other expenses were ₹ 219.01 crore and ₹ 128.55 crore respectively against 213.11 crore and ₹ 122.71 crore respectively in the previous year.

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

The Statutory Auditors of the Company i.e. Dass Gupta & Associates, Chartered Accountants and Prem Gupta & Company, Chartered Accountants and have also 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, 2023 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.

xvi. The Annual Return of PFC for FY 2021-22 is available on the link chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Return/Annual_Report_21_22.pdf and for FY 2022-23 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 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 66.09% 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, 309 MSEs were benefited out of which 19 MSEs belonged to SC/ST category and 48 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 FY 2022-23 and the targets for FY 2023-24 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:

Sr. No.	Particulars	FY 2022-23 (₹ in crore)	Target for FY 2023-24 (₹ in crore)
I.	Total annual procurement (in value)	46.81	169.2 (135* + 34.2)
II.	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	30.93	42.3
III.	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs.	3.90	6.768
IV.	% age of procurement from MSE (including MSEs owned by SC/ST entrepreneurs) out of total procurement.	66.09	25
V.	% age of procurement from only MSEs owned by SC/ST entrepreneurs) out of total procurement	8.33	4
VI.	Total Number of vender development programmes for MSEs	3	2
VII.	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same.	https://www.pfcindia.com/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Public_Procurement_Policy_for_MSME/Procurement%20Target%20%20and%20Profile%202023-24%20V0_0.pdf	

*One Time IT infrastructure refresh expenditure planned for FY 2023-24

23. INFORMATION TECHNOLOGY

PFC has undertaken various information technology initiatives to achieve sustainable business growth, improve overall productivity, ensure data integrity and data privacy. PFC has implemented state-of-the-art Data center providing various IT services and housing ERP application system to integrate all the Business functions, reflecting PFC's commitment to operational excellence.

Digital Transformation & ERP Implementation

MS Unit 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 help PFC to reflect the standards of being a MAHARATNA. As part of this, the most ambitious project is to implement a comprehensive IT ERP platform that can ensure end-to-end integration and digitization of the processes and services as a single source of truth. At present, the ERP platform is under implementation stage and some modules are released for user experience.

Enhancing Digital reach - Online Borrower Services

In the digital era, Information Technology has been put to use to ensure timely "information sharing" to enhance the customer experience of the borrowers. PFC has implemented "Online Borrower Portal", through which the disbursement detail, loan ledger, due-receipt, outstanding detail & remittance detail etc., are made available in an online mode which can be accessed for instant information dissemination. Through this portal, borrowers not only have access to their loan data instantly, and also it allows them to plan for further necessary action timely.

Business automation & Paperless Office

PFC continuously poised to utilize Information Technology to enable its employees to cater to business functions efficiently. Implementation of collaboration tools for online meetings, e-Office solution for efficient file processing, paperless digital board meetings thru Board Pac and paperless employee claims are few of the initiatives highlighting PFC's efforts in going Green.

Adopting Robust Cyber Security Measures

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 Ministry of Power, the "Cyber Jagrukta Diwas" is being conducted on every first Wednesday of the month at PFC, contributing to a vigilant cyber-safe environment.

Ensuring Business Continuity

It is very crucial to safeguard the business operations of PFC in order to ensure business continuity. As a milestone achievement, PFC has established a disaster recovery site on a private cloud which is considered as highly secured, to replicate the existing data center setup in a different seismic zone. With this, PFC can continue its business operation during any disaster or cyber security incidents. This critical measure bolsters PFC's commitment to sustainability and resilience.

PFC Website & Knowledge sharing

The bi-lingual PFC website is maintained with up-to-date information as per "Guidelines for Indian Government Websites". The face uplifted website has been made more informative to address the information requirements of external stakeholders.

Business Analytics

MIS portal for Business intelligence and reporting requirements is in place for decision support. The portal has been enriched regularly with more business data metrics.

Knowledge sharing Portal

To share their domain knowledge amongst employees handling various functions within PFC, a software portal has been developed which is named as "PEEPAL" for knowledge sharing, mutual appreciation and to create a positive association among the employees.

Compliance to guidelines issued by statutory bodies

The compliance guidelines issued by various statutory & regulatory bodies have been stringently followed and implemented at PFC. As per the guidelines issued by RBI vide Master Directions to NBFCs, the IT Strategy Committee has been constituted, IT policy has been implemented & IT audits are being carried out regularly on annual basis. All guidelines & regulations pertaining to Information Technology issued by various statutory and regulatory bodies like Meity, RBI, MoP, NCCC, NCIIPC etc. have been implemented and strictly followed by PFC.

Through these strategic IT initiatives, PFC continues its unwavering dedication to ESG principles, contributing to sustainable growth, operational efficiency, and responsible corporate practices.

24. ESTABLISHMENT OF VIGIL MECHANISM

The establishment of a robust vigil mechanism is a pivotal aspect of your Company's commitment to Environmental, Social, and Governance (ESG) principles. This mechanism encompasses a range of codes and policies, including fair practices, codes of conduct, prevention of insider trading, fraud prevention, related party transactions, public procurement, and a comprehensive whistle-blower policy. These measures reinforce the organization's focus towards transparent, accountable and ethical business practices.

The vigil mechanism's effectiveness is underscored by its accessibility and visibility. Details of these codes and policies, along with pertinent information, are readily available on the Corporation's official website. This not only reflects your Company's commitment to open communication but also empowers stakeholders to understand and engage with the principles that govern the organization.

25. GRIEVANCE REDRESSAL

PFC has a Grievance Redressal System for dealing with grievances of the public at large and in accordance with the guidelines issued by the Government of India, the Company has also constituted a Grievance Redressal Committee to redress the grievances of its employees.

The transparency and accessibility of this system are key tenets of PFC's responsible governance approach. The status of public grievances is openly available on the PFC web portal, accessible to all stakeholders.

The link for accessing the same is as under:-

https://pfcindia.com/DocumentRepository/ckfinder/files/Statutory_Requirements/Status_of_Public_Grievances/PFC%20CPGRAMS%20Report.pdf

The systems are duly notified and the Nodal Officers ensure quick redressal of grievances within the permissible time frame. PFC's commitment to transparency extends further through its Citizen's Charter, ensuring clear communication of its business practices. 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
Secretarial Audit Report	E
Annual Report on CSR Activities	F
Disclosure of particulars of contracts/arrangements entered into by the Company with related parties (AOC-2)	G
Details of Debenture Trustees	H

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: August 21,2023

Management Discussion & Analysis Report

ANNEXURE A OF BOARD'S REPORT

The last year has been a year of robust performance for Power Finance Corporation Limited (PFC). The economic environment appears more promising than before and it is believed that it will continue to drive capex growth in the power sector.

The Management of the Company (PFC) is pleased to present its Report on Industry scenario including Company's performance during the FY 2022-23.

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

India has emerged as a major force in the global energy economy. As the world is grappling with the challenge of climate change, India is committed towards reducing its carbon footprint in line with the global response to tackle this challenge. India's approach of growth in power sector is resonating with the global demand of shift towards green generation. In this regard, India stands committed to reduce Emissions Intensity of its GDP by 45 percent by 2030, from 2005 level and achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.

Between 2005 and 2022, per capita electricity consumption doubled from 631 Unit to 1255 Unit in India, making it the third largest electricity market in the world. With the onset of Covid-19 pandemic the pace of energy development of the country slowed down temporarily. However, the actual power scenario observed during FY 2022-23 is indicating return to normalcy from Covid pandemic as power consumptions are higher than the trends witnessed in the recent past. With steady economic growth expected there is much scope of the Demand to rise.

The Government of India has identified the power sector as a key sector to promote sustained industrial growth. Some initiatives by the Government to boost the Indian power sector are as below:

- In the Union Budget 2022-23, the government allocated ₹19,500 crore for a PLI scheme to boost manufacturing of high-efficiency solar modules, the government announced the issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems.
- Electrification in the country is increasing with support from schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).
- 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.
- The Pradhan Mantri Sahaj Bijli Har Ghar Yojana, "Saubhagya", was launched by the government of India with an aim of achieving universal household electrification.

The total fund requirement for the period 2022-2027 is estimated to be ₹14,54,188 crores, which also includes the likely expenditure during 2022-27 for advance action for the projects expected to get commissioned during 2027-2032. The total fund requirement for the period 2027-2032 has been estimated to be ₹19,06,406 crore. This fund requirement does not include advance action for the projects which may get commissioned after 31.03.2032.

Based on the estimation of fund requirement for the period 2022-27 and considering sector-wise equity contribution, it is estimated that developers will be required to arrange for total debt of ₹10,90,641 crore.

Generation

Installed Capacity

The total installed capacity as on March 31, 2023 was 416059 MW. Thermal sources continued to have a dominant share at around 57% (237268.91 MW), Hydro around 11% (46850.17 MW), Renewable around 30% (125159.81 MW) and Nuclear around 2% (6780.00 MW). The installed capacity stood at around 25% (105726.43MW) in state sector, around 51% (210278MW) in private sector and around 24% (100054.93MW) in central sector.

The country has significant potential of generation from renewable energy sources. All efforts are being made by Government of India to harness this potential. With a substantial increase in renewable capacity and higher output from wind farms (due to improved wind speeds) and better availability of gas at competitive prices, the contribution of coal/lignite-fired plants is expected to decrease from current levels. As per National electricity plan 2023, the share of non-fossil based capacity is likely to increase to 57.4% by the end of 2026-27 and may likely to further increase to 68.4% by the end of 2031-32.

The Overall generation (Including generation from grid connected renewable sources) in the country increased by 8.89% from 1491.859 BU during 2021-22 and 1624.465 BU during 2022-23. The performance of Category wise generation during the year 2022-23 is as follows:-

Thermal Increased by	8.21%
Nuclear Increased by	2.66%
Hydro Increased by	6.91%
Bhutan Import Reduced by	10.02%
Solar Wind & Other Renewable energy source increased by	19.10%

The growth of the renewable energy (RE) sector in India can be attributed to strong policy support from the Indian government, as well as robust investor interest driven by a greater focus on environmental, social, and governance (ESG) factors and attractive returns on assets. The market has attracted a wide range of global investors, including pension funds, sovereign wealth funds, private equity funds, and conglomerates that have established a presence in India.

Over the years, participants in the RE sector have found it relatively easier to raise debt both domestically and internationally. This is due to the improved creditworthiness of the participants and a general decrease in interest rates over the medium-term. Various avenues have been explored by Indian RE players to raise funds, including domestic loans, domestic bonds, external commercial borrowings (ECBs), and green bonds.

Lender appetite has been supported by the introduction of new and innovative financing structures. These include cross-collateralisation between multiple projects, cash pooling, and co-obligor structures. Additionally, credit enhancement has been achieved through partial or full guarantees provided by stronger entities or institutions.

Transmission

Transmission system plays an important role in supply of power to the consumers through the vital link between the generating stations and the distribution system. The energy resources like coal, hydro and renewable are unevenly distributed in India. This skewed distribution of resources necessitated the development of robust transmission system including establishment of inter-regional corridors for seamless transfer of power from surplus to deficit regions/areas.

During FY 2022-23, 14625 Ckm(Circuit km) of transmission lines have been added comprising of 1655 Ckm of 765 kV, 3772 Ckm of 400 kV and 9198 Ckm of 220 kV.

The achievement of Transmission Lines during 2022-23 sector wise is as follows:

In (Ckm)

Central Sector	3926
State Sector	6816
JV/Private Sector	3883

Your Company, through its subsidiary PFC Consulting Limited has initiated Tariff Based Competitive Bidding Process (TBCB) for development and strengthening of transmission system through private sector participation. The objective of this initiative is to develop transmission capacities in India and to bring in the potential investors after developing such projects to a stage having preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required etc.

During the FY 22-23, 6 SPVs established for development of transmission projects, has been transferred to the successful bidders selected through TBCB.

Distribution

The distribution sector is the most important link in the power sector value chain, which channelises the revenue realisation to provide overall stability to the sector. To improve the operational and financial health of DISCOMs, the Government has launched the Revamped Distribution Sector Scheme (RDSS) in 2021 and Late Payment Surcharge (LPS) scheme in 2022

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 (FY 2021-22 to FY 2025-26).

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 3, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

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

For operationalisation of Rules, PRAAPTI Portal (developed and managed by PFC Consulting Ltd.) acts as an information portal wherein suppliers enter invoice details and Discoms update the corresponding payment 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 ₹1,39,747 crore as on 03.06.2022, 13 States/ UTs have paid installment of ₹69,790 crore (12 EMIs). Discoms of 11 out of these 13 states opted for loans from PFC/ REC (total loan sanctioned of ₹1,05,065 crore). Further, 20 States/ UTs reported to have no outstanding dues as on 03.06.2022

In view of regulations under LPS Rules, 2022 the Distribution companies are paying their current dues in time. Since implementation of the rule, as on July 24, 2023, total bills amounting to ₹4,85,041 crore have been settled against total billed amount of ₹5,60,366 crore (excluding EMI Payments against legacy dues and including Disputed Invoices).

Infrastructure Financing

As the Infrastructure sector is stepping up, financing the same is emerging as a strong sector in India. India's G20 presidency presents an opportunity for the country to shape its infrastructure agenda and lead the way in global infrastructure development. With the aim of achieving a $5 trillion economy by 2025, India recognises the crucial role of infrastructure in sustaining its high growth trajectory. Given its youthful population, expanding middle class, and vast domestic market, global investors are increasingly drawn to India as a preferred destination for infrastructure investments. The Indian infrastructure financing landscape is maturing, with the availability of private equity, robust regulatory frameworks, competitive debt financing, and innovative financing structures like InvITs (Infrastructure Investment Trusts).

In order to leverage potential synergies of emerging opportunities in the changed business environment and to facilitate providing financial assistance to Infrastructure Sector for meeting its financing and development requirements, the GoI granted its assent to your Company for lending to Logistics and Infrastructure sectors. As on March 31, 2023, PFC has sanctioned around ₹ 16,647 crores and disbursed around ₹ 1,016 crores of loans to new areas of Desalination plants, Ports, Metro rail etc.

(B) OPPORTUNITIES & THREATS

Opportunities

With Maharatna status, your Company acquired greater operational and financial autonomy and imparted enhanced power to the PFC Board for taking various financial decisions like to make equity investments to undertake financial joint ventures and wholly-owned subsidiaries, undertake mergers and acquisitions in India and abroad etc. The Board can also structure and implement schemes relating to personnel and Human Resource Management and Training. They can also enter into technology Joint Ventures or other strategic alliances among others.

During FY 2022-23, PFC added funding to Logistics and Infrastructure sectors to its business line. It was a milestone decision which will play a crucial role in PFC's long-term business growth. The idea is not to shift focus from power to infra but to gradually build it over time, creating a separate business line, as the power sector matures.

To meet the demands of India's growing population and economic development, substantial investments in transport infrastructure are necessary. The budget for overall capex in 2023-24 has seen a significant increase of 33% to ₹10 lakh crore (USD 122 billion), amounting to approximately 3.3% of GDP. Additionally, the establishment of the Infrastructure Finance Secretariat aims to facilitate private investment opportunities in various sectors, including railways, roads, urban infrastructure, and power.

Thanks to policy reforms, increased project awards by central and state authorities, and capital recycling through stake sales of completed projects, the credit profile of most infrastructure entities in India has witnessed improvement over the past two years, despite the challenges posed by the pandemic. Against the backdrop of growing economic and political uncertainty worldwide, the stability and resilience of infrastructure projects provide a ray of hope for patient capital, while contributing to climate targets and the development of more robust and inclusive infrastructure.

Since receiving approval, PFC has already sanctioned around ₹16,650 crore and disbursed around ₹1,000 crore. These funds have been directed towards projects such as ports, irrigation and fibernet.

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.

(E) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Statutory Auditors of the Company i.e. Dass Gupta & Associates, Chartered Accountants and Prem Gupta & Company, 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, 2023 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 FY 2022-23. The total income stood at ₹39,666 crore and the net profit earned was ₹11,605 crore.

Further, Net Worth (share capital plus all reserves) of the Company grew by 15% in FY 2022-23 to ₹68,202 crore as compared to ₹59,350 crore in FY2021-22 and the gross loan assets as at March 31, 2023 grew to ₹4,22,498 crore from ₹3,73,135 crore as at March 31, 2022.

The Interest Spread on Earning Assets was 2.53% and the net Debt Equity Ratio was 5.32 times in FY2022-23 as compared to 5.38 times in FY 2021-22. The Operating Margin % has increased from 31.60% in FY 2021-22 to 35.70% in FY2022-23 and the Net Profit Margin% has increased from 25.97% in FY 2021-22 to 29.26% in FY2022-23.

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

(G) 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. 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 the period, several new initiatives were taken for employees' welfare such as introducing flexi-timing for employees below HoU level, implementing paperless medical claims system and review of certain employee related provisions.

The Industrial Relations within the Company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the Company. There were no man-days lost during the year under review. The attrition during the period from April 1, 2022 to March 31, 2023 was 0.04%. Total Number of employees on the rolls of the Company as on March 31, 2023 was 519.

(H) 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 implemented its CSR and Sustainability Policy with all its earnest and zeal. The Company 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 etc. Further, as per DPE's mandate, PFC has also been contributed to thematic areas i.e. 'Health & Nutrition, with preference given to Aspirational Districts.

(I) RENEWABLE AND CLEAN DEVELOPMENT MECHANISM

Renewable Energy offers opportunity to contribute to social and economic development, energy access, secure energy supply, climate change mitigation, and the reduction of negative environmental and health impacts.

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. Towards this end, thermal power generators have been allowed to set up renewable energy capacities on their own or through dedicated developers and to supply it to the consumers under the existing PPAs.

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. These initiatives include certain minimum specified percentages of state distribution utilities' total power requirements required to be met from renewable energy sources and special tariffs for renewable energy projects.

PFC is also focusing more and more on finance to clean/ renewable energy projects. As on March 31, 2023, PFC's Gross Loan assets comprised of ₹ 48,198 crore in Renewable energy comprising ₹ 16,251 crore of large hydro projects (>25MW) and ₹ 31,947 crore other than large hydro projects.

During FY 2022-23, PFC has signed a Loan Agreement for JPY 30 billion with Japan bank for International cooperation (JBIC). Further, a Project Loan agreement (PLA) has also been signed for JPY 2.65 billion between PFC and JBIC. JBIC has provided this long-term facility under its initiative titled 'Global action for Reconciling Economic growth and Environmental preservation' ("GREEN"). Thus, the funds under the facility would be used by PFC to finance its renewable energy portfolio.

India's energy transition landscape is quite exciting with newer technologies being explored to reduce carbon emissions. Some of the emerging technologies that are now being explored for commercial expansion are green hydrogen, battery storage, pump storage and offshore wind. PFC's thrust in the coming years is to actively target these technologies and contribute in making India a greener nation.

Cautionary Note

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

Integrated Reporting

ANNEXURE B OF BOARD'S REPORT

Integrated Reporting (IR) brings together material information about the Company's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It leads to a clear and concise articulation of your value creation story which is useful and relevant to all stakeholders.

The IR framework enables your Company to disclose a holistic view of value created beyond the financial capital, contributing to the economic, social and environmental system. This disclosure 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.

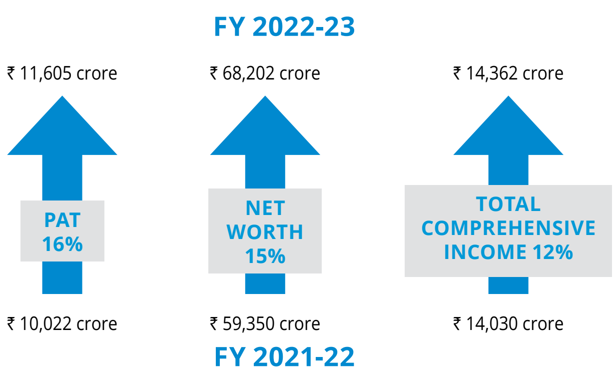
The capitals are categorised in the above said framework as financial, manufactured, intellectual, human, social & relationship and natural.

THE SIX CAPITALS

Financial capital

Financial capital is the sum of funds available to an organisation including Cash in Bank, Invested Capital, Liabilities, OPEX (operational expenditure), CAPEX (Capital expenditure), NBV (Net book value) & True Assets Value and Income. 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. However, PFC contributes to manufactured capital by way of its tangible and intangible infrastructure.

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 ensure business continuity.

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 accounts for the intangibles that provide competitive advantage to the Company and is associated with brand and reputation, in addition to patents, copyrights, organisational systems and related procedures that an organisation has developed.

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 competencies, capabilities, and talent of the Company's employees, in addition to their commitment and motivation — which affect their ability to fulfill their roles.

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 the period, several new initiatives were taken for employees' welfare such as introducing flexi-timing for employees below HoU level, implementing paperless medical claims system etc.

The relations within the Company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the Company. The reason being, PFC has been consistent in holistic personality development of its employees through facilities like Gymnasium, participation of employees in various sports, cultural and literary activities.

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 represents an organisation's engagements and relationships with external stakeholder groups, namely clients, investors, suppliers, communities, government and regulators.

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, 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, with preference given to Aspirational Districts.

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 represents all the natural resources that are used and in turn are affected by the operations of an organisation.

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.

To help make the Nation cleaner and greener, PFC has sanctioned a loan of ₹ 633 crores to Gensol Engineering Ltd (GEL) for purchase of 5,000 passenger Electric Vehicles (EVs) and 1,000 cargo EVs. The passenger EVs will be leased to Blusmart Mobility Pvt. Ltd. (BMPL) to expand its fleet of ride-hailing cabs. The first tranche of the loan has been disbursed, and the first lot of EV cabs has hit the roads of Delhi. Touted to be the largest EV Asset financing deal in India, the 5,000 EVs funded by PFC would result in emission savings of over 1,00,000 tonnes of CO_2 equivalent. This is equivalent to the amount of carbon dioxide absorbed by over five million fully-grown trees in a year.

With a vision of accelerating India's net-zero goal, PFC, apart from funding renewables in a big way, has been exploring opportunities in debt funding of EVs (OEMs and fleet acquisition), Battery OEMs and EV charging infrastructure.

During FY 2022-23, your Company received 'Green Urja Energy Efficiency Award' for being the Best Renewable Energy Financing Institution at the Atma Nirbhar Bharat Summit organised by Elets. It also received the Indian Chamber of Commerce's (ICC) Gold Award for the "Top Financing institution in Renewable Energy and Energy Efficiency 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.

Report on Corporate Governance

ANNEXURE C OF BOARD'S REPORT

Corporate Governance is a process that aims to allocate resources of the Company in a manner that maximises value for all stakeholders – shareholders, investors, employees, customers, suppliers, environment and the community. It is set of processes, policies and laws by which a company is directed, administered or controlled. Corporate Governance casts responsibility on the Company to be accountable to its stakeholders by evaluating their decisions on the parameters of transparency, conscience, fairness, accountability and professionalism. 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.

Your Company has always endeavoured to practice good Corporate Governance norms to attain company's objectives while maximising stakeholders value.

A Report in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) 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.

1. 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.

2. BOARD OF DIRECTORS

The Board of Directors of your Company provides leadership, objective judgement and strategic guidance to the Company. 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, 2023 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 FY 2022-23, the following changes took place in the composition of the Board of Directors of the Company: -

(i) Shri Ajay Tewari, Additional Secretary, Ministry of Power was nominated by Ministry of Power, Government of India as Government Nominee Director on the board w.e.f. June 9, 2022 vice Shri Vishal Kapoor, Joint Secretary, who was earlier nominated on the Board of PFC.

(ii) Consequent upon completion of tenure, Shri R. C. Mishra, Independent Director, ceased to be a Member of the Board w.e.f. July 11, 2022.

(iii) Consequent upon appointment by Ministry of Power, Government of India, Shri Manoj Sharma assumed the charge of Director (Commercial) w.e.f. August 29, 2022.

As on March 31, 2023 the Company's Board comprised of eight Directors which includes four Whole Time Functional Directors, one Part Time Government Nominee Director and three Non-Official Part Time (Independent) Directors, including one Independent Women Director and thus is in compliance with the composition required pursuant to the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by DPE.

During the FY 2022-23, the composition of the Board of Directors w.e.f. July 11, 2022 was not in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by DPE. 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, 2023 was as follows:

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

* Consequent to superannuation, Shri Ravinder Singh Dhillon ceased to be Chairman & Managing Director on the Board of PFC w.e.f. June 1, 2023

Appointment of Chairman and Managing Director

Pursuant to Ministry of Power, Government of India, vide Order No.24-8/1/2022-PFC(MoP) dated 31.05.2023, Smt. Parminder Chopra, Director (Finance), PFC had assumed the additional charge of Chairman and Managing Director, PFC w.e.f. 01.06.2023.

Subsequently, Ministry of Power, Government of India, vide Order No. 24-8/1/2022 - PFC (Part 3) (MoP) dated August 14, 2023 appointed her to the post of Chairman and Managing Director, PFC and accordingly Smt. Parminder Chopra assumed the charge of Chairman and Managing Director, PFC w.e.f. August 14, 2023.

Your Company has under the RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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 FY 2022-23.

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.

Since, PFC is a Government Company, the Directors on the Board of the Company are appointed by the Government of India through Ministry of Power. Further, PFC being an NBFC engaged in the business of Financing Power Sector, the Ministry of Power ensures that the Directors appointed on the Board of the Company have the requisite skills and expertise in the areas required to conduct affaires of the Company i.e. finance and technical etc. The details of qualifications and experience illustrating the core skills, expertise, and competencies in Financial Management, Risk Management, Corporate Planning & Strategy, Business Development etc., of the Members of the Board are detailed hereinafter in the report. Also, a brief profile of the Directors as on the date of Directors' Report is provided in this report.

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 14 times on the following dates:

(i) April 9, 2022 (ii) May 25, 2022 (iii) June 29, 2022 (iv) July 18, 2022 (v) August 12, 2022 (vi) September 5, 2022 (vii) September 28, 2022 (viii) November 10, 2022 (ix) November 22, 2022 (x) December 17, 2022 (xi) January 13, 2023 & January 21, 2023 (Adjourned) (xii) February 13, 2023 & February 16, 2023 (Adjourned) (xiii) March 21, 2023 and (xiv) March 23, 2023.

Annual General Meeting

The last Annual General Meeting of the Company was held on September 21, 2022.

Directors' attendance (physical presence/through video conferencing) at the Board Meetings held during the FY 2022-23 and at the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of other companies, core skills, expertise, and competencies of the Members of the Board etc. are as follows:

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2023*	Chairmanship/ Membership in the committees of other companies as on March 31, 2023**		Attendance at the last AGM held on September 21, 2022	Core skills, expertise and competencies
	Held during the tenure	Attended		Member	Chairman		
Shri R. S. Dhillon Chairman & Managing Director	14	14	1	Nil	Nil	Present	• B.E (Electrical) - Thapar Institute of Engineering & Technology, Patiala • M. Tech (Power Systems)- Indian Institute of Technology (IIT), Delhi • More than 37 years of experience in Power Sector
Smt. Parminder Chopra Director (Finance)	14	14	7#a	2	0	Present	• Bachelor's degree in Commerce from Delhi University • Qualified Cost and Management Accountant. • Post Graduate Diploma in Business Management. • Advanced programmes on Risk Management and Global Management in world renowned institutes i.e. Harvard University, USA and European School of Management. • More than 35 years of experience in power sector.
Shri Rajiv Ranjan Jha Director (Projects)	14	14	2	Nil	Nil	Present	• He holds a Bachelor Degree in Science (Mechanical Engg.) from NIT Jamshedpur of Ranchi University • Diploma in Management from IGNOU • More than 35 years of experience in power sector.
Shri Manoj Sharma Director (Commercial) (w.e.f. August 29, 2022)	9	9	3	Nil	Nil	Present	• Chartered Accountant • Degree in Law (LLB). • More than 31 years of experience in Power Sector.
Shri Ajay Tewari Director (Government Nominee) (w.e.f. June 9, 2022)	12	9	2	Nil	Nil	Not present	• He holds a B.tech (Electric Engineer) degree from IIT, Kanpur. • PG Diploma in Financial Management from IGNOU, New Delhi. • He is an Indian Administrative Service Officer of 1993 batch of Assam Meghalaya Cadre. • He has also worked in GAIL and Ordnance Factory.
Shri. Vishal Kapoor Director (Government Nominee) (till June 8, 2022)	2	2	Term of office expired on June 8, 2022			NA	-

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2023*	Chairmanship/ Membership in the committees of other companies as on March 31, 2023**		Attendance at the last AGM held on September 21, 2022	Core skills, expertise and competencies
	Held during the tenure	Attended		Member	Chairman		
Shri R. C. Mishra Independent Director (till July 11, 2022)	3	3	Term of office expired on July 11, 2022			NA	-
Shri Bhaskar Bhattacharya Independent Director	14	14	Nil	1	0	Present	• B.Com (Hons.) • L.LB, Post Graduate Diploma in Business Management • Work experience of more than 28 Years
Smt. Usha Sajeev Nair Independent Director	14	14	Nil	0	1	Present	• B.A. • Social Worker
Shri Prasanna Tantri Independent Director	14	13	Nil	0	1	Present	• B.Com, Mangalore University • ICWA, Institute of Cost Accountants of India • FPM, Indian School of Business • PGP, Indian School of Business • Ph.D, Deakin University

* 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 and PTC 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 is a Director. None of the Directors of the Company are in any way related to each other.

Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held on March 10, 2023 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 FY 2022-23 held on April, 09 2022, 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 FY 2023-24 held on May 9, 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. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfill the conditions specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management. No Independent Director has resigned during the FY 2022-23.

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 weblink given hereunder:

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Equities/Disclosure/Details%20of%20Familiarisation%20Programs%20Imparted%20to%20Independent%20Directors.pdf

3. COMMITTEES OF THE BOARD OF DIRECTORS

In terms of the regulatory requirements and in order to facilitate expeditious consideration and focused decision-making on the affairs of the Company, the Board has constituted Board level committees with distinct role, accountability and authority. The board had accepted the recommendations of committees of the board which is mandatorily required, in the relevant financial year. The Board Level Committees are as follows:

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) Investment Committee of Directors

vii) HR Committee

viii) ALM Committee of Functional Directors

i. 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, 2023, the Audit Committee comprised of the following:

Name of Member	Designation
Shri Prasanna Tantri, Independent Director	Chairman
Shri Bhaskar Bhattacharya, Independent Director	Member
Shri Rajiv Ranjan Jha, Director (Projects)	Member

The Company Secretary continued to be the Secretary to the Committee. 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 FY 2022-23, 7 meetings of the Audit Committee were held i.e. (i) May 25, 2022 (ii) August 12, 2022 (iii) September 26, 2022 (iv) November 9, 2022 & November 10, 2022 (adjourned) (v) November 22, 2022 (vi) January 13, 2023 and (vii) February 13, 2023.

The details of the meetings attended (physical presence/ through video conferencing) by members during the FY 2022-23 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Prasanna Tantri	Chairman	6	6
	Member	1	1
Shri Bhaskar Bhattacharya	Member	6	6
Shri Rajiv Ranjan Jha	Member	7	7
Shri R.C Mishra (till July 11, 2022)	Chairman	1	1

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.

ii. 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, 2023 the Nomination and Remuneration Committee comprised of the following:

Name of Member	Designation
Smt. Usha Sajeev Nair, Independent Director	Chairperson
Shri Bhaskar Bhattacharya, Independent Director	Member
Shri Prasanna Tantri, Independent Director	Member

Director (Finance), Director (Projects) and Director (Commercial) are permanent invitees to the meetings of the said 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 FY 2022-23, 5 meetings of the Nomination and Remuneration Committee were held i.e. (i) April 8, 2022 (ii) June 29, 2022 (iii) September 5, 2022 (iv) September 23, 2022 & September 26, 2022 (Adjourned) and (v) December 16, 2022.

The detail of the meeting attended (physical presence/ through video conferencing) by members during the FY 2022-23 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Usha Sajeev Nair	Chairperson	3	3
	Member	2	2
Shri Prasanna Tantri	Member	3	3
	Chairperson	2	2

Shri Bhaskar Bhattacharya	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 5, 2015 has *inter alia* exempted the Government Companies in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, as per its own evaluation methodology. Accordingly, PFC being a Government company is exempted in terms of above notification as the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

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

Remuneration of Whole Time Directors

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

Details of remuneration of Whole Time Directors of the Company during FY 2022-23 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, 2023
Shri R. S. Dhillon	47,52,130	13,98,132	0	28,48,040	0	89,98,302	27,050
Smt. Parminder Chopra	43,66,854	16,29,134	0	26,03,151	0	85,99,139	2,000
Shri Rajiv Ranjan Jha	47,47,192	17,07,290	0	25,92,908	0	90,47,390	16,004
Shri Manoj Sharma (w.e.f. August 29, 2022)	26,89,336	791,124	0	6,29,256	0	41,09,716	Nil

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 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.

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, 2023, 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:

a) The details of Executive Directors i.e. one level below the Board and KMP (other than whole time Directors) as on March 31, 2023 are as follows:

Sr. No.	Employee Name	Designation
1	Sandeep Kumar	Executive Director
2	Sanjay Sharma	Executive Director
3	Raj Kumar Malhotra	Executive Director
4	Rajesh Kumar Bhardwaj	Executive Director
5	Pranab Kumar Sinha	Executive Director
6	Pawan Kumar	Executive Director
7	Shunmuga Sundaram Palanivel	Executive Director
8	Ali Shah	Executive Director
9	Packirisamy V.	Executive Director

Sr. No.	Employee Name	Designation
10	Manoj Kumar Rana	Executive Director
11	Hemant Kumar Das	Executive Director
12	Rajeev Kumar Chaturvedi	Executive Director
13	Sanjay Mehrotra	Executive Director
14	Rajesh Kumar Shahi	Executive Director
15	Saurav Kumar Shah	Executive Director
16	Manohar Balwani	Company Secretary

b) The details of changes in Executive Directors i.e one level below the Board and KMP (other than whole time Directors) during FY 2022-23 are as follows:

Sr. No.	Employee Name	Designation	Remarks
1	Rajeev Kumar Chaturvedi	Executive Director	Elevated
2	Packirisamy V.	Executive Director	Elevated
3	Pawan Kumar	Executive Director	Elevated
4	Hemant Kumar Das	Executive Director	Elevated
5	Ali Shah	Executive Director	Elevated
6	Sanjay Mehrotra	Executive Director	Elevated
7	Rajesh Kumar Shahi	Executive Director	Elevated
8	Sanjay Sharma	Executive Director	Elevated
9	Shunmuga Sundaram Palanivel	Executive Director	Elevated
10	Sanjay Kumar Rai	Executive Director	Superannuated
11	Amar Jit Singh Nanda	Executive Director	Superannuated
12	Subir Saha	Executive Director	Superannuated
13	Ram Kishore Talluri	Executive Director	Superannuated
14	Pawan Malik	Executive Director	Superannuated
15	Rizwanur Rahman	Executive Director	Superannuated
16	David Gaddam	Executive Director	Superannuated

iii. 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.

As on March 31, 2023 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following:

Name	Designation
Smt. Usha Sajeev Nair, Independent Director	Chairperson
Smt Parminder Chopra, Director (Finance)	Member
Shri Rajiv Ranjan Jha, Director (Projects)	Member

Shri Manohar Balwani, Company Secretary acts as the Compliance Officer of the Company till April 30, 2023.

During the FY 2022-23, 4 meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held i.e. (i) May 24, 2022 (ii) August 12, 2022 (iii) November 9, 2022 and (iv) February 13, 2023.

The detail of the meeting attended (physical presence/ through video conferencing) by members during the FY 2022-23 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Usha Sajeev Nair	Chairperson	4	4
Smt Parminder Chopra	Member	4	4
Shri Rajiv Ranjan Jha	Member	4	4
Shri Prasanna Tantri (till July 11, 2022)	Member	1	1

Information on investor complaints for the year ended March 31, 2023 is as follows:

Particulars	Equity	Bonds
Pending at the beginning of the year	0	0
Received during the year	2624	5651
Disposed off during the year	2616	5651
Lying unresolved at the end of the year	8*	0

*Complaints received at the end of year, were subsequently resolved by April 4, 2023.

iv. 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, 2023, the Board Level Risk Management Committee comprised of the following:

Name	Designation
Shri R. S. Dhillon, CMD (w.e.f. December 17, 2022)	Chairman
Shri Bhaskar Bhattacharya, Independent Director	Member
Smt. Parminder Chopra, Director (Finance)	Member
Shri Rajiv Ranjan Jha, Director (Projects)	Member
Shri Manoj Sharma, Director (Commercial) (w.e.f. August 29, 2022)	Member

During the FY 2022-23, 4 meetings of the Board Level Risk Management Committee were held on (i) June 28, 2022, (ii) September 22, 2022, (iii) December 16, 2022 and (iv) March 21, 2023.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY 2022-23 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R. S. Dhillon (w.e.f. December 17, 2022)	Chairman	1	1
Shri Bhaskar Bhattacharya	Member	1	1
	Chairman	3	3
Smt. Parminder Chopra	Member	4	3
Shri Rajiv Ranjan Jha	Member	4	4
Shri Manoj Sharma (w.e.f. August 29, 2022)	Member	3	3

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

v. CSR & Sustainable Development Committee of Directors

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, 2023, the CSR & Sustainable Development Committee comprised of the following:

Name	Designation
Shri Prasanna Tantri, Independent Director	Chairman
Smt. Usha Sajeev Nair, Independent Director	Member
Smt. Parminder Chopra, Director (Finance)	Member
Shri Rajiv Ranjan Jha, Director (Projects) (w.e.f. July 18, 2022)	Member
Shri Manoj Sharma, Director (Commercial) (w.e.f. August 29, 2022)	Member

During the FY 2022-23, 7 meetings of the CSR & Sustainable Development Committee of Directors were held on (i) April 8, 2022 (ii) June 28, 2022 (iii) September 23, 2022 (iv) October 28, 2022 (v) November 9, 2022 (vi) January 13, 2023 and (vii) March 21, 2023.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY 2022-23 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Prasanna Tantri (w.e.f. July 18, 2022)	Chairman	5	5
Smt. Usha Sajeev Nair	Member	7	7
Smt. Parminder Chopra	Member	7	6
Shri Rajiv Ranjan Jha (w.e.f. July 18, 2022)	Member	5	5
Shri Manoj Sharma (w.e.f. August 29, 2022)	Member	5	5
Shri R. C. Mishra (till July 11, 2022)	Chairman	2	2
Shri R. S. Dhillon* (till August 28, 2022)	Member	2	Not Present

*By virtue of holding additional charge of Director (Commercial)

vi. 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, 2023 the Investment Committee of Directors comprised of the following:

Name	Designation
Shri R. S. Dhillon, CMD	Chairman
Smt. Usha Sajeev Nair, Independent Director (w.e.f. July 18, 2022)	Member
Smt. Parminder Chopra, Director (Finance)	Member
Shri Rajiv Ranjan Jha, Director (Projects)	Member
Shri Manoj Sharma, Director (Commercial) (w.e.f. August 29, 2022)	Member

During the FY 2022-23, 3 meetings of the Investment Committee of Directors was held on (i) June 28, 2022 (ii) July 18, 2022 and (iii) December 18, 2022.

The detail of the meetings attended (physical presence/ through video conferencing) by members during the FY 2022-23 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R. S. Dhillon	Chairman	3	3
Smt. Usha Sajeev Nair (w.e.f. July 18, 2022)	Member	1	1
Smt. Parminder Chopra	Member	3	2
Shri Rajiv Ranjan Jha	Member	3	3
Shri Manoj Sharma (w.e.f. August 29, 2022)	Member	1	1
Shri Bhaskar Bhattachary (up to July 18, 2022)	Member	2	2

vii. 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, 2023, the HR Committee comprised of the following:

Name	Designation
Shri Manoj Sharma, Director (Commercial) (w.e.f. August 29, 2022)	Chairman
Smt. Parminder Chopra, Director (Finance)	Member
Shri Rajiv Ranjan Jha, Director (Projects)	Member

During the FY 2022-23, no meeting of the HR Committee was held.

viii. ALM Committee of Functional Directors

ALM Committee of Functional Directors has been constituted pursuant to RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

As on March 31, 2023, the ALM Committee of Functional Directors comprised of the following:

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

During the FY 2022-23, 1 meeting of the ALM Committee of Functional Directors were held on March 28, 2023.

The detail of the meeting attended by members during the FY 2022-23 is as follows:

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

4. OTHER COMMITTEES

IT Strategy Committee

Pursuant to RBI's Master Directions for Information Technology Framework for NBFCs, the Board of Directors of the Company constituted the IT Strategy Committee. As on March 31, 2023, the committee comprised of Shri Bhaskar Bhattacharya, Independent Director, Chief Information Officer/ Chief Technology Officer and Chief Information Security Officer of the Company. The terms of reference and roles and responsibilities of the said IT Strategy Committee include approving IT strategy and policy documents, monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; Ensuring proper balance of IT investments for sustaining PFC's growth and becoming aware about exposure towards IT risks and controls etc.

5. GENERAL BODY MEETING

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

AGM	Date	Day	Time	Location	Special Resolution
34th	September 29, 2020	Tuesday	12:30 p.m.	At the Registered Office of the Corporation through Video Conferencing	• Enhancement of borrowing limit approved under Section 180(1)(c) of the Companies Act, 2013 & modification under Section 180 (1)(a) of the Companies Act, 2013 • To Change Object Clause of the Memorandum of Association of the Company
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

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.

6. DISCLOSURES

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://www.pfcindia.com/Default/ViewFile/?id=1679572235694_POLICY%20ON%20MATERIALITY%20OF%20RPT13012023.pdf&path=Page

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years. However, during FY 2022-23, 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. As on March 31, 2023 PFC is compliant w.r.t. composition of its Committees. During the FY 2022-23, PFC was non-compliant w.r.t. Board Composition w.e.f. July 11, 2022 to March 31, 2023. NSE imposed fine on PFC for the non-compliant period of the four quarters and BSE imposed fine for the non-compliant period of first three quarters.

The Company has in place an Internal Complaints committee to examine the cases related to sexual harassment under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013. During the FY 2022-23, no complaint has been filed under the said Act.

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 same is available at

https://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page

Pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a "Policy on Material Subsidiary" and the same is available at

https://www.pfcindia.com/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.

The Company has not issued any Stock Options/ESOPs during the financial year 2022-23.

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 for part of the year. The status of adoption of non-mandatory requirements is as under:

1. **The Board:** The Company is headed by an executive Chairman.
2. **Shareholder Rights:** The quarterly/ half yearly/ annual financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company.
3. **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 FY 2022-23.
4. **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.

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.

The total fee paid by your Company to the Statutory Auditors is ₹ 1.29 crore.

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

7. 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, Dainik Bhaskar, Dainik Jagran (Hindi), Amar Ujala, The Indian Express, 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.

8. CEO / CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO i.e. Chairman & Managing Director and CFO i.e. Director (Finance) was placed before the Board of Directors at its meetings held on May 27, 2023 (Copy enclosed at **Annexure I** of this Report).

9. 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.

10. 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.

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

12. SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date	Time	Venue
September 12, 2023	11:30am	Through Video Conferencing (VC)

The 37th 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 37th AGM of the Company.

b) Financial calendar for FY 2023-24 (Tentative)

Particulars	Date
Financial year	April 1, 2023 to March 31, 2024
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 2024

c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 5, 2023 to Tuesday, September 12, 2023 (both days inclusive).

d) Payment of Dividend

- **Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy in compliance of Regulation 43A of the SEBI (LODR) Regulations, which, *inter alia*, specifies the external and internal factors including financial parameters, that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

The policy is available on PFC's website at

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

- **Dividend details for the FY 2022-23**

The Board of Directors of the Company, has recommended payment of final dividend of ₹ 4.5 per equity share (subject to deduction of TDS) for the financial year ended March 31, 2023 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 ₹ 8.75 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 FY 2022-23 amounts to ₹ 13.25 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 June 16, 2023 in respect of physical shares. In respect of dematerialised shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on June 16, 2023 . 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)
2017-18	2640.08 (1st Interim)	1,584.05	60	November 23, 2017
	2640.08 (2nd Interim)	475.21	18	March 19, 2018
	Total	**2,059.26**	**78**	-
2018-19	2640.08	-	-	-
2019-20	2640.08 (Interim)	2,508.07	95	March 12, 2020
	Total	**2,508.07**	**95**	-
2020-21	2640.08 (Interim)	2,112.06	80	March 31, 2021
	2640.08 (Final)	528.02	20	October 12, 2021
	Total	**2,640.08**	**100**	
2021-22	2640.08 (1st Interim)	594.02	22.5	September 10, 2021
	2640.08 (2nd Interim)	660.00	25	December 10, 2021
	2640.08 (3rd Interim)	1,584.05	60	March 11, 2022
	2640.08 (Final)	330.00	12.5	October 11, 2022
	Total	**3,168.07**	**120**	

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

Bonds

The total unclaimed and unpaid amount as on March 31, 2023 was ₹ 72,69,89,007.18 (principal plus interest). The unpaid/unclaimed amount of bonds transferred to IEPF during FY 2022-23 is ₹ 12,39,576/-.

Unclaimed Dividend-Equity

The unclaimed balance amount of dividend (equity) as on March 31, 2023 was ₹ 5,63,28,327.30 (rounded off). The unclaimed dividend of ₹ 63,17,068 became due for transfer during the year ended March 31, 2023 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 7,394 Equity shares (of ₹ 10/- each) in June, 2022, 5100 Equity shares (of ₹ 10/- each) in Nov-2022 and 6680 Equity Shares in (of ₹ 10/- each) in Feb-2023. As on March 31, 2023, the number of equity shares held in Demat account to IEPF Authority were 1,07,486. Subsequently, 2117 Equity shares (of ₹ 10/- each) were also transferred to the Demat Account of IEPF Authority in June, 2023.

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
Nodal Officer in respect of bonds/ debentures	Sh. Ishwar Singh, CGM (RMD-II)

Shri Manohar Balwani was the Company Secretary of the Company till 30.04.2023. On attaining the age of superannuation, he ceased to be the Company Secretary of the Company w.e.f. 01.05.2023.

e) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

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

Stock Code (ISIN): INE134E01011

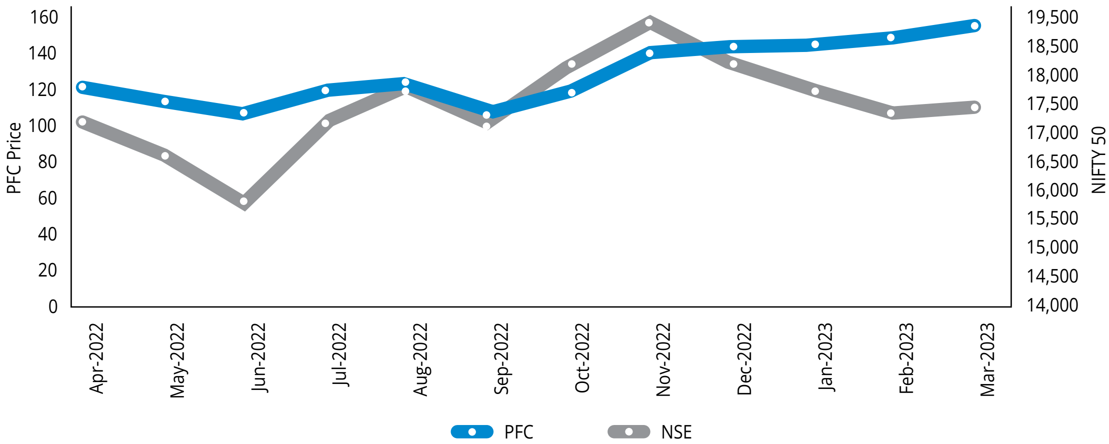
The annual listing fees for the FY 2022-23 have been paid to NSE and BSE.

f) Market Price Data

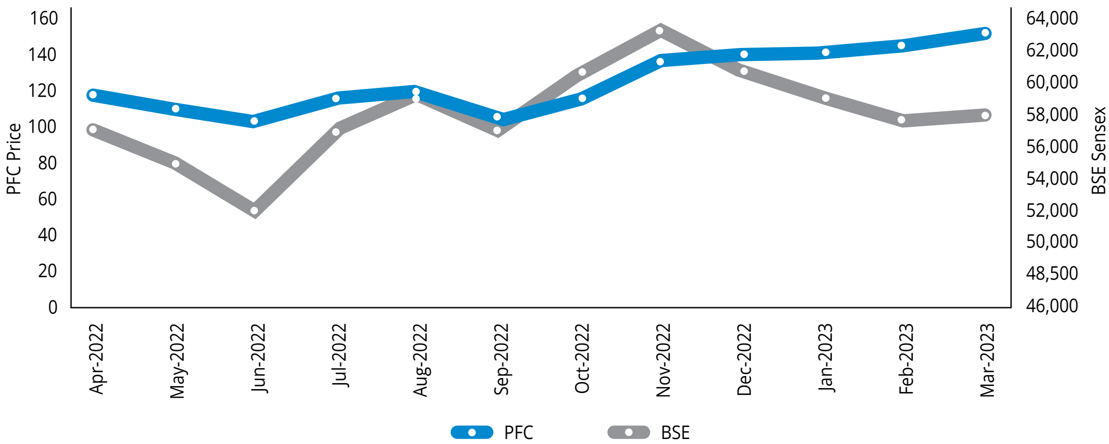
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'22	124.80	124.80	112.50	112.45	117.75	117.75
May'22	117.75	117.90	104.25	104.30	111.35	111.60
June'22	113.80	114.40	97.10	97.15	104.45	104.60
July'22	116.40	116.35	103.20	103.30	115.95	109.8
August'22	122.45	122.35	115.90	115.95	119.60	104.95
September'22	118.95	119.00	103.65	103.65	104.60	99.25
October'22	115.50	115.50	100.85	100.85	115.25	109.1
November'22	139.15	139.10	114.50	114.50	135.90	135.95
December'22	147.80	147.80	130.50	130.20	141.15	141.05
January'23	161.80	161.90	133.05	133.05	141.45	141.50
February'23	151.90	151.90	134.20	134.35	145.40	145.35
March'23	170.60	170.55	144.40	144.45	151.75	151.75

g) Performance in comparison to indices

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 - 500 032, India
Tel: +91 40 67162222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

i) Share Transfer System

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 1, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat mode. However, investors are not barred from holding shares in physical form.

j) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2023 is 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, 2022.	3	1432
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2022-23.	0	0
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2022-23.	0	0
Less: Number of shares which were transferred to IEPF Account during the year 2022-23.	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, 2023.	3	1432

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, 2023

S. No	Amount	No. of shareholders	% of shareholders	Amount (₹)	% of shares
1	1-5000	4,01,843	88.06	43,52,22,910	1.65
2	5001-10000	29,495	6.47	23,54,32,700	0.9
3	10001-20000	12,982	2.84	19,46,63,430	0.73
4	20001-30000	3,803	0.83	9,78,69,340	0.37
5	30001-40000	1,849	0.40	6,68,66,740	0.25
6	40001-50000	1,432	0.31	6,75,60,730	0.26
7	50001-100000	2,503	0.55	18,37,59,190	0.70
8	100001 & Above	2,439	0.54	25,11,94,39,040	95.14
	Total	**4,56,346**	**100**	**26,40,08,14,080**	**100**

- Shareholding pattern as on March 31, 2023

Category	Total No. of shares	% to Equity
President of India	1,47,82,91,778	55.99
Foreign Portfolio - CORP	43,53,23,990	16.49
Mutual Funds	32,27,61,944	12.22
Resident Individuals	17,88,93,387	6.78
Qualified Institutional Buyers	15,66,77,837	5.93
Bodies Corporates	3,35,64,432	1.28
Insurance Companies	98,60,610	0.38
HUF	97,87,415	0.37
Non Resident Indian non repatriable	44,83,987	0.17
Non Resident Indians	38,39,627	0.15
Banks	18,36,233	0.07
Trusts	17,06,688	0.06
NBFC's	11,38,206	0.04
Employees	9,34,329	0.04
Alternative Investment Fund	5,01,356	0.02
Clearing Members	2,69,903	0.01
IEPF	1,07,486	0.00
Indian Financial Institutions	1,00,000	0.00
Foreign Nationals	2,200	0.00
Total	**2,64,00,81,408**	**100**

l) Dematerialisation of shares

Number of shares held in dematerialised form with NSDL, CDSL and physical mode as on March 31, 2023.

Description	No. of Shares	% to total Capital Issued
NSDL	2,536,580,836	96.08
CDSL	103,478,065	3.92
Physical	22,507	0.00
Total	**2,64,00,81,408**	**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 FY 2022-23, 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 31.03.2023 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:-

i) Significant changes in internal control over financial reporting during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial: and

iii) 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)
Director (Finance) / CFO
DIN – 08530587

Sd/-
(Ravinder Singh Dhillon)
Chairman & Managing Director / CEO
DIN – 00278074

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, 2023."

Sd/-
(Parminder Chopra)
Chairman & Managing Director
DIN: 08530587

Certificate of Non-Disqualification of Directors

ANNEXURE III OF REPORT ON CORPORATE GOVERNANCE

[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 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Power Finance Corporation Limited having 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, 2023 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.	Shri Ravinder Singh Dhillon	00278074	12.06.2019
2.	Shri Bhaskar Bhattacharya	09406292	23.12.2021
3.	Smt. Usha Sajeev Nair	09408454	23.12.2021
4.	Shri Prasanna Tantri	06471864	23.12.2021
5.	Smt. Parminder Chopra	08530587	01.07.2020
6.	Shri Rajiv Ranjan Jha	03523954	28.10.2021
7.	Shri Ajay Tewari	09633300	09.06.2022
8.	Shri Manoj Sharma	06822395	29.08.2022

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: May 30, 2023
UDIN: F011993E000422911

Certificate on Corporate Governance

To,
The Members,
Power Finance Corporation Limited,
'Urjanidhi', 1, Barakhamba Lane,
Connaught Place, New Delhi -110 001

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, 2023 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, w.e.f. 11.07.2022, regarding the requirement of having at least half of the Board of Directors as independent.

ii. The Company has not complied with the provision of regulation 17 (10) and 25(4) (a) and (b) of SEBI (LODR) Regulations, 2015, up to March 31, 2023 w.r.t. the performance evaluation of director.

iii. During the period under review the Company has received the Show Cause Notice from both National Stock Exchange (NSE) and Bombay stock exchange (BSE) regarding non-compliance under Regulation 17(1) of listing obligation and disclosure requirement, 2015 for the quarters ended September 30, 2022 and December 31, 2022 and from NSE for March 31, 2023.

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:F011993E000832111

Place: Delhi
Date: August 21, 2023

Business Responsibility & Sustainability Report

ANNEXURE D OF BOARD'S REPORT

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	Same as above
6.	E-mail	investorsgrievance@pfcindia.com
7.	Telephone	011-23456000
8.	Website	www.pfcindia.com
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited & BSE Limited
11.	Paid-up capital	₹ 2,640.08 crore (As on March 31, 2023)
12.	Name and contact details (telephone, e-mail 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).	The disclosures are made in this report on a standalone basis.

II. Products/services

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

Sr. 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

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

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

III. Operations

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

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

17. Markets served by the entity

a) Number of locations

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

*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?

The Company is a Non-Banking Financial Company (NBFC) categorised as Infrastructure Finance Company (IFC) by the Reserve Bank of India. The contribution of exports to the turnover of the Company was Nil for the financial year 2022-23.

c) A brief on types of customers

PFC's principal products are interest-bearing loans to State utilities, private-sector borrowers etc. The Company's business activities involve financing projects in the entire power sector value chain, be it power generation (both conventional and renewable energy), transmission, distribution, e-mobility, financing equipment manufacturing for power sector and activities having forward / backward linkage with power projects. The key products of the Company include long-term loans, medium-term loans, short-terms loans etc. for the entire power sector value chain. Customers of the Company include State Governments, Central/State power utilities, State Electricity Boards, independent power producers and private sector utilities etc.

IV. Employees

18. Details as at the end of financial year:

a) Employees and workers (including differently abled):

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	500	393	78.6	107	21.4
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	500	393	78.6	107	21.4
Workers						
4.	Permanent (F)	19	17	89.4	2	10.52
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	19	17	89.4	2	10.52

b) Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (D)	17	16	94.11	1	5.8
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	17	16	94.11	1	5.8
Differently abled Workers						
4.	Permanent (F)	1	1	100	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	1	1	100	0	0

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25
Key Management Personnel	5	1	20

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

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	1.7	0.9	2.6	0.5	1.05	1.55	0.8	1.02	1.82
Workers	0	0	0	0	0	0	0.05	0	0.05

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

21. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	PFC Consulting Limited	Subsidiary	100	No
2	Coastal Tamil Nadu Power Limited	Subsidiary	100	No
3	Orissa Integrated Power Limited	Subsidiary	100	No
4	Sakhigopal Integrated Power Company Limited	Subsidiary	100	No
5	Ghogarpalli Integrated Power Company Limited	Subsidiary	100	No
6	Deoghar Mega Power Limited	Subsidiary	100	No
7	Cheyyur Infra Limited	Subsidiary	100	No
8	Odisha Infrapower Limited	Subsidiary	100	No
9	Deoghar Infra Limited	Subsidiary	100	No
10	Bihar Infrapower Limited	Subsidiary	100	No
11	Bihar Mega Power Limited	Subsidiary	100	No
12	Jharkhand Infrapower Limited	Subsidiary	100	No
13	Bijawar-Vidarbha Transmission Limited	Subsidiary	Wholly-owned subsidiaries of PFC Consulting Limited	No
14	Ananthapuram Kurnool Transmission Limited	Subsidiary		No
15	Chhatarpur Transmission Limited	Subsidiary		No
16	Fatehgarh IV Transmission Limited	Subsidiary		No
17	Fatehgarh III Transmission Limited	Subsidiary		No
18	Bhadla III Transmission Limited	Subsidiary		No
19	Fatehgarh III Beawar Transmission Limited	Subsidiary		No
20	Beawar Dausa Transmission Limited	Subsidiary		No
21	Siot Transmission Limited	Subsidiary		No
22	PFC Projects Ltd	Subsidiary	100	No
23	REC Limited	Subsidiary	52.63	No
24	REC Power Development & Consultancy Ltd.	Subsidiary	Wholly-owned subsidiaries of REC Limited	No
25	Bidar Transmission Limited	Subsidiary		No
26	Chandil Transmission Limited	Subsidiary		No
27	Dumka Transmission Limited	Subsidiary		No
28	Koderma Transmission Limited	Subsidiary		No
29	Mandar Transmission Limited	Subsidiary		No
30	Sikar Khetri Transmission Limited	Subsidiary		No
31	Ramgarh II Transmission Limited	Subsidiary		No
32	Beawar Transmission Limited	Subsidiary		No
33	Meerut Shamli Power Transmission Limited	Subsidiary		No
34	Luhri Power Transmission Limited	Subsidiary		No
35	Neres XVI Power Transmission Limited	Subsidiary		No
36	Khavda II-D Transmission Limited	Subsidiary		No
37	KPSI Transmission Limited	Subsidiary		No

VI. CSR Details

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

(ii) Turnover: ₹ 39,665.63 crore

(iii) Net worth: ₹ 68,202 crore

VII. Transparency and Disclosures Compliances

23. 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 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	www.pfcindia.com	0			0		
Public Grievances	--	0			1		
Shareholders (Equity)		8*			0		
Employees & Worker		0			0		
Bond holders		0			0		

* Complaints received at the end of quarter, were subsequently resolved by April 4, 2023.

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

Sr. No..	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Gradual shift from conventional power sources to renewable power sources	Opportunity	Thrust for cleaner power shall provide additional financing avenues for the corporation.	-	PFC shall experience positive financial implication due to additional revenues from financing towards cleaner power.
2	Shift to paperless environment to further the sustainability	Opportunity	Shift to digital means of communication & record management shall enhance speed, accuracy, efficiency, cost saving, accountability & preservation of records.	-	PFC shall experience positive financial implication due to cost saving & increase in swiftness of operations.

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	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y	Y
4.	**Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	PFC enters into Memorandum of Understanding (MoU) with its administrative ministry i.e Ministry of Power, Government of India under the framework prescribed in MoU Guidelines issued by the Department of Public Enterprises (DPE). The MoU demarcates key performance parameters for the Company. For the FY 2021-22, your Company was accorded 'Excellent' rating.								
6.	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**									
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 Chairman's Speech**									
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	Board of Directors								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	Details of meetings of the Board and Statutory Board Level Committees held during the financial year 2022-23 is provided in the Corporate Governance Report. PFC has a Board Committee on CSR & Sustainable Development 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.								

10. Details of Review of NGRBCs by the Company:

Subject for 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	Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis								

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
	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: The relevant explanation/ information/ links are mentioned in the Annexure to this Report.

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

Not applicable.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	Orientation programme for Independent Directors (IDs)	38%
Key Managerial Personnel (apart from KMP's already included on BoD above)	1	National Convention of Company Secretaries	100%
Employees other than BoD and KMPs	3	1. Filling of property Return 2. Conduct, Discipline & Appeal (CDA) Rules of PFC 3. Ethics in Governance and Preventive Vigilance	15%
Workers (Workmen)	1	Conduct, Discipline & Appeal (CDA) Rules of PFC	16%

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 Requirements) Regulations, 2015 and as disclosed on the 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	Principle 1	National Stock Exchange of India Limited BSE Limited		For FY 2022-23, the Company has complied with all requirements of SEBI LODR Regulations except compliance related to appointment of requisite number of Independent Directors w.e.f. 11.07.2022. Due to such non-compliances, NSE and BSE have imposed a total fine of ₹ 10,85,600/- including GST of ₹1,65,600/- for the quarters ended September and December 2022 and fine of ₹ 5,31,000/- including GST of ₹ 81,000/- by NSE for quarter ended March 2023.	Yes*
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

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

* On receipt of letter/e-mail from stock exchanges imposing fine on PFC, your 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.

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
In connection with fine levied by NSE and BSE for non-appointment of Independent Directors as stated in the previous question, since the power to appoint Directors on the Board of the Company vests with the President of India, acting through the administrative ministry i.e., Ministry of Power (MoP), Government of India, therefore the Company has been requesting the appointing authority, i.e. MoP, for appointment of requisite number of Independent Directors. In view of the same, the Company has been requesting the stock exchanges to waive off the said fines. It is pertinent to mention, that BSE has already waived off the fine imposed on the Company for earlier quarters i.e. July 1, 2018 to December 31, 2020.	National Stock Exchange of India Limited BSE Limited

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.

Power Finance Corporation Ltd. (PFC) is a leading power sector public financial institution and a non-banking financial company, providing fund and non-fund based support for the development of the Indian power sector. It plays a major role in channelising investment into the power sector and acts as a vehicle for development of this sector. Its clients include state power utilities, central power sector utilities, power departments, private power sector utilities (including independent power producers), joint sector power utilities etc. 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.

PFC also considers Corporate Governance as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. In this direction, Company has an established Code of Business Conduct & Ethics for Board Members & Senior Management. 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 the 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.

An Anti-Fraud Policy is in place in PFC to enforce controls and to aid in prevention & detection of fraud in the Company. It covers employees (including contractual employees) as well as shareholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside agencies and any other parties having a business relationship with PFC.

Further, the Company's Conduct, Discipline and Appeal (CDA) Rules define the code of conduct for all employees and recognises acts of bribery, corruption, etc. as misconduct.

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

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 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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.

Not applicable

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
	Nil	

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.

The Company has a Code of Business Conduct and Ethics for Board Members and Senior Management, which covers *inter alia* the process of dealing with conflict of interests. 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.

Since PFC is not a Manufacturing Company and offers financial products only, the question is not applicable to the Company.

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

PFC, being a Financial Institution, is relatively less resource intensive in terms of material inputs. We are also following the Government of India's directives, issued from time to time, in respect of reservation for Micro, Small & Medium Enterprises in procurements. The Company promotes GeM portal (Government e-Marketplace) in its procurements and also promotes sourcing from MSME vendors. All procurement / sourcing of material and services is done as per the procedure defined in the Procurement Guidelines of the Company.

(b) If yes, what percentage of inputs were sourced sustainably?

In terms of material requirements, PFC has made it mandatory to procure common use goods & services available on GeM (Government e-Marketplace) portal, with purchase preference to MII / MSMEs as per Government directives.

During the financial year 2022-23, 86.04% of total procurement of goods and services has been made though GeM portal and procurement from MSMEs was 66.09%.

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) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company, being a Financial Institution, has limited applicability of mechanism for reusing, recycling and disposing. However, the Company has installed a Composter Machine in PFC premises of 50Kg capacity. It can recycle wet materials into 10% within 24 hrs. 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.

Given the nature of business and operations, the Company does not have material plastic waste, e-waste and other waste. Further, the Company does not have any hazardous waste.

Disposal of old, unserviceable & obsolete IT equipment's, identified as e-waste, is done through registered Recyclers/ Re-processors under Central Pollution Control Board, Government of India & State Pollution Control Committee/ Board Electronic waste, by following Procurement Guidelines of the Company.

The Company has also reduced plastic use to very minimal and encourages use of substitutes such as jute bags, cloth bags, paper folders etc.

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.**

Not Applicable.

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?**

PFC has financial products like term loan, buyer's line of credit, lease financing etc. including financing of renewable energy projects which are sustainable and environmentally benign. The Company endeavours to incorporate social and environmental concerns in the appraisal of the projects it finances and its activities in general.

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.**

Not Applicable

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).**

Considering the nature of business and operations, the percentage of recycled or reused input material used by the Company is negligible.

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 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste*	-	-	215	-	-	Nil
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

*Number of IT units safely disposed.

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

   Not Applicable

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

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	393	393	100	393	100	NA	NA	393	100	0	0
Female	107	107	100	107	100	107	100	NA	NA	0	0
Total	**500**	**500**	**100**	**500**	**100**	**107**	**21.4**	**393**	**78.6**	**0**	**0**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	17	17	100	17	100	NA	NA	17	100	0	0
Female	2	2	100	2	100	2	100	NA	NA	0	0
Total	**19**	**19**	**100**	**19**	**100**	**2**	**10.5**	**17**	**89.4**	**0**	**0**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	0	0	N	0	0	N
Others PRMS Leave Encashment 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.

Yes, the premises of our office are accessible to differently abled employees and workers. Accessible infrastructure like ramps, braille-aided elevators and wheel chair friendly washrooms are available at the Company's office.

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.

As per various guidelines in place, PFC provides equal opportunities to the persons with disabilities.

Further, the formal policy regarding equal opportunity is currently under finalization, once approved the same shall be uploaded on entity's 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	100	100
Female	100	100	100	100
Total	**100**	**100**	**100**	**100**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has a dedicated policy for handling grievances. The policy is available to employees on the Company intranet. It provides a 4-tier system which allows all permanent employees to escalate their grievances at multiple levels.
Other than Permanent Workers	Not applicable
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 4-tier system which allows all permanent employees to escalate their grievances at multiple levels.
Other than Permanent Employees	Not applicable

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

Category	FY 2022-23			FY 2021-22		
	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	**500**	**500**	**100**	**479**	**479**	**100**
Male	393	393	100	382	382	100
Female	107	107	100	97	97	100
Total Permanent Workers	**19**	**19**	**100**	**22**	**22**	**100**
Male	17	17	100	19	19	100
Female	2	2	100	3	3	100

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	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	393	66	17%	259	66%	382	54	14%	215	56%
Female	107	20	19%	92	86%	97	18	18%	43	44%
Total	**500**	**86**	**17%**	**351**	**70%**	**479**	**72**	**15%**	**258**	**54%**
Workers										
Male	17	7	41%	7	41%	19	0	0	2	11%
Female	2	1	50%	1	50%	3	0	0	0	0%
Total	**19**	**8**	**16%**	**8**	**42%**	**22**	**0**	**0**	**2**	**9%**

*Health & Safety trainings included the following:

Training conducted in FY 2022-23:

i. Awareness Workshop on Yoga

ii. Implementation of ISO 45001: 2018 - OHS Standards in PFC

Training conducted in FY 2021-22:

1. Win Covid Through Immunity Booster Capsule Of Yoga And Naturopathy
2. Health & Stress Management
3. Yoga Talk On International Day Of Yoga.

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

Category	FY 2022- 23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	393	101	25.69	382	51	13.35
Female	107	25	23.36	97	19	19.58
Total	**500**	**126**	**25.20**	**479**	**70**	**14.61**
Workers						
Male	17	3	17.64	19	3	15.78
Female	2	1	50	3	2	66.67
Total	**19**	**4**	**21.05**	**22**	**5**	**22.72**

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?

The occupational health and safety issues are minimal considering the nature of business and operations of the Company. The Company takes care of health and well-being of its employees by reimbursing in-patient and out-patient medical costs, provision for leaves on medical grounds etc. which are applicable for all employees.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Not applicable

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Not applicable

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

Yes, in order to provide improved health care facilities to the employees part-time services of doctors are engaged to provide medical facilities. The Company takes care of health and well-being of its employees by reimbursing in-patient and out-patient medical costs, provision for leaves on medical grounds etc. which are applicable for all employees.

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

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
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.

PFC is headquartered in New Delhi and has state-of-the-art infrastructure, cutting-edge technology and a customer-centric approach. PFC also maintains regional offices to facilitate its business operations.

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

	FY 2022-23			FY 2021-22		
	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					
Health & Safety						

14. Assessments for the year:

Nil

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.

Not applicable.

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)

Employees	Yes
Workers	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Being NBFC, the Company includes in the terms & conditions of loans granted to its borrowers, necessary conditions stipulating timely deposit of their statutory dues, obtaining of statutory clearances and meeting such other similar obligations as per statutory requirements etc. The borrowers are also required to furnish compliance of the same to the Company at various stages.

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:

Nil for FY 2022-23 and FY 2021-22.

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

The Company is a CPSE, which follows employment norms of DPE in cases of retirement or termination of employment. The Company also provides post-retirement medical benefits and other welfare measures to its retired employees.

5. Details on assessment of value chain partners:

Nil.

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.

Yes. The Company has mapped its internal and external stakeholders. Internal stakeholders include employees and staff of the Company; and external stakeholders include equity shareholders, bondholders, creditors, bankers, borrowers and customers from both public and private sectors, Governmental bodies and regulatory authorities including State Government(s), Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges etc.

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

The Company communicates with all its stakeholders like equity shareholders, bondholders, creditors, bankers, borrowers, employees and customers as and when required through e-mail, SMS, Newspaper, General Meeting, Website, Letters etc.

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.

The Company has various Board-approved policies addressing the economic, environmental, and social topics relating to its business which have been developed over a period of time based on the inputs from relevant stakeholders.

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.

PFC is a nodal agency for 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. Your Company is contributing towards better power supply to the people of India and improving operational efficiency and financial health of Distribution Utilities.

PFC has implemented CSR and Sustainability Policy with an aim 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, 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, with preference given to Aspirational Districts.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

All the Govt. of India directives are followed for engagement at various levels of career progression for all reserved category employees (SC/ ST/ OBC/ PwBD/ EWS) & Minorities. Various infrastructure arrangements were made for benefits of PwBD persons. Meritorious awards are given to children of these categories along with other children by giving special relaxation in percentage of marks. Separate Liaison Officers are in place to look after the welfare of the employees in the ambit of this category. It is ensured that a person of reserved category of appropriate level is nominated as a member of various selection and promotion committees to look into the interest of employees of reserved categories.

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:

Nil for FY 2022-23 and FY 2021-22.

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

Category	FY (2022-23)					PY (2021-22)				
	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	500	0	0	500	100	479	0	0	479	100
Male	393	0	0	393	100	382	0	0	382	100
Female	107	0	0	107	100	97	0	0	97	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	57	0	0	57	100	67	0	0	67	100
Male	56	0	0	56	100	66	0	0	66	100
Female	1	0	0	1	100	1	0	0	1	100
Other	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	19	0	0	19	100	22	0	0	22	100
Male	17	0	0	17	100	19	0	0	19	100
Female	2	0	0	2	100	3	0	0	3	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	0	0	0		0	0	0	0	0	0
Male	0	0	0		0	0	0	0	0	0
Female	0	0	0		0	0	0	0	0	0
Other	0	0	0		0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	22155408	1	8599139
Key Managerial Personnel (apart from KMP's already included on BoD above)	1	7445866	0	0
Employees other than BoD and KMP	399	1289265128	106	302891899
Workers	18	42984859	3	5374905

Notes:

1. The above schedule includes only permanent employees who have worked for the entire period of 12 months during the financial year 2022-23.
2. Remuneration/salary/wages include allowances exempt u/s 10 of the Income Tax Act, 1961 and Employer contribution towards Pension scheme. Further, it excludes employer's contribution into PFC Gratuity Fund, Leave Encashment Provision based on actuarial valuation, various reimbursements given to employees for e.g. uniform, entertainment, conveyance, electricity, water and attendant charges and exempt medical expenses.
3. The above remuneration is paid in line with the guidelines issued by the DPE in this regard.
4. The Company has not given any stock options during the financial year 2022-23.

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.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Company has a dedicated policy for handling grievances. The said policy is available to the employees on the Company intranet.

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

	FY 2022-23			FY 2021-22		
	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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company has in place the Whistle-Blower Policy which lays down the necessary mechanism to provide protection to the complainant, against any discrimination, harassment, victimisation or any other unfair employment practice, if any. The Whistle-Blower Policy is available at https://www.pfcindia.com/Home/VS/126.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   The Company, being a financial institution the agreements and contracts it enters into are primarily in nature of loan documents, which lays down the terms of sanctioning and disbursement to the borrowers.

9. **Assessments for the year:**

   Nil

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Not applicable.

LEADERSHIP INDICATORS

1. **Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.**

   Not applicable.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   Not applicable.

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?**

   Yes, the premises of our office are accessible to differently abled employees and workers. Accessible infrastructure like ramps, braille-aided elevators and wheel chair friendly washrooms are available at the Company's office.

4. **Details on assessment of value chain partners:**

   Nil

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 Joules or multiples) and energy intensity, in the following format:**

   Since PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only, therefore its energy intensity is limited.

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:**

   Since PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only, therefore its water intensity is negligible.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Not Applicable.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

   The above question is not applicable to PFC as it is not a manufacturing company.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

   Not Applicable.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

   Not Applicable.

8. **Provide details related to waste management by the entity, in the following format:**

   PFC, being a Financial Institution, has limited applicability of mechanism to recycle products and waste. However, the Company has installed a Composter Machine in PFC premises of 50Kg capacity. It can recycle wet materials into 10% within 24 hrs. 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.

9. **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.**

   Disposal of old, un-serviceable & obsolete IT equipment, identified as e-waste, is done through registered recyclers/ re-processors under Central Pollution Control Board and State Pollution Control Committee/Board, by following the procedure defined under REC's Procurement Guidelines.

10. **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:**

    Not applicable.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

    Not applicable.

12. 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:

Since PFC is not a Manufacturing Company and offers financial products only, the question is not applicable to the Company.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Not Applicable.

2. Provide the following details related to water discharged:

Not Applicable.

3. 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

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not Applicable.

5. 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.

6. 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:

PFC 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 solution for efficient file processing, paperless digital board meetings and paperless employee claims are 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.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.

Yes, PFC has established a disaster recovery site on a private cloud which is considered as highly secured, to replicate the existing data centre setup in a different seismic zone. With this, PFC can continue its business operation during any disaster or cyber security incidents.

8. 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.

PFC, being a financial institution in Power sector, is also financing installation of pollution control equipment in thermal power plants, in line with Government directives. This includes installation of Flue Gas Desulphurisation (FGDs), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which contribute towards curbing of harmful emissions and particulate matter. Further, in order to promote the development of renewable energy sector multiple initiatives like lower interest rate, additional rebates, higher extent of funding etc. are undertaken for financing of renewable energy projects.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

PFC being a NBFC, does not own or execute/implement project. However, PFC ensures through its borrowers that they obtain and keep in effect the applicable statutory and non-statutory clearances relating to environment during the currency of the loan.

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.

9 (nine)

(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1.	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 anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

Power Finance Corporation (PFC) participated in Mission LiFE (Lifestyle for Environment), an India-led global mass movement that aims to mobilise individuals and communities to take action for the protection and preservation of the environment. PFC actively engaged in various activities and campaigns organised under Mission LiFE, including awareness drives on energy and water conservation, financial literacy, cleanliness, tree plantation drives, waste management programmes, and promoting renewable energy adoption.

Further, as part of 'Azadi Ka Amrit Mahotsav' – to celebrate 75 years of India's Independence, Ministry of Power and PFC in association with Government of NCT of Delhi organised 'Bijli Mahotsav' at various locations in Delhi. The Bijli Mahotsav was used as a platform to celebrate the collaboration between the State and the Central Governments.

PFC's senior management has participated as speaker of panel discussion on various forums such as the Economic Times Renewable Energy Conclave held on March 3, 2023 in Jaipur "Transition from conventional to renewables: role of developers, PSU & Green financial institution". Besides, management also participated in a Public Procurement Conference organised by IEEMA & provided valuable insights into best practices in public procurement adopted by PFC. Recently, PFC participated in the Vibrant North East Exhibition 2023 which saw the coming together of a large number of stakeholders from industry, government and development sectors showcasing various CSR programmes and GoI schemes. PFC received the 'Best Innovative Stall Award' for its creative & innovative showcasing of the diverse portfolio of the organisation.

A workshop on Smart Metering & Loss Reduction Projects and SCADA Projects was also organised under the chairmanship of CMD, PFC with States, Project consultants on April 25 & 26, 2023 in Delhi to review the progress and sharing of views.

PFC found, 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 cultural and sporting events that connect with the Indian youth such as the All India Tennis Association's India Vs Denmark Davis Cup Tie, Pro Tennis League Tournament, Sports Meet for all employees, World Table Tennis Star Contender in Goa, Climate Force International Antarctic Expedition. PFC's support went a long way in establishing the determination, dedication and concern of the government in general and PFC in particular as far as commitment to climate change, the Paris agreement and COP26 is concerned.

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.**

   Not Applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   PFC has a Grievance Redressal System for dealing with grievances of the public at large. The Company has designated a senior officer as Director (Public Grievances), to ensure prompt redressal of grievances within the stipulated time frame.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs / small producers	66.09%	38.57%
Sourced directly from within the district and neighbouring districts	-	-

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):**

   Not applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:**

Sr. No.	State	Aspirational district	Name of the Project	Total Amount Sanctioned (₹ in crore)
1	Odisha	Kandhamal	Renovation and Improvement of Educational and allied infrastructures of 20 numbers of schools in Kandhamal District, Odisha	6.00
2	Punjab*	Ferozpur	Construction of classrooms and allied facilities in Akal Academy schools in 4 districts of Punjab	5.30
3		Moga		
Total				**11.30**

* Total 4 nos. district were sanctioned.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

   Yes, 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.

   (b) **From which marginalised/vulnerable groups do you procure?**

   As per statutory requirement, PFC has to procure atleast 25% of its total procurement from Micro, Small and Medium Enterprises (MSEs). Further, out of the said 25%, atleast 4% to be only from MSEs owned by SC/ST Entrepreneurs and atleast 3% to be only from MSEs owned by Women Entrepreneurs.

   (c) **What percentage of total procurement (by value) does it constitute?**

   During the financial year, your Company has procured products and services from MSEs, which constituted 66.09 % 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, 309 MSEs were benefited out of which 19 MSEs belonged to SC/ST category and 48 MSEs were owned by women.

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:**

   Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

6. Details of beneficiaries of CSR Projects:

Sr. No.	Project Title	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalised groups*
1	Construction of classrooms and allied facilities in Akal Academy schools in 4 Districts (Ferozpur, Moga, Amritsar& Taran Tara) of Punjab	1200	100
2	Upgradation of Public Health Infrastructure in Machilipatnam, Andhra Pradesh	200000	75
3	Providing Medical Infrastructure in District Hospital in Pratapgarh, Rajasthan	50000	75
4	Contribution to PM CARES Fund	NA	NA
5	Providing necessary Medical Equipment in Sreevalsam Institute of Medical Sciences (SIMS) Hospital in Malappuram District, Kerala	20000	75
6	Construction of G+1 Hostel building in 'Vanvasi Kalyan Ashram" premises in Khanvel, Silvassa	500	100
7	Providing necessary medical equipment in Dr. Hedgewar Institute of Medical Sciences and Research (DHIMSR) Hospital in Amravati District, Maharashtra.	20000	75
8	Procurement of Advance Life support (ALS) Ambulances and other mobility support vehicles for medical educational institutions of the Health Department, Govt. of Manipur	1000	90
9	Development of AFC Complex at Lungleng, Aizwal District, Mizoram	1000	100
10	Supply, installation and commissioning of 50 nos. of Water ATM (WATM) in 50 locations of Basti region of Uttar Pradesh.	10000	75
11	Construction of Emergency Response Centre (ERC)' building near Badrish Lake in Badrinath Town, Uttarakhand	15000	75
12	Rectification of toilets constructed by PFC in FY 2014-15 under CSR Swachh Bharat Swachh Vidyalaya Abhiyan (SBSV) in the States of Andhra Pradesh, after survey of toilets-2nd Phase	10000	75
13	Various development works in the 3 blocks (Piro, Bihiya, Jagdishpur) of Arrah District, Bihar-Bhojpur Village Development Programme	100000	75
14	Construction of State of Art Building for Interdisciplinary Centre for Energy Research (ICER), IISc Bengaluru, Karnataka' through IISc Bengaluru.	300	NA
15	Creating sustainable livelihood opportunities for 500 women through oyster mushroom cultivation, marketing and branding, through District Administration Aurangabad'	500	100
16	Providing additional rooms, toilets and drinking water facility in Primary Health Centres (PHC), Schools, Anganwadis and construction of Gram Panchayat Building in selected Mandals in Suryapet District, Telangana	15000	75
17	Supply, Installation and Commissioning of 64 Slice Computed Tomography Scanner with 5-year warranty in MNJ Institute of Oncology & Regional Cancer Centre (MNJ), Hyderabad	12000	75
18	Providing skill development training to 1000 nos. of persons belonging to under privileged sections of the society in various locations in India	1000	100
19	Providing CT scan machine at Naga Hospital Authority Kohima.	36000	95
20	Upgradation of 'Healthcare Services' and providing Equipment for 'Free Community Kitchen' for The Kalgidhar Society, Baru Sahib, Sirmour, H.P (TKS)'	2000	100
21	Supply and Installation of R.O Water Treatment Plant in the Villages of Palnadu District,Andhra Pradesh	200000	75
22	Procurement of (1) nos. of Cancer Detection & Awareness Mobile Van and related equipment to Bharat Sevashram Sangha (BSS) to be Stationed at Murshidabad, Kolkata	50000	75
23	Improvement/upgradation of Cantonment Board Hospital/ Dispensary in Lansdowne Cantonment, Uttarakhand	15000	75
24	Renovation and Improvement of Educational and allied infrastructures of 20 numbers of schools in Kandhamal District, Odisha	3173	100
25	Supply of life saving medical device for poor cancer patients being admitted in KGMU, Lucknow.	10000	75
26	Rectification of toilets constructed by PFC in FY 2014-15 under CSR Swachh Bharat Swachh Vidyalaya Abhiyan in the State of Rajasthan	4000	75
27	Supply of sanitation and hygiene items for prevention of adverse effect on health of sanitation workers in Municipal Corporation of Rourkela, Sundergarh District, Odhisa	200000	50
28	Upgradation of public Health infrastructure in various villages of Thoothukud District Tamilnadu.	75000	75
29	Providing various equipments/items for operationalisation of Mother and New Born Care Unit (MNCU) at 10 government health centres of Gautambudhnagar District Uttar Pradesh	100000	75
30	Contribution to PM CARES Fund	NA	NA

* Approximate beneficiaries

NA - Not Available

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.

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. The Board of Directors periodically reviews the status of compliance of Fair practices code. For the financial year 2022-23, no complaints were received under the Fair Practices Code.

PFC also has in place a system wherein the customer feedback forms are circulated to our borrowers/lenders periodically covering aspects like suitability of PFC products/ services, time taken for sanction/execution of loan, resolution of customer issues etc. The feedback is analysed, reviewed and necessary corrective action is taken wherever required.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

The Company is a NBFC offering financial products which mainly consists of loans for the power sector. The necessary terms & conditions relating to environmental and social parameters, safe and responsible usage, recycling & safe disposal etc. relevant to the concerned project and other legally binding clauses etc. are generally incorporated in the loan documents.

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other:	31	Nil	-	51	1	-

4. Details of instances of product recalls on account of safety issues:

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.

Yes, The Company has a comprehensive risk management policy which essentially covers cyber security and related aspects. The policy is an internal document of the Company available on its intranet.

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.

Not Applicable.

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).

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. The Company ensures that adequate disclosures in respect of its financial products & services are displayed on the Company's website.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

The Company is a NBFC offering financial products. The Company ensures that adequate disclosures in respect of its financial products & services are displayed on its Corporate website and other stakeholder/media communications issued from time to time. We also conduct periodic meets with our borrowers and PFC executives also visit the customers' offices/project sites to share the information and salient features regarding the products and services of the Company.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Yes, PFC has well defined Business Continuity Policy & Disaster Management / Recovery Plan. The Policy defines process & procedures to ensure that the IT Operations/Services remain continuously available to users in the event of disruptions/ disasters. The Disaster Recovery site has been strategically commissioned in different seismic zone (Mumbai). With this, PFC can continue its business operation during any disaster or cyber security incidents.

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)

The Company is a NBFC offering financial products, hence it is ensured that adequate disclosures are made to its borrowers through loan agreements and documents and through our corporate website.

5. Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact

b) Percentage of data breaches involving personally identifiable information of customers

Nil for the financial year 2022-23.

Annexure to Business Responsibility & Sustainability Report

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	Web links	
	English	Hindi
CSR and Sustainability Policy	https://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR%20Policy.pdf	https://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/CSR/HINDI_PFCs_CSR_and_Sustainability_Policy.pdf
Fair Practice Code	https://www.pfcindia.com/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/2020-09-02%20Fair%20Practice%20Code%20of%20PFC%20updated%20.pdf	http://pfcindia.com/hnsite/Home/VS/62
Code of Business Conduct and Ethics	https://www.pfcindia.com/Default/ViewFile/?id=1472556128687_Code%20of%20Conduct%2017042015.pdf&path=Page&Name=Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20Personnel	http://pfcindia.com/hnsite/Home/VS/63
Anti-Fraud Policy	https://www.pfcindia.com/Default/ViewFile/?id=1471520577857_ANTI%20FRAUD%20POLICY%2005_11_2011.pdf&path=Page&Name=Anti%20Fraud%20Policy	http://pfcindia.com/hnsite/Home/VS/65
Whistle-Blower Policy	https://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page	https://pfcindia.com/hnsite/Default/ViewFile/?id=1490268719103_wbpHND.pdf&path=Page

Name of the Policy	Web links	
	English	Hindi
Policy on Related Party Transactions	https://www.pfcindia.com/Default/ViewFile/?id=1561552784406_Final%20Policy%20on%20RPT%2017052019.pdf&path=Page	https://pfcindia.com/hnsite/Default/ViewFile/?id=1562840382760_policy%20of%20related%20party%20transactions.pdf&path=Page
Policy on Material Subsidiary	https://www.pfcindia.com/Default/ViewFile/?id=1561552854274_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page	https://pfcindia.com/hnsite/Default/ViewFile/?id=1563962455491_Policy_on_Material_Subsidiary.pdf&path=Page
Dividend Distribution Policy	https://www.pfcindia.com/Default/ViewFile/?id=1546009180778_DividendDistribution.pdf&path=Page	https://pfcindia.com/hnsite/Default/ViewFile/?id=1500987575423_Dividend_Distribution_Policy_of_pfc_hindi.pdf&path=Page
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for regulating, monitoring & reporting of trading in the securities of Power Finance Corporation Limited	https://pfcindia.com/Default/ViewFile/?id=1614952208955_Insider_Trading_Code_Amended05032021.pdf&path=Page	https://pfcindia.com/hnsite/Default/ViewFile/?id=1561571325217_Hindi_Insider_Trading_Code26062019.pdf&path=Page
Policy for Determination of Materiality of Events	https://www.pfcindia.com/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Policy_for_Determination_of_Materiality_of_Events/Final%20Policy%20for%20Determination%20of%20Materiality%20of%20Events17052019.pdf	https://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/Statutory_investor/DoMEvents_hi.pdf

The other policies are internal documents and accessible only to employees of the organization.

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended March 31, 2023

{Pursuant to 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 - 110 001

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 authorised 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, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, 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 thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines 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) The Reserve bank of India Act,1934 and NBFC rules;

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. The Company has not complied with the provision of regulation 17 (1)(b), of SEBI (LODR) Regulations, 2015, w.e.f. 11.07.2022, regarding the requirement of having at least half of the Board of Directors as independent .

ii. The Company has not complied with the provision of regulation 17 (10) and 25(4) (a) and (b) of SEBI (LODR) Regulations, 2015, up to March 31, 2023 w.r.t. the performance evaluation of director.

iii. During the period under review the Company has received the Show Cause Notice from both National Stock Exchange (NSE) and Bombay stock exchange (BSE) regarding non-compliance under Regulation 17(1) of listing obligation and disclosure requirement, 2015 for the quarters ended September 30, 2022 and December 31, 2022 and from NSE for March 31, 2023.

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 September 21, 2022 declared final dividend of 12.50% i.e. ₹ 1.25 per equity share for the year 2021-2022.

2. The Board of Directors of the Company at its meeting held on 12 august 2022 declared First Interim Dividend at 22.50 % i.e. ₹ 2.25 per equity share of face Value of ₹ 10/- each, on November 10, 2022 declared second interim dividend at 30 % i.e. ₹ 3 per equity share of face Value of ₹ 10/- each, on February 13, 2023 declared Third interim dividend at 35% i.e. ₹ 3.5 per equity share of face Value of ₹ 10/- each for the year 2022-2023.

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

Sd/-
Nayan Handa
Partner
FCS No.: 11993
CP No.: 18686
UDIN: F011993E000563456

Place: Delhi
Date: July 7, 2023

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 - 110 001

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 Account 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: F011993E000563456

Place: Delhi
Date: July 7, 2023

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 FY 2022-23.

Sr. No.	Observation	Explanation
1.	The Company has not complied with the provision of regulation 17 (1) (b), of SEBI (LODR) Regulations, 2015, w.e.f. 11.07.2022, regarding the requirement of having at least half of the Board of Directors as Independent.	During the year 2022-23, w.e.f 01.04.2022 till 10.07.2022, the composition of Board of Directors was in compliance with the provisions of regulation 17 (1) (b) of SEBI (LODR) Regulations, 2015. 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.
2.	The Company has not complied with the provision of regulation 17 (10) and 25(4) (a) and (b) of SEBI (LODR) Regulations, 2015, up to March 31, 2023 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, draft Board Evaluation Policy was formulated and considered by the Nomination and Remuneration Committee and Board of Directors and the draft Policy was sent to the Ministry of Power for its guidance on the same. MoP has informed that the draft Board evaluation policy has been referred to the CPSE policy division for further examination.
3.	During the period under review the Company has received the Show Cause Notice from both National Stock Exchange (NSE) and Bombay stock exchange (BSE) regarding non-compliance under Regulation 17(1) of listing obligation and disclosure requirement, 2015 for the quarters ended September 30, 2022 and December 31, 2022 and from NSE for March 31, 2023.	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 President of India, through Ministry of Power, Government of India. Accordingly, PFC has continuously requested MoP to appoint requisite number of Independent Director(s) on the Board of the PFC. In view of above, PFC has requested the Stock Exchanges for waiver of fine, response of the Stock Exchanges in this regard is awaited.

Annual Report on CSR Activities for the FY 2022-23

ANNEXURE F OF THE BOARD'S REPORT

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 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 etc. Further, as per DPE's mandate, PFC has also contributed to thematic areas i.e. 'Health & Nutrition, with preference given to Aspirational Districts.

2. COMPOSITION OF CSR COMMITTEE AS ON 31.03.2023

Sr. 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 (w.e.f. July 18, 2022)	Chairman/Independent Director	5	5
2.	Smt. Usha Sajeev Nair	Member/Independent Director	7	7
3.	Smt. Parminder Chopra	Member/Director (Finance)	7	6
4	Shri Rajiv Ranjan Jha (w.e.f. July 18, 2022)	Member/Director (Projects)	5	5
5	Shri Manoj Sharma (w.e.f. August 29, 2022)	Member/Director (Commercial)	5	5
6	Shri R.C Mishra (till July 11, 2022)	Chairman/Independent Director	2	2
7	Shri R. S. Dhillon* (till August 28, 2022)	Member/CMD & Additional charge of Director (Commercial)	2	Not Present

*By virtue of holding additional charge of Director (Commercial)

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/Default/ViewFile/?id=1614341684991_Latest_Composition_of_Committees26022021.pdf&path=Page
(b)	CSR Policy	https://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR%20Policy.pdf
(c)	CSR projects approved by the board	https://pfcindia.com/DocumentRepository/ckfinder/files/CSR/List%20of%20projects.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).

NIL

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2020-21	Nil	Nil
2	2021-22	39.39	39.39
3	2022-23	Nil	Nil
	Total	**39.39**	**39.39**

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5).

₹ 8,929.20 crore

7. **(a) Two percent of average net profit of the Company as per Section 135(5)**

₹ 178.58 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).

₹ 178.58 crore

8.

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹) (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
72.24	106.34	28.04.2023	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)	
				Location of the project						Mode of Implementation	Mode of Implementation – Through Implementing Agency	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	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 ₹)	Direct (Yes/No)	Name	CSR Registration No.
1	Construction of classrooms and allied facilities in Akal Academy schools in 4 districts of Punjab	Item (ii) - Promoting education	No	Punjab	Ferozpur, Moga, Amritsar, Tarn-Taran	7	5.30	3.35	1.95	Yes	-	-
2	Upgradation of Public Health Infrastructure in Machilipatnam region, Andhra Pradesh	Item (i) - Healthcare	No	Andhra Pradesh	Machilipatnam	6	5.07	4.06	1.01	No	District Administration, , Krishna District	CSR00033025
3	Providing necessary medical equipment in Sreevalsam Institute of Medical Sciences (SIMS) Hospital in Malappuram District, Kerala	Item (i) - Healthcare	No	Kerala	Malappuram	6	0.97	0.55	0.42	Yes	-	-
4	Construction of G+1 Hostel building in 'Vanvasi Kalyan Ashram' premises in Khanvel, Silvassa	Item (ii) - Promoting education	No	Dadar Nagar Haveli	Silvasa	24	4.77	0.48	4.30	Yes	-	-
5	Providing necessary medical equipment in Dr. Hedgewar Institute of Medical Sciences and Research (DHIMSR) Hospital in Amravati District, Maharashtra	Item (i) - Healthcare	No	Maharashtra	Amravati	8	1.91	-	1.91	Yes	-	-
6	Procurement of Advance life support (ALS) ambulances and other mobility support vehicles for medical educational institutions of the Health Department, Govt. of Manipur	Item (i) - Healthcare	No	Manipur	Multiple Districts	9	2.80	0.28	2.52	No	State Health Agency (SHA), Manipur	CSR00031715
7	Development of AFC Complex at Lungleng, Aizwal District, Mizoram	Item (vii) - Sports	No	Mizoram	Lungleng & Aizwal	12	5.47	-	5.47	No	Mizoram State Sports Council (MSSC)	CSR00017572
8	Supply, installation and Commissioning of Water ATM (WATM) in 50 locations of Basti region of Uttar Pradesh.	Item (i) - Healthcare	No	Uttar Pradesh	Basti	12	3.97	1.95	2.02	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project						Mode of Implementation	Mode of Implementation – Through Implementing Agency	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	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 ₹)	Direct (Yes/No)	Name	CSR Registration No.
9	Construction of Emergency Response Centre (ERC)' building near Badrish Lake in Badrinath town	Item (xii) - Disaster Management	No	Uttarakhand	Chamoli	24	17.58	-	17.58	No	Shri Kedarnath Utthan Charitable Trust (SKUCT), Govt. of Uttarakhand	CSR00009855
10	Rectification of toilets constructed by PFC in FY 2014-15 under CSR Swachh Bharat Swachh Vidyalaya Abhiyan (SBSV) in the States of Andhra Pradesh, after survey of toilets-2nd Phase	Item (i) - Sanitation Item (ii) - Promoting education	No	Andhra Pradesh	Multiple district	6	1.86	0.93	0.93	No	Connect to Andhra , Andhra Pradesh	CSR00008366
11	Development works in the 3 blocks (Piro, Bihiya, Jagdishpur) of Arrah District, Bihar-Bhojpur Village Development Programme as an addendum to supplementary project.	Item (x) - Rural development projects	No	Bihar	Arrah	7	1.79	0.96	0.84	Yes	-	-
12	Construction of State of Art Building for Interdisciplinary Centre for Energy Research (ICER), IISc Bengaluru, Karnataka' through IISc Bengaluru.	Item (ii) - Promoting education, Item (iv) - Ensuring environmental sustainability	No	Karnataka	Bengaluru	36	10.87	-	10.87	No	IISc Bangalore	CSR00007370
13	Creating sustainable livelihood opportunities for 500 women through oyster mushroom cultivation, marketing and branding.	Item (ii) - Promoting education	No	Maharashtra	Aurangabad	24	7.06	-	7.06	No	District Administration Aurangabad	CSR00043765
14	Providing additional rooms, toilets and drinking water facility in Primary Health Centres (PHC), Schools, Anganwadis and construction of Gram Panchayat Building in selected Mandals in Suryapet District, Telangana	Item (i) - Sanitation, Item (i) - Healthcare Item (ii) - Promoting education	No	Telangana	Suryapet	24	5.77	0.58	5.19	No	District Collector, Suryapet	CSR00041884

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project						Mode of Implementation	Mode of Implementation – Through Implementing Agency	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	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 ₹)	Direct (Yes/No)	Name	CSR Registration No.
15	Supply, Installation and Commissioning of 64 Slice Computed Tomography Scanner with 5-year warranty in MNJ Institute of Oncology & Regional Cancer Centre (MNJ), Hyderabad	Item (i) - Healthcare	No	Telangana	Hyderabad	24	5.00	-	5.00	No	MNJ Institute of Oncology & Regional Cancer Centre, Hyderabad	CSR00034393
16	Skill development training to 1000 nos. of persons belonging to under privileged sections of the society in various locations in India.	Item (ii) - Promoting education	No	Andhra Pradesh,Gujarat, Himachal Pradesh, Madhya Pradesh & Uttarakhand	Multiple district	9	2.02	-	2.02	No	Power Sector Skill Council (PSSC)	CSR00009191
17	Procurement of CT scan machine at Naga Hospital Authority Kohima.	Item (i) - Healthcare	No	Nagaland	Kohima	12	3.56	-	3.56	No	Investment and Development Authority of Nagaland (IDAN)	CSR00024598
18	Upgradation of 'Healthcare Services' and provide Equipment for 'Free Community Kitchen' for The Kalgidhar Society, Baru Sahib, Sirmour, H.P (TKS)'	Item (i) - Healthcare	No	Himachal Pradesh	Sirmaur	12	1.23	-	1.23	Yes	-	-
19	Installation of R.O Water Treatment Plant in the Villages of Palnadu District,Andhra Pradesh	Item (i) - Healthcare	No	Andhra Pradesh	Palnadu	12	2.50	-	2.50	No	District Collector, Palnadu	CSR00038835
20	Procurement of 1 Nos. of Cancer Detection & Awareness Mobile Van and related equipment to Bharat Sevashram Sangha (BSS) to be Stationed at Murshidabad, Kolkata	Item (i) - Healthcare	No	West Bengal	Murshidabad	12	3.47	-	3.47	Yes	-	-
21	Improvement/upgradation of Cantonment Board Hospital/ Dispensary in Lansdowne Cantonment, Uttarakhand'	Item (i) - Healthcare	No	Uttarakhand	Pauri	12	1.64	-	1.64	No	Cantonment Board, Lansdowne	CSR00031161

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project						Mode of Implementation	Mode of Implementation – Through Implementing Agency	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	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 ₹)	Direct (Yes/No)	Name	CSR Registration No.
22	Renovation and Improvement of Educational and allied infrastructures of 20 Nos. of schools in Kandhamal District, Odisha	Item (ii) - Promoting education	No	Odisha	Kandhamal	12	6.00	-	6.00	No	Integrated Tribal Development Agency (ITDA), Balliguda	CSR00033677
23	Procurement of life saving medical device for poor cancer patients being admitted in KGMU, Lucknow.	Item (i) - Healthcare	No	Uttar Pradesh.	Lucknow	12	10.19	-	10.19	No	King George's Medical University (KGMU), Lucknow	CSR00016784
24	Rectification of toilets constructed by PFC in FY 2014-15 under CSR Swachh Bharat Swachh Vidyalaya Abhiyan in the State of Rajasthan , after survey of toilets'	Item (i) - Healthcare	No	Rajasthan	Multiple Districts	6	4.42	-	4.42	Yes	-	-
25	Procurement and supply of sanitation and hygiene items for prevention of adverse effect on health of sanitation workers in Municipal Corporation of Rourkela,Sundergarh district, Odhisa	Item (i) - Healthcare	No	Odisha	Sundergarh	6	1.09	-	1.09	Yes	-	-
26	Upgradation of public Health infrastructure in various villages of Thoothukud district Tamilnadu.	Item (i) - Healthcare	No	Tamilnadu	Thoothukud	10	2.31	-	2.31	No	District Health society Toothukud	CSR00040013
27	Providing various equipments/items for operationalisation of Mother and New Born Care Unit (MNCU) at 10 government health centres of Gautambudhnagar District Uttar Pradesh	Item (i) - Healthcare	No	Uttar Pradesh.	Gautambudhnagar	6	0.86	-	0.86	Yes	-	-
TOTAL								**13.14**	**106.34**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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	Providing Medical Infrastructure in District Hospital in Pratapgarh district, Rajasthan	Item (i) - Healthcare	No	Rajasthan	Pratapgarh	0.34	No	Rajasthan Medical Relief Society, Pratapgarh	CSR00010176
2	Contribution to PM CARES	Item (i) - Healthcare	No	PAN India	NA	50.00	Yes	-	-
3	Contribution to PM CARES	Item (i) - Healthcare	No	PAN India	NA	1.94	Yes	-	-
	Total					**52.28**			

(d) Amount spent in Administrative Overheads

₹ 6.82 crore

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 72.24 crore(₹ 106.34 transferred to CSR unspent account)

Note: The total CSR amount charged to Standalone Statement of Profit and Loss during FY 2022-23 is ₹ 225.30 crore. Out of this, ₹ 46.72 crore pertains to projects sanctioned against the budget of the period up to 31.03.2020, whereas, the remaining amount i.e. ₹ 178.58 crore pertains to projects sanctioned against the budget of FY 2022-23.

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	178.58
(ii)	Total amount spent for the Financial Year	178.58
(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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in crore)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account u/s 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	Till FY 2019-20	99.15*	46.72	NA	NA	NA	52.43*
2	FY 2020-21	Nil	NA	NA	NA	NA	Nil
3	FY 2021-22	54.87	13.98	NA	NA	NA	40.89
	Total	**154.02**	**60.70**				**93.32**

* Not required to be transferred as the provision of Section 135 (6) was made effective from the FY 2020-21.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration (months)	Total amount allocated for the project (in ₹.)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	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	0.35	3.00	Completed
2	101	Providing Cancer Detection & Awareness Mobile Van and related equipments for Sir Sunderlal Hospital, Department of Surgical Oncology, Institute of Medical Sciences (IMS), Banaras Hindu University (BHU), Varanasi, Uttar Pradesh	2016-17	6	0.12	0.00	0.03	Completed
3	106	Skill Development Training for unemployed youth belonging to SC/ST/OBC/PwD/Women/PWD/EWS of society in Andhra Pradesh through APSSDC	2016-17	67	5.00	1.88	5.00	Completed
4	127	Installation of submersible pump, Overhead Tank and Construction of Multiple Hand wash Units in 175 Govt. schools of Varanasi, Uttar Pradesh	2017-18	21	2.18	0.03	1.09	Ongoing
5	131	Supply, installation and commissioning of 100 nos. of LED based Solar Street Lighting System (SLS) in Varanasi and Chandauli, Uttar Pradesh	2017-18	9	0.24	0.00	0.23	Ongoing
6	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 through PTC FoundationTrust .	2018-19	36	2.56	1.43	2.33	Ongoing
7	136	Development works in the 3 blocks (Piro, Bihiya, Jagdishpur) of Arrah District, Bihar-Bhojpur Village Development Programme	2018-19	50	22.90	1.96	22.40	Ongoing
8	137	Construction of Building of Brij Mohan School for the Blind in Meerut under	2018-19	27	4.87	0.89	4.73	Completed
9	139	Supply,installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Agra, Uttar Pradesh	2018-19	6	1.13	0.02	1.08	Ongoing
10	140	Supply,installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Purnia, Bihar	2018-19	6	1.13	0.02	1.08	Ongoing
11	144	Infrastructure works in Dr.K.B hedgewar School in Tiswadi, Goa	2018-19	29	3.40	0.70	3.40	Ongoing
12	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	1.34	Ongoing
13	148	Supply, installation and commissioning of 100 Nos of solar PV Highmast Lighting system (White LED) SHMLS in various village of Basti, UP	2018-19	28	1.15	0.03	1.09	Ongoing
14	150	Supplementary Project of creating Adarsh Panchayat in Bhandari Panchayat Sitamarhi District,Bihar and transformation of Existing projects intervention two Government Schools in Bhandari and Construction of Community Hall under CSR as an addendum to supplementary project	2018-19	37	2.56	0.43	2.33	Ongoing
15	155	Project for 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	1.00	Ongoing
16	157	Project for supply, 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	1.34	Ongoing

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration (months)	Total amount allocated for the project (in ₹.)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
17	158	Supply, installation, commissioning of 100 nos. of Solar PV Highmast Lightening System (White LED) (SHMLS) in various villages of Siddharthnagar District, Uttar Pradesh	2018-19	8	1.15	0.15	0.15	Ongoing
18	159	Installation of RO units in various Government/ Government aided Schools of Ferozepur District,Punjab	2018-19	24	6.76	0.84	5.55	Ongoing
19	165	Supply and installation of 100 Nos of India Mark II hand pumps fo drinking water purpose in Mirzapur UP	2018-19	18	0.97	0.10	0.98	Ongoing
20	192	Project for providing portable Solar Micro Pumping System (PSMP) to 20 Gram Panchayat in Baghpat Region, Uttar Pradesh	2018-19	35	0.69	0.38	0.63	Ongoing
21	222	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	2018-19	36	3.84	2.82	2.82	Ongoing
22	162	Creating 100 model aaganwadi centre (AWC) alongwith provision of other infrastructural facilities in shravasti District, UP	2019-20	35	4.18	0.95	2.07	Ongoing
23	170	Transforming Tribal Health Care Centres, Upgradation of Integrated Disease Diagnostics Facilities including Thalassemia disease day Care and Nutrition Rehabilitation Centrers(NRC) in aspirational district Bhupalpalli,Telangana	2019-20	30	8.74	3.08	3.96	Ongoing
24	172	Construction of 200 anganwadi centres alongwith provision of other infrastructural facilities in Ferozepur Dist. Punjab	2019-20	38	19.06	4.71	15.39	Ongoing
25	174	Energy Efficient Interventions for improving Education and Health standards in Tribal Resdential schools and Hostels & providing Digital Classrooms in Tribal schools in Bhupalpalli and Mulug of Telangana state	2019-20	35	10.51	4.20	9.46	Ongoing
26	179	Project for conducting Skill Development Training (3630 persons)	2019-20	39	10.00	2.48	7.68	Ongoing
27	186	Construction of Ground Floor of 100 Bedded Multi Specialty Hospital at Trimbakeshwar Nashik for Shri Ramakrishna Arogya Sansthan	2019-20	30	7.82	4.04	5.86	Ongoing
28	194	Supply installation and commissioning of 500 Nos of solar photovoltaice LED street lighting system SLS in various village of Kairana, UP	2019-20	24	1.12	0.20	1.00	Ongoing
29	195	Construction of Two No. of Modular Operation theatre room in District Hospital in Siddharthnagar District, Uttar Pradesh	2019-20	19	0.93	0.07	0.88	Completed
30	196	Reconstruction & restoration of Kedarnath town and surrounding areas	2019-20	24	25.97	9.59	11.92	Ongoing
31	197	Construction of 100 bedded district hospital building for 'In – patient department (IPD)' block in Mamit, Mizoram	2019-20	36	12.55	2.37	8.30	Ongoing
32	198	Development of Sub Health Centres 'Anganwadi centres' provision of mobility for health providers, and development of digital classrooms in selected Government schools in Bhadradri Kothagudem, Telangna	2019-20	31	6.29	2.70	5.39	Ongoing
33	202	Provision of aids and appliances in the form of motorised tricycles to PWD in Bhadradri Kothagudem, Telangana	2019-20	23	0.73	0.22	0.47	Ongoing
		Total				**46.72**		

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 ₹ 106.34 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)
CMD
DIN: 08530587

Sd/-
(Prasanna Tantri)
Chairman, CSR Committee
DIN: 06471864

Form No. AOC-2

ANNEXURE G OF BOARD'S REPORT

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Sr. No.	Particulars	Details		
1.	**Details of contracts or arrangements or transactions not at arm's length basis**			
(a)	Name(s) of the related party and nature of relationship	There was no transaction attracting the applicable provisions of sub-section (1) of Section 188 of the Companies Act, 2013.		
(b)	Nature of contracts/arrangements/ transactions			
(c)	Duration of the contracts / arrangements/ transactions			
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any			
(e)	Justification for entering into such contracts or arrangements or transactions			
(f)	Date(s) of approval by the Board			
(g)	Amount paid as advances, if any:			
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188			
2.	**Details of material contracts or arrangement or transactions at arm's length basis**			
(a)	Name(s) of the related party and nature of relationship	PFC Projects Limited (PPL) (erstwhile Coastal Karnataka Power Limited (CKPL)), Subsidiary of PFC	PFC Projects Limited (PPL) (erstwhile Coastal Karnataka Power Limited (CKPL), Subsidiary of PFC	PFC Projects Limited (PPL) (erstwhile Coastal Karnataka Power Limited (CKPL), Subsidiary of PFC
(b)	Nature of contracts/arrangements/ transactions	PFC Projects Limited (PPL), a 100% Subsidiary of PFC is being identified for the creation of 'Power Asset Management Company (PAMC)' for taking over the Stressed/NPA Assets in the Power Sector with equal participation (50:50) by PFC and REC.	Approval of bid value for resolution plan submitted by PPL in consortium with REC & Technical Partner like DVC, SJVNNTPC etc. for LAPL under the provisions of Insolvency and Bankruptcy Code 2016.	Sanction for revised Takeout Funding on sharing basis with REC as part of transaction requirement under CIRP of LAPL for PPL-REC Consortium Plan to Lanco Amarkantak Power Ltd.

Sr. No.	Particulars	Details		
(c)	Duration of the contracts/ arrangements/ transactions	--	--	--
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	The major terms of the transaction were as follows: • The initial paid-up capital of PAMC will be ₹100 crore to be shared equally by PFC and REC having equal voting shares. • Subscription of 50% shareholding in the proposed PAMC through fresh equity allotment not exceeding ₹ 50,00, 00,000 (Rupees Fifty Crore), and on such other terms and conditions as may be mutually agreed between both parties.	The major terms of the transaction were as follows: • Sanction of additional funding for capital expenditure for the Project, with sharing 50:50 basis with REC. • Sanction for takeout facility for CoC lenders (other than PFC, REC to Lanco Amarkantak Power Limited.	The major terms of the transaction were as follows: • Sanction of revised Takeout funding including PFC/REC. • for arrangement through PFC/ REC/ other participating entities of a Performance Security/bank guarantee by a scheduled commercial bank in India of INR 100 crore (Indian Rupees One Hundred Crore only) as Performance Bank Guarantee (PBG) in favour of Designated Lender.
(e)	Date(s) of approval by the Board, if any:	12.08.2022	22.11.2022	13.01.2023
(f)	Amount paid as advances, if any:	--	--	--

For and on behalf of the Board of Directors

Sd/-
(Parminder Chopra)
CMD
DIN: 08530587

Place: New Delhi
Dated: August 21, 2023

Debenture Trustees Appointed by the Company for the Different Series of Bonds as on March 31, 2023

ANNEXURE H OF BOARD'S REPORT

1	**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
2	**PNB Investment Services Limited** 10 Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi - 110 049	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 9.26% TAXU PFC Bonds - Series 85-D 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 I V Private Placement
3	**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 7.65% PFC BOND SERIES 170-B 7.62% PFC BOND SERIES 171 7.74% PFC BOND SERIES 172 7.85% PFC BOND SERIES 177

		Infrasturcture Bond(2010-11 trache 1-Series -III
		Infrasturcture Bond(2010-11 trache 1-Series -IV
		8.30% Public Issue of Tax Free Nond FY 2011-12
		7.11% TAXFREE BONDS 1A 2015-16
		7.36% TAXFREE BONDS 1B 2015-16
		7.27% TAXFREE BONDS 2A 2015-16
		7.52% TAXFREE BONDS 2B 2015-16
		7.35% TAXFREE BONDS 3A 2015-16
		7.60% TAXFREE BONDS 3B 2015-16
4	**Vistra ITCL (India) Ltd.**	8.19% PFC SUBORDINATED TIER II - DEBT BOND SERIES 105
	(Formerly IL&FS Trust Company Ltd.)	8.01% TAX FREE BOND SERIES 107-A
	IL&FS Financial Centre	8.46% TAX FREE BOND SERIES 107-B
	Plot C- 22, G Block,	9.65% PFC SUBORDINATED TIER II - DEBT BOND SERIES 111
	BandraKurla Complex,	9.70% PFC SUBORDINATED TIER II - DEBT BOND SERIES 114
	Bandra(E), Mumbai 400051	7.36%15YRS TAX FREE BOND20 12-13 TR SERIES 2
		7.86%15YRS TAX FREE BOND20 12-13 TR SERIES 2
		7.04TAX FREE BOND20 12-13 TR 2
		7.54TAX FREE BOND20 12-13 TR 2
		8.18%Tax Free Bonds 13-14 Series 1A
		8.43%Tax Free Bonds 13-14 Series 1B
		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
5	**Beacon Trusteeship Ltd.**	8.95 TX USC BOND SRS 178
	4C&D, Siddhivinayak Chambers	8.67 TX USC BND SRS 179 A
	Gandhi Nagar, Opp. MIG Cricket Club	8.64 TX USC BND SRS 179 B
	Bandra(E), Mumbai - 400 051	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
		7.04%TX USB BOND SRS194
		7.86%TX USB BOND SRS195
		7.41%TX USB BOND SRS196&196R
		7.41%TX USB BOND SRS197
		6 98 TX USC BND SRS 198
		6 83 TX USC BND SRS 199A
		7 16 TX USC BND SRS 199B
		7 40 TX USC BND SRS 200
		7 68 TX USC BND SRS 201
		7.75 TX USC BND SRS 202A
		7 17 TX USC BND SRS 202B
		7.79 TX USC BND SRS 202C
		6 72 TX USC BND SRS 203A
		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

5 47 TX USC BND SRS 206
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
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
4 80 SEC TAX NCD PI TR I SER I CAT III-IV
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
5.75% PFC 54 EC BOND SERIES II
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

Independent Auditors' Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. OPINION

We have audited the accompanying Standalone Financial Statements of Power Finance Corporation Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, 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").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

3. EMPHASIS OF MATTER

We draw attention to Note 40.1.2 (iii) of the Standalone Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company has recognised expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgement on the same.

Our opinion is not modified in respect of the above said matter.

4. KEY AUDIT MATTERS

Key audit matters ("KAM") are those matters that, in our professional judgement, were of most significance in our audit of these 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 appraised on the ongoing basis by the management.	**Our audit procedures included:** • Company has availed services of independent expert to estimate the carrying value of the loan assets. We verified the criterion/ framework with various regulatory updates along with Company's internal guidelines and procedures in respect of the impairment allowance as well as the completeness and accuracy of the data shared with the independent experts. • Recoveries are verified applying the standard audit procedures. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. • We have reviewed the underlying assumptions and broad methodology of ECL assessment and shared our inputs.

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 in the Standalone Financial Statements, i.e. 94.98% of total assets, impairment of loan assets there on has been considered as Key Audit Matter in our audit.	• Components and calculations in the study for impairment allowance carried out by the third party are test checked, discussed with management and relied upon by us. Our audit procedure in the same is limited in view of not sharing certain parameters of study being considered confidential by such third party. We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable & satisfactory.
(ii)	**Fair Valuation of Derivative financial instruments** 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.	**Our audit procedures included:** Discussing and understanding management's perception and studying policy of the Company for risk management. Verification of fair value of derivative in term of Ind AS 109. Evaluation of key internal control over classification of derivative instruments. Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on March 31, 2023 and fair value thereon. 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. We did not find any material misstatement in measuring derivative contracts at fair value obtained from counterparty banks.

5. INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, Management Discussion and Analysis, Business Responsibility Report and 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.

6. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

7. 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 reasonable knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period 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.

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.

II. The Comptroller and Auditor General of India has issued the directions indicating the areas to be examined in term of sub-section 5 of Section 143 of the Act, the compliance of which is set out in **"Annexure B"**.

III. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash flows, dealt with by this Report are in agreement with the books of account;

d) In our opinion and to the best of our information and explanation given to us, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules;

e) As per notification number G.S.R. 463(E) dated June 5, 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 June 5, 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; and

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 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 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 18.16), to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material mis-statement.

v. As stated in Note 24.2(iii) to the Standalone Financial Statements:

(a) The final dividend proposed for the previous year, declared and paid by the Company during the year 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with respect to using accounting software for maintaining its books of account which has certain features e.g. edit log etc. as enumerated in aforesaid proviso is applicable to the Company with effect from April 1, 2023. Therefore, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 23082069BGZGVN9763

Date: 27.05.2023
Place: New Delhi

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZQ6574

Annexure A

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para I under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended March 31, 2023)

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 which 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)
22	9,977.63	12,548.55	22,526.18

* 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 Sections 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, 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 March 31, 2023, 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	

(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 not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

(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) As informed to us, 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 Sections 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 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.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 23082069BGZGVN9763

Date: 27.05.2023
Place: New Delhi

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZQ6574

Annexure B

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para II under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended March 31, 2023)

As required under Section 143(5) of the Companies Act 2013 with respect to the directions issued by The Comptroller & Auditor General of India, we report that:

Directions	Replies
Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system. Based on the verification carried out by us during the course of our audit and based on the information and explanations given to us we have not come across any instance having significant implications on the integrity of accounts.
Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company)	There is no such case and the Company is regular in servicing its debts and borrowing obligations.
Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.	Government of India funds released by Ministry of Power to the Company for the projects sanctioned under various schemes, have been properly accounted for and released onward to concerned beneficiary for implementation of Projects, as per specified scheme guidelines and terms & conditions of the sanction.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 23082069BGZGVN9763

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZQ6574

Date: 27.05.2023
Place: New Delhi

Annexure C

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para III(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended March 31, 2023)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone financial statements of Power Finance Corporation Limited ("the Company") as of March 31, 2023 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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 23082069BGZGVN9763

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZQ6574

Date: 27.05.2023
Place: New Delhi

Non-Banking Financial Companies Auditors' Report

for the year ended March 31, 2023

The Board of Directors
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 comprise the Balance Sheet as at March 31, 2023, 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").

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India, on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, and according to the explanations given to us for the purpose of the audit, 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 31.03.2023.

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 21.03.2023 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 2022-23.

5. The financial statements of the Company for the year 2022-23 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 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 Companies Act, 2013 for adoption of a mechanism for preparation of 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 March 13, 2020, the Company has calculated provision required under IRACP Norms (including standard assets provisions) and company is not required to appropriate any amount to "Impairment Reserve".

6. As per information and explanation given to us, the statement of capital funds, risk assets/exposures and risk asset ratio (DNBS 03 return) has been filed by the Company for all the quarters of FY 2022-23 based on provisional financial results, including CRAR of respective quarters, drawn on the date of filing with in the stipulated period, in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2023 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 23082069BGZGVN9763

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZQ6574

Date: 27.05.2023
Place: New Delhi

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 2023

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2023 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 27 May 2023.

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 2023 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 auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
COMPTROLLER & AUDITOR GENERAL OF INDIA

Sd/-
(SANJAY K. JHA)
Director General of Audit (Energy)

Place: New Delhi
Dated: July 28, 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS				
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	7	22.14	720.91
(b)	Bank Balance other than included in Cash and Cash Equivalents	8	1,595.96	3,240.31
(c)	Derivative Financial Instruments	9	4,803.40	3,080.56
(d)	Loans	10	4,10,829.15	3,60,929.74
(e)	Investments	11	17,304.14	16,084.27
(f)	Other Financial Assets	12	5,389.03	5,382.67
	Total Financial Assets (1)		**4,39,943.82**	**3,89,438.46**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	13	210.28	273.65
(b)	Deferred Tax Assets (Net)	37	4,033.31	4,151.82
(c)	Property, Plant and Equipment	14	44.00	44.72
(d)	Intangible Assets	14	0.04	0.13
(e)	Intangible Assets under development	14	11.20	-
(f)	Right-of-use Assets	15	34.40	34.85
(g)	Other Non-Financial Assets	16	556.01	466.38
	Total Non-Financial Assets (2)		**4,889.24**	**4,971.55**
	Total Assets (1+2)		**4,44,833.06**	**3,94,410.01**
LIABILITIES AND EQUITY				
Liabilities				
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	9	24.32	103.25
(b)	Debt Securities	17	2,59,827.05	2,30,156.95
(c)	Borrowings (other than Debt Securities)	18	1,01,228.89	87,965.42
(d)	Subordinated Liabilities	19	9,311.84	9,311.27
(e)	Other Financial Liabilities	20	5,537.68	6,803.99
	Total Financial Liabilities (1)		**3,75,929.78**	**3,34,340.88**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	13	105.02	194.92
(b)	Provisions	21	323.65	247.00
(c)	Other Non-Financial Liabilities	22	272.38	276.93
	Total Non-Financial Liabilities (2)		**701.05**	**718.85**
	Total Liabilities (1+2)		**3,76,630.83**	**3,35,059.73**
3	**Equity**			
(a)	Equity Share Capital	23	2,640.08	2,640.08
(b)	Other Equity	24	65,562.15	56,710.20
	Total Equity (3)		**68,202.23**	**59,350.28**
	Total Liabilities and Equity (1+2+3)		**4,44,833.06**	**3,94,410.01**

The accompanying notes 1 to 61 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
	REVENUE FROM OPERATIONS			
(i)	Interest Income	25	37,645.31	36,701.22
(ii)	Dividend Income	26	1,744.81	1,347.42
(iii)	Fees and Commission Income	27	261.63	496.76
I.	**Total Revenue from Operations**		**39,651.75**	**38,545.40**
II.	Other Income	28	13.88	45.77
III.	**Total Income (I+II)**		**39,665.63**	**38,591.17**
	EXPENSES			
(i)	Finance Costs	29	23,282.57	22,671.30
(ii)	Net Translation/Transaction Exchange Loss / (Gain)	30	1,975.23	905.58
(iii)	Fees and Commission Expense	31	12.06	10.18
(iv)	Net Loss/(Gain) on Fair Value changes	32	(70.56)	(9.42)
(v)	Impairment on Financial Instruments	33	(296.21)	2,222.14
(vi)	Employee Benefit Expenses	34	219.01	213.11
(vii)	Depreciation, Amortisation and Impairment	14/15	19.06	13.20
(viii)	Corporate Social Responsibility Expenses	35	225.30	214.72
(ix)	Other Expenses	36	128.55	122.71
IV.	**Total Expenses**		**25,495.01**	**26,363.52**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**14,170.62**	**12,227.65**
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**		**14,170.62**	**12,227.65**
	Tax Expense:	37		
	(1) Current Tax:			
	- Current Year		2,381.18	2,418.91
	- Earlier Years		(50.94)	(36.05)
	(2) Deferred Tax Expense/(Income)		234.91	(177.11)
VIII.	**Total Tax Expense**		**2,565.15**	**2,205.75**
IX.	**Profit/(Loss) from Continuing Operations (VII-VIII)**		**11,605.47**	**10,021.90**
X.	**Profit/(Loss) from Discontinued Operations (After Tax)**		**-**	**-**
XI.	**Profit/(Loss) (from continuing and discontinued operations) (IX+X)**		**11,605.47**	**10,021.90**
	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(3.62)	(5.07)
	- Net Gain/(Loss) on Fair Value of Equity Instruments		145.74	151.94
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		0.94	1.37
	- Net Gain/(Loss) on Fair Value of Equity Instruments		10.16	(9.58)
	Sub-total (A)		**153.22**	**138.66**
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains/(Loss) in Cash Flow Hedge		390.02	419.18
	- Cost of Hedging Reserve		(808.14)	(362.82)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains/(Loss) in Cash Flow Hedge		(98.16)	(105.50)
	- Cost of Hedging Reserve		203.39	91.31
	Sub-total (B)		**(312.89)**	**42.17**
XII.	**Other Comprehensive Income (A+B)**		**(159.67)**	**180.83**
XIII.	**Total Comprehensive Income (XI+XII)**		**11,445.80**	**10,202.73**
XIV.	**Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):**	38		
	(1) For continuing operations (in ₹)		43.96	37.96
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		43.96	37.96

The accompanying notes 1 to 61 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	Opening Balance	Changes during the year	Closing Balance
Issued, Subscribed and fully paid up:			
Year ended March 31, 2022	2,640.08	-	2,640.08
Year ended March 31, 2023	2,640.08	-	2,640.08

Refer Note 23 for detail

B. OTHER EQUITY

(₹ in crore)

Particulars	Reserves and Surplus									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	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	-	-	-	-	-	-	-	-	-	-	-	-	-
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**

(₹ in crore)

Particulars	Reserves and Surplus									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	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 31.03.2021	**4,233.76**	**287.25**	**599.85**	**21,715.55**	**2,776.54**	**(634.33)**	**62.65**	**13,827.86**	**7,203.86**	**(183.37)**	**(113.34)**	**(23.24)**	**49,753.04**
Changes in Accounting Policy/Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	10,021.90	-	-	-	10,021.90
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	(3.70)	-	-	-	(3.70)
Other Comprehensive Income/ (Expense)	-	-	-	-	-	-	-	-	-	142.36	313.68	(271.51)	184.53
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,018.20**	**142.36**	**313.68**	**(271.51)**	**10,202.73**
Dividends	-	-	-	-	-	-	-	-	(3,366.10)	-	-	-	(3,366.10)
Transfer to/from Retained Earnings	2,004.38	576.44	-	2,423.45	-	-	-	-	(5,004.27)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(287.25)	-	-	-	-	-	287.25	-	-	-		-
Reclassification of gain/(loss) on sale/ extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	13.22	(13.22)	-	-	-
Additions/Deletions during the year (net)	-	-	-	-	-	120.53	1.42	-	(1.42)	-	-	-	120.53
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**

The accompanying notes 1 to 61 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2023		Year ended 31.03.2022	
I.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Profit before Tax	**14,170.62**		**12,227.65**	
	Adjustments for:				
	Loss/(Gain) on derecognition of Property, Plant and Equipment (net)	2.88		2.91	
	Loss/(Gain) on cessation of joint control in joint venture	-		(32.66)	
	Loss/(Gain) on Fair value changes (Net)	(70.56)		(9.42)	
	Unrealised Foreign Exchange Translation Loss/(Gain)	4,099.52		1,343.15	
	Depreciation and Amortisation	19.06		13.20	
	Impairment on Financial Instruments	(296.21)		2,222.14	
	Effective Interest Rate in respect of Loan assets and borrowings/debt securities	(22.40)		8.23	
	Interest expense on Zero Coupon Bonds and Commercial Papers	42.06		92.79	
	Other interest expense	0.87		3.04	
	Interest accrued on investments	(0.42)		(22.00)	
	Provision created during the period	162.74		167.36	
	Excess Liabilities written back	-		(2.38)	
	Operating profit before Working Capital Changes:	**18,108.16**		**16,014.01**	
	Increase/Decrease:				
	Loans (Net)	(50,181.78)		(2,936.88)	
	Other Financial and Non-Financial Assets	1,666.92		(2,221.27)	
	Derivative	(2,096.53)		(2,123.78)	
	Other Financial & Non-Financial Liabilities and Provisions	(823.39)		433.65	
	Cash Flow before Exceptional Items	**(33,326.62)**		**9,165.73**	
	Exceptional Items	-		-	
	Cash Flow from Operations Before Tax	**(33,326.62)**		**9,165.73**	
	Income Tax paid	(2,472.02)		(2,246.45)	
	Income Tax Refund	57.89		-	
	Net Cash Inflow/(Outflow) from Operating Activities		**(35,740.75)**		**6,919.28**
II.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Proceeds from disposal of Property, Plant and Equipment	0.21		0.24	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance)	(83.80)		(204.16)	
	Increase/(Decrease) in Other Investments	(630.38)		(7.47)	
	Net Cash Inflow/(Outflow) from Investing Activities		**(713.97)**		**(211.39)**
III.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Raising of Bonds (including premium) (Net of Redemptions)	26,390.86		(12,600.78)	
	Raising of Long-Term Loans (Net of Repayments)	4,055.42		4,663.50	
	Raising of Foreign Currency Loans (Net of Repayments)	4,212.82		5,229.95	
	Raising of Commercial paper (Net of Repayments)	-		(3,120.00)	
	Raising of Working Capital Demand Loan/ OD/ CC/ Line of Credit (Net of Repayments)	3,755.24		(454.45)	
	Unclaimed Bonds (Net)	(18.47)		(58.28)	
	Unclaimed Dividend (Net)	0.17		1.56	
	Payment of Dividend	(2,640.08)		(3,366.10)	
	Payment of Lease Liability	(0.01)		0.00	
	Net Cash Inflow/(Outflow) from Financing Activities		**35,755.95**		**(9,704.60)**
	Net Increase/Decrease in Cash and Cash Equivalents		**(698.77)**		**(2,996.71)**
	Add: Cash and Cash Equivalents at beginning of the financial year		720.91		3,717.62
	Cash and Cash Equivalents at the end of the year		**22.14**		**720.91**

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2023		Year ended 31.03.2022	
	Details of Cash and Cash Equivalents at the end of the year:				
i)	Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	22.14		17.64	
	In Term Deposit Accounts (original maturity up to 3 months)	-	22.14	703.27	720.91
ii)	Cheques, Drafts on hand including postage and Imprest		0.00		0.00
	Total Cash and Cash Equivalents at the end of the year		**22.14**		**720.91**

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 ₹ 118.96 crore (Previous year ₹ 120.46 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	Commercial Paper	WCDL/Loan against term deposit	Subordinated Debts	Total
	Opening Balance as at 01.04.2021	**2,01,184.95**	**61,098.98**	**49,835.80**	**3,080.23**	**683.04**	**9,211.50**	**3,25,094.50**
	Cash Flow During the Year (Net)	(12,600.78)	4,663.50	5,229.95	(3,120.00)	(454.45)	0.00	(6,281.78)
	Non-Cash Changes due to:							
	Amortisation of discount/interest on Zero Coupon Bond/Financial Charges on Commercial Paper	53.02	-	-	39.77	-	-	92.79
	Variation in Exchange Rates	-	-	1,222.62	-	-	-	1,222.62
	Closing Balance as at 31.03.2022	**1,88,637.19**	**65,762.48**	**56,288.37**	**0.00**	**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 on Zero Coupon Bonds & Financial Charges on Commercial Papers	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**	**0.00**	**3,983.83**	**9,211.50**	**3,62,637.83**

*Foreign Currency Notes form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

**Foreign Currency Loans and Syndicated Foreign Currency Loans form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

The accompanying notes 1 to 61 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC is placed in Middle layer under framework for Scale Based Regulation for NBFCs issued by RBI.

Equity shares of the Company are listed on the 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 27.05.2023

4. STANDARDS / AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31.03.2023, whereby amendments to various Indian Accounting Standards has been made applicable w.e.f. from 01.04.2023.

The Company has evaluated the amendments made vide the aforesaid notification dated 31.03.2023 and there will be no impact of the same on the Financial Statements as and when these are made applicable.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the Standalone Financial Statements are as 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

(iv) Cash flow hedge

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

(v) 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

of Profit and Loss in period during which such renegotiations occur.

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

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

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

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

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

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

Business Model

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

The Company is in the business of 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, 2023

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, 2023

(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 ₹ 5000/- 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 the terms of the respective contract and disclosed separately under the head 'Interest Income'.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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.

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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.

5.15 Foreign Currency Transactions and Translations

The functional currency of the Company is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 significant accounting policies.
- 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 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 is not capable

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

of being withdrawn. Hence, 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 33.33 % stake in equity share capital of Energy Efficiency Services Limited (EESL). However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 28 'Investment in Associates and Joint Ventures', the Company does not have any significant influence, accordingly EESL has not been considered as an associate company.

b) Ultra-Mega Power Projects (UMPPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these UMPPs unilaterally. The Company therefore, considers its investment in respective UMPPs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

c) By virtue of holding Board position or equity stake in borrower companies, the rights exercised by PFC in such companies are protective in nature. Thus, the borrower companies are not considered as Associates for the purpose of financial statements.

(v) Low value leases

An assessment is required, if lessee opts not to apply the recognition and measurement requirements of Ind AS 116 'Leases' to leases where the underlying asset is of low value. For the purpose of determining low value, the Company has considered nature of assets and concept of materiality as defined in Ind AS 1 'Presentation of Financial Statements' and the conceptual framework of Ind AS which involve significant judgement.

(vi) Sundry Liabilities - Interest Capitalisation

Unrealised income on credit impaired loans, represented by Funded Interest Term Loan (FITL)/ debt/ equity instruments acquired under resolution, is transferred to a separate account titled 'Sundry Liabilities Account (Interest Capitalisation)' and is recognised in Statement of Profit and Loss on repayment of FITL or sale/ redemption of debt/ equity instruments.

(vii) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in change in recoverable amount of the assets. The Company makes significant judgement in identifying the default and significant increase in credit risk (SICR) based on available information.

6.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(i) Defined Benefit Obligation (DBO)

The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note 44.2

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, LoCs 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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, 2023

7. CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	**Balances with Banks (of the nature of cash and cash equivalents)**		
	- In Current Accounts	22.14	17.64
	- In Term Deposit Accounts (original maturity up to 3 months)	-	703.27
(ii)	**Cheques, Drafts on hand including Postage and Imprest**	0.00	0.00
	Total Cash and Cash Equivalents	**22.14**	**720.91**

8 BANK BALANCE OTHER THAN INCLUDED IN CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	**Earmarked Balances with Banks for**		
	- Term Deposits Accounts - LAD (Refer note 8.1)	-	245.84
	- Term Deposits Accounts - HQLA (Refer note 8.2)	1,473.26	2,398.99
	- Unpaid Dividend	5.63	5.46
	- Unpaid - Bonds / Interest on Bonds etc.	72.70	91.19
	- Amount received under GOI schemes	1.78	498.83
	- Current Accounts with Banks - Unspent CSR Purposes (Refer note 35.4)	42.59	-
	Total Bank Balance other than included in Cash and Cash Equivalents	**1,595.96**	**3,240.31**

8.1 The Company has availed Loan against these Term Deposits (LAD) and is presented in Note 18.5.

8.2 Refer Note 55.6 for disclosure regarding High Quality Liquid Assets (HQLA)

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 31.03.2023			As at 31.03.2022		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives**						
	- Spot and Forwards	1,014.18	20.40	21.06	-	-	-
	- Currency Swaps	4,521.93	460.12	-	12,129.14	1,111.15	-
	- Options	48,020.93	3,891.63	3.26	18,762.25	1,523.81	21.55
	Total Currency Derivatives	**53,557.04**	**4,372.15**	**24.32**	**30,891.39**	**2,634.96**	**21.55**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	10,549.12	431.25	-	17,931.98	445.60	81.70
	Total Interest Rate Derivatives	**10,549.12**	**431.25**	**-**	**17,931.98**	**445.60**	**81.70**
	Total Derivative Financial Instruments (i+ii)	**64,106.16**	**4,803.40**	**24.32**	**48,823.37**	**3,080.56**	**103.25**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 31.03.2023			As at 31.03.2022		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Cash Flow Hedging (Designated)**						
	- Currency Derivatives	47,904.29	3,986.16	3.26	24,826.83	1,801.42	21.55
	- Interest Rate Derivatives	7,399.52	364.11	-	8,717.82	198.86	39.15
	Total Cash Flow Hedging (Designated)	**55,303.81**	**4,350.27**	**3.26**	**33,544.65**	**2,000.28**	**60.70**
(ii)	**Undesignated Derivatives**	8,802.35	453.13	21.06	15,278.72	1,080.28	42.55
	Total Undesignated Derivatives	**8,802.35**	**453.13**	**21.06**	**15,278.72**	**1,080.28**	**42.55**
	Total Derivative Financial Instruments (i+ii)	**64,106.16**	**4,803.40**	**24.32**	**48,823.37**	**3,080.56**	**103.25**

9.1. Details of Forward Rate Agreements/Interest Rate Swaps:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Notional principal of swap agreements	10,549.12	17,931.98
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	431.25	445.60
(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)	431.25	363.90

(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 31.03.2023	As at 31.03.2022	Terms
	Notional principal (₹ in crore)		
INBMK	3,149.60	3,149.60	Fixed Receivable V/s Floating Payable
USD LIBOR	7,399.52	14,782.38	Fixed Payable V/s Floating Receivable
Total	**10,549.12**	**17,931.98**	

9.3. The Company does not hold any exchange traded derivatives as at 31.03.2023 (as at 31.03.2022 Nil).

9.4. Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars Currency Derivatives	As at 31.03.2023		As at 31.03.2022	
		Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging [(b) & (c)]	53,557.03	10,549.12[(a)]	30,891.39	17,931.98[(a)]
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	4,372.15	431.25	2,634.96	445.60
	b) Liability (-MTM)	24.32	-	21.55	81.70
(iii)	Credit Exposure	8,310.48	526.47	5,087.22	585.16
(iv)	Unhedged Foreign Currency Exposures [(b)]	23,779.03	8,758.90	25,396.98	2,319.39

(a) Interest rate derivatives include derivatives on rupee liabilities of ₹ 3,149.60 crore as at 31.03.2023 (As at 31.03.2022 ₹ 3,149.60 crore).

b) Includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at 31.03.2023 (As at 31.03.2022 - Nil).

c) Includes JPY and EURO loan liability hedged separately for USD/JPY or EURO/USD leg and USD/INR leg for ₹ 7,128.40 crore as at 31.03.2023 (As at 31.03.2022 - Nil).

9.5 Refer Note 40.3 and Note 40.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and Note 41 for disclosures related to hedge accounting.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
(A)	**Loans to Borrowers***		
(i)	Rupee Term Loans (RTLs)	3,98,559.81	3,69,272.18
(ii)	Buyer's Line of Credit	2,086.95	2,495.83
(iii)	Working Capital Loans	21,073.36	597.73
(iv)	Others	777.61	768.87
(v)	**Principal Outstanding (i to iv)**	**4,22,497.73**	**3,73,134.61**
(vi)	Interest accrued but not due on Loans	4,077.36	4,509.31
(vii)	Interest accrued & due on Loans	418.14	646.93
(viii)	Unamortised Fee on Loans	(139.41)	(89.81)
	Gross Carrying Amount (v to viii)	**4,26,853.82**	**3,78,201.04**
	Less: Impairment loss allowance	(16,024.67)	(17,271.30)
	Net Carrying Amount	**4,10,829.15**	**3,60,929.74**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	1,95,573.46	1,90,400.05
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,68,744.12	1,42,783.25
(iv)	Unsecured	62,536.24	45,017.74
	Gross Security-wise classification	**4,26,853.82**	**3,78,201.04**
	Less: Impairment loss allowance	(16,024.67)	(17,271.30)
	Net Security-wise classification	**4,10,829.15**	**3,60,929.74**
(C) I	**Loans in India**		
(i)	Public Sector	3,53,941.30	3,18,825.66
(ii)	Private Sector	72,912.52	59,375.38
	Gross Carrying Amount of Loans in India	**4,26,853.82**	**3,78,201.04**
	Less: Impairment loss allowance	(16,024.67)	(17,271.30)
	Net Carrying amount of Loans in India	**4,10,829.15**	**3,60,929.74**
(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	**4,10,829.15**	**3,60,929.74**

*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 31.03.2023 except where loans have been recalled or pending before court/NCLT.

Confirmation for 99.76% of the said balances have been received. Out of the remaining loans amounting ₹ 967.94 crore for which Balance confirmation have not been received, 0.94% loans are secured by way of Government Guarantee and 99.06% are unsecured loans.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 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.
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**	
FY 2021-22						
1	Krishna Godavari Power Utilities Ltd.	Restructuring with change in ownership through NCLT	76.63	76.63	64.23	Loan stands settled as at 31.03.2022.
2	GVK Ratle Hydro Electric Project Pvt. Ltd.	One time settlement	1,116.65	851.93	462.65	Loan amount representing arbitration award of ₹ 304.00 crore with 100% impairment provisioning is appearing in books as at 31.03.2022.
3	Essar Power MP Ltd.	Restructuring with change in ownership through NCLT	1,344.55	731.27	730.77	Sustainable loan amounting to ₹ 466.48 crore is continuing in books as at 31.03.2022.
4	Astonfield Solar (Gujarat) Pvt. Ltd.	Restructuring with change in ownership through NCLT	25.85	23.47	15.78	Sustainable loan amounting to ₹ 4.11 crore is continuing in books as at 31.03.2022.
5	RS India Wind Energy Private Limited	One time settlement	223.77	134.48	122.70	Loan stands settled as at 31.03.2022.
	Total		**2,787.45**	**1,817.78**	**1,396.13**	

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

10.4. For details of credit risk exposure and management by the Company, refer Note 40.1.

11. INVESTMENTS

(₹ 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)	Debt securities	300.08	-	-	-	-	300.08
(ii)	Government Securities	526.25	-	-	-	-	526.25
(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
(v)	Debentures	122.16	-	50.00	50.00	-	172.16
	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	1,722.21	119.36	1,841.57	14,501.25	17,377.09
	Gross Geography wise investment	**1,034.27**	**1,722.21**	**119.36**	**1,841.57**	**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**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2022					
		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	98.69	-	-	-	-	98.69
(ii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	14,500.65	14,500.65
	- Associates	-	-	-	-	0.75	0.75
	- Others	-	1,191.35	125.79	1,317.14	-	1,317.14
(iii)	Preference Shares	84.47	-	-	-	-	84.47
(iv)	Debentures	-	-	155.72	155.72	-	155.72
	Total Investments	**183.16**	**1,191.35**	**281.51**	**1,472.86**	**14,501.40**	**16,157.42**
(B)	**Geography wise investment**						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	183.16	1,191.35	281.51	1,472.86	14,501.40	16,157.42
	Gross Geography wise investment	**183.16**	**1,191.35**	**281.51**	**1,472.86**	**14,501.40**	**16,157.42**
	Less: Impairment loss allowance	(72.95)	-	-	-	(0.20)	(73.15)
	Net Geography wise investment	**110.21**	**1,191.35**	**281.51**	**1,472.86**	**14,501.20**	**16,084.27**

* 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, 2023

11.1 Details of Investments

(₹ in crore)

Sr. No.	Particulars	Measured at	As at 31.03.2023 Number	As at 31.03.2023 Face Value (₹)	As at 31.03.2023 Amount	As at 31.03.2022 Number	As at 31.03.2022 Face Value (₹)	As at 31.03.2022 Amount
(i)	**Government Securities $**	Amortised Cost	5,00,00,000	100	526.25	1,00,00,000	100	98.69
(ii)	**Debt securities**							
	- Bonds from State Power Corporation - Quoted$	Amortised Cost	3,000	10,00,000	300.08	-	-	-
(iii)	**Equity Instruments**							
	Subsidiaries							
	- REC Ltd. - Quoted**	Cost	1,38,59,93,662	10	14,500.50	1,03,94,95,247	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	-	-	-
	Associates							
	- Companies for development of Ultra Mega Power Projects [number and face value for each of 11 companies (Previous year 15 companies)] - Unquoted (Refer note 11.3)*	Cost	50,000	10	0.55	50,000	10	0.75
	Others							
	- PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	102.06	1,20,00,000	10	98.70
	- Coal India Limited - Quoted $	Designated - FVTOCI	1,39,64,530	10	298.35	1,39,64,530	10	255.62
	- NHPC Limited - Quoted (Refer note 11.5)	Designated - FVTOCI	15,53,24,170	10	624.40	18,62,86,983	10	517.88
	- Power Exchange India Limited - Unquoted *	Designated - FVTOCI	32,20,000	10	3.59	32,20,000	10	-
	- Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	105.15	8,46,15,798	2	77.42
	- Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	24,55,00,000	10	158.08	24,55,00,000	10	241.73
	- Jhabua Power Limited - Unquoted #	Designated - FVTOCI	6,90,45,455	10	429.40	-	-	-
	- Ind Barath Energy Utkal Limited - Unquoted***	Designated - FVTOCI	239	10	1.18	-	-	-
	- RattanIndia Power Limited - Quoted	FVTPL	23,51,27,715	10	69.36	23,51,27,715	10	125.79
	- RKM PowerGen Pvt. Ltd. - Unquoted	FVTPL	40,39,15,920	10	0.00	40,39,15,920	10	0.00
(iv)	**Preference Shares - Unquoted**							
	- Raipur Energen Limited - RPS	Amortised Cost	59,82,371	100	12.83	59,82,371	100	11.52
	- 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	-
	- Suzlon Global Services Limited -CCPS	FVTPL	-	-	-	38,161	1,00,000	-
(v)	**Debentures - Unquoted**							
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	FVTPL	6,77,98,654	10	35.64	9,00,92,774	10	37.80
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	FVTPL	2,73,08,331	10	14.36	3,62,88,085	10	15.23
	- Essar Power Transmission Company Ltd. - Series C - OCD	FVTPL	68,79,504	10	0.00	68,79,504	10	0.00
	- Suzlon Energy Limited - OCD	FVTPL	-	-	-	34,791	1,00,000	102.69
	- 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
	- Jhabua Power Limited - NCD	Amortised Cost	1,24,81,294	100	122.16	-	-	-
	Total Investments				**17,377.09**			**16,157.42**
	Less: Impairment Loss Allowance				**(72.95)**			**(73.15)**
	Net Investments				**17,304.14**			**16,084.27**

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

** Bonus shares received during the year in the ratio of 1 equity share for every 3 equity shares held.

*** Shares credited in Company's demat account on 06.04.2023

Equity shares held by the lender's trustee on behalf of Company

$ earmarked for HQLA. Refer Note 55.6 for disclosure regarding High Quality Liquid Assets (HQLA)s

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

11.2 Movement of impairment loss allowance on investments

Particulars	FY 2022-23	FY 2021-22
Opening Balance	73.15	0.20
Add: Impairment loss allowance recognised during the year	-	72.95*
Less: Reversal of excess impairment loss allowance during the year	(0.20)	-
Closing Balance	**72.95**	**73.15**

* Impairment loss allowance on Redeemable preference shares of Rattan India Power Ltd.

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	
			31.03.2023	31.03.2022
A.	**Subsidiaries:**			
(i)	REC Limited	India	52.63%	52.63%
(ii)	PFC Consulting Limited	India	100%	100%
(iii)	PFC Projects Limited - (previously known as Coastal Karnataka Power Limited) (refer note 11.4)	India	100%	-
B	**Associates*:**			
(i)	Coastal Maharashtra Mega Power Limited #	India	-	100%
(ii)	Orissa Integrated Power Limited	India	100%	100%
(iii)	Coastal Karnataka Power Limited (refer note 11.4)	India	-	100%
(iv)	Coastal Tamil Nadu Power Limited	India	100%	100%
(v)	Chhattisgarh Surguja Power Limited #	India	-	100%
(vi)	Sakhigopal Integrated Power Company Limited	India	100%	100%
(vii)	Ghogarpalli Integrated Power Company Limited	India	100%	100%
(viii)	Tatiya Andhra Mega Power Limited #	India	-	100%
(ix)	Deoghar Mega Power Limited	India	100%	100%
(x)	Cheyyur Infra Limited	India	100%	100%
(xi)	Odisha Infrapower Limited	India	100%	100%
(xii)	Deoghar Infra Limited	India	100%	100%
(xiii)	Bihar Infrapower Limited	India	100%	100%
(xiv)	Bihar Mega Power Limited	India	100%	100%
(xv)	Jharkhand Infrapower Limited	India	100%	100%

*Investment in each associate is ₹ 0.05 crore as at 31.03.2023 and 31.03.2022. 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.

Associates struck off during the year by the Registrar of Companies

11.4 Coastal Karnataka Power Limited (CKPL), a wholly-owned company of PFC Ltd. was set up for managing the UMPPs as per the mandate from GoI and was considered as associate over which PFC had significant influence. During FY 2022-23, CKPL's MoA has been amended to be used for bidding lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL). Accordingly, the ability to direct activities of said Company now vests with PFC Ltd. and the same is now considered as a subsidiary.

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, 2023

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares/units derecognised	Fair Value as on date of derecognition	Cumulative gain/ (loss) on derecognition
FY 2022-23			
NHPC Limited[(a)]	3,09,62,813	113.57	46.13
Total			
FY 2021-22			
NHPC Limited[(a)]	2,81,86,257	79.82	18.42
'Small is Beautiful' Fund[(b)]	61,52,200	0.95	(5.20)
Total			**13.22**

(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.

(b) Pursuant to the completion of liquidation proceedings of 'Small is Beautiful' Fund; 61, 52,200 units of the 'Small is Beautiful' Fund held by the Company have been derecognised from the books.

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.

12. 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 31.03.2023	As at 31.03.2022
(i)	Recoverable on account of Government of India Serviced Bonds	5,038.21	5,038.21
(ii)	Advances to Subsidiaries and Associates	200.45	185.73
(iii)	Advances to Employees	1.03	0.97
(iv)	Loans to Employees	121.86	110.65
(v)	Others	45.86	71.90
(vi)	Less: Impairment loss allowance on Others	(18.38)	(24.79)
	Total Other Financial Assets	**5,389.03**	**5,382.67**

12.1 Detail of Loans & Advances to KMPs (Included in Note 12 (iii) & (iv) above):

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Loans & Advances to KMPs (including interest accrued)	0.31	0.48

12.2 Movement of Impairment on Other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
(i)	Opening Balance	24.79	22.46
(ii)	Add: Creation during the year	6.27	4.01
(iii)	Less: Reversal during the year	(12.68)	(1.68)
	Closing Balance	**18.38**	**24.79**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

13. CURRENT TAX ASSETS / LIABILITIES (NET)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Advance income tax and TDS net of Provision	133.83	197.20
(ii)	Tax deposited on income tax demands under contest	76.45	76.45
	Current Tax Assets (Net)	**210.28**	**273.65**
(i)	Provision for income tax net of Advance Tax	105.02	194.92
	Current Tax Liabilities (Net)	**105.02**	**194.92**

14. PROPERTY, PLANT AND EQUIPMENT (PPE), INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

Particulars	Property, Plant and Equipment							Intangible Assets	Intangible assets under development
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount									
Opening Balance as at 01.04.2021	**3.38**	**24.92**	**22.48**	**25.98**	**17.15**	**0.12**	**94.03**	**10.38**	**-**
Additions/Adjustments	-	-	7.95	10.28	4.97	0.10	23.30	-	-
Deductions/Adjustments	-	-	(2.40)	(7.33)	(3.51)	(0.09)	(13.33)	-	-
Closing Balance as at 31.03.2022	**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)	-	-
Closing Balance as at 31.03.2023	**3.38**	**24.92**	**31.93**	**33.16**	**19.23**	**0.13**	**112.75**	**10.38**	**11.20**
Accumulated Depreciation/ Amortisation									
Opening Balance as at 01.04.2021	**-**	**13.04**	**14.61**	**18.38**	**10.69**	**0.10**	**56.82**	**10.14**	**-**
For the period	-	0.53	5.47	4.86	1.74	0.04	12.64	0.11	-
On Assets Sold/Written off from books	-	-	(1.91)	(6.14)	(2.04)	(0.09)	(10.18)	-	-
Closing Balance as at 31.03.2022	**-**	**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)	-	-
Closing Balance as at 31.03.2023	**-**	**14.17**	**22.86**	**20.48**	**11.16**	**0.08**	**68.75**	**10.34**	**-**
Net Carrying Amount									
As at 31.03.2022	**3.38**	**11.35**	**9.86**	**11.83**	**8.22**	**0.08**	**44.72**	**0.13**	**-**
As at 31.03.2023	**3.38**	**10.75**	**9.07**	**12.68**	**8.07**	**0.05**	**44.00**	**0.04**	**11.20**

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%	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
Gross Carrying Value	4.12	4.12
Net Carrying Value	3.40	3.43

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 31.03.2023					
Projects in progress	11.20	-	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	**11.20**	**-**	**-**	**-**	**11.20**
As at 31.03.2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

15. RIGHT-OF-USE ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	**Opening Balance of Leasehold Land**	34.85	35.30
(ii)	Additions	-	-
(iii)	Less: Depreciation*	(0.45)	(0.45)
	Closing Balance of Leasehold Land	**34.40**	**34.85**

*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.

16. OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Prepaid Expenses	4.51	4.21
(ii)	Deferred Employee Costs	48.68	47.52
(iii)	Advance towards Capital assets	382.70	330.99
(iv)	Others	120.12	83.66
	Total Other Non-Financial Assets	**556.01**	**466.38**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
(i)	**Secured Bonds/Debenture**		
	- Infrastructure Bonds (Refer note 17.5)	38.51	38.51
	- Tax Free Bonds (Refer note 17.8)	8,259.12	8,983.03
	- 54EC Capital Gain Tax Exemption Bonds (Refer note 17.9)	6,599.69	3,998.82
	- Taxable Bonds (Refer note 17.10)	4,428.99	4,428.99
	Sub-total (i)	**19,326.31**	**17,449.35**
(ii)	**Unsecured Bonds/Debenture**		
	- Taxable Bonds (Refer note 17.12)	1,95,743.80	1,71,187.84
	- Foreign Currency Notes (Refer note 17.13)	37,219.33	34,378.78
	Sub-total (ii)	**2,32,963.13**	**2,05,566.62**
(iii)	**Total Principal Outstanding of Debt Securities (i+ii)**	**2,52,289.44**	**2,23,015.97**
(iv)	Interest accrued but not due on (iii) above	7,685.44	7,290.90
(v)	Unamortised Transaction Cost on (iii) above	(147.83)	(149.92)
	Total Debt Securities (iii to v)	**2,59,827.05**	**2,30,156.95**
	Geography wise Debt Securities		
(i)	Debt Securities in India	2,22,368.63	1,95,581.80
(ii)	Debt Securities outside India	37,458.42	34,575.15
	Total Geography wise Debt Securities	**2,59,827.05**	**2,30,156.95**

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 1.05 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 1.03 times.

17.4 Wherever required, the Company has registered the charges with respective Registrars of Companies (ROC) within the statutory timelines.

17.5 Details of Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
5	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027	17.7	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 ₹ 254.91 crore as on 31.03.2023 (₹ 438.71 crore as on 31.03.2022) 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		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
1	Tax Free Bond Series 94A	7.21%	-	255.00		-	Repaid in FY 2022-23
2	Tax Free Bonds Series 95A	7.22%	-	30.00			
3	Tax Free Bonds (2012-13) Tranch I Series 1	7.69%	-	140.23			
4	Tax Free Bonds (2012-13) Tranch I Series 1	7.19%	-	202.52			
5	Tax Free Bonds (2012-13) Tranch II	7.38%	-	41.43			
6	Tax Free Bonds (2012-13) Tranch II	6.88%	-	54.72			
7	Tax Free Bonds Series 107A	8.01%	113.00	113.00	30.08.2023	17.11	Redeemable at par on maturity
8	Tax Free Bonds Series IB	8.43%	335.47	335.47	16.11.2023		
9	Tax Free Bonds Series 1A	8.18%	325.07	325.07	16.11.2023		
10	Tax Free Bonds Series 136	7.16%	300.00	300.00	17.07.2025		
11	Tax Free Bonds (2015-16) Series 1B	7.36%	79.35	79.35	17.10.2025		
12	Tax Free Bonds (2015-16) Series 1A	7.11%	75.09	75.09	17.10.2025		
13	Tax Free Bond Series 79-B	7.75%	217.99	217.99	15.10.2026		
14	Tax Free Bond Series 80-B	8.16%	209.34	209.34	25.11.2026		
15	Tax Free Bonds (2011-12) Public Issue	8.30%	1,280.58	1,280.58	01.02.2027		
16	Tax Fee Bond Series 94B	7.38%	25.00	25.00	22.11.2027		
17	Tax Free Bonds Series 95B	7.38%	100.00	100.00	29.11.2027		
18	Tax Free Bonds (2012-13) Tranch-I Series 2	7.86%	180.78	185.78	04.01.2028		
19	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	176.21	171.22	04.01.2028		
20	Tax Free Bonds (2012-13) Tranch II	7.54%	55.85	56.97	28.03.2028		
21	Tax Free Bonds (2012-13) Tranch II	7.04%	13.35	12.24	28.03.2028		
22	Tax Free Bonds Series 107-B	8.46%	1,011.10	1,011.10	30.08.2028		
23	Tax Free Bonds Series 2-B	8.79%	353.32	353.32	16.11.2028		
24	Tax Free Bonds Series 2-A	8.54%	932.70	932.70	16.11.2028		
25	Tax Free Bonds (2015-16) Series 2-B	7.52%	45.18	45.18	17.10.2030		
26	Tax Free Bonds (2015-16) Series 2-A	7.27%	131.33	131.33	17.10.2030		
27	Tax Free Bonds Series 3-B	8.92%	861.96	861.96	16.11.2033		
28	Tax Free Bonds Series 3-A	8.67%	1,067.38	1,067.38	16.11.2033		
29	Tax Free Bonds (2015-16) Series 3-B	7.60%	155.48	155.48	17.10.2035		
30	Tax Free Bonds (2015-16) Series 3-A	7.35%	213.58	213.58	17.10.2035		
	Total		**8,259.12**	**8,983.03**			

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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
			31.03.2023	31.03.2022		
1	Series II (FY 2018-19)	5.75%	491.95	491.95	17.11	Redeemable at par during FY 2023-24
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	-		Redeemable at par during FY 2027-28
	Total		**6,599.69**	**3,998.82**		

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
			31.03.2023	31.03.2022			
1	Secured Public Issue (2020-21) tranche I Series I Category III-IV	4.80%	1.95	1.95	22.01.2024	17.11	Redeemable at par on maturity
2	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	27.05	27.05	22.01.2026		
3	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	3.50	3.50	22.01.2026		
4	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		
5	Secured Public Issue (2020-21) Tranche I Series V Category I-II	6.58% (10YR GSEC Link)	10.35	10.35	22.01.2031		
6	Secured Public Issue (2020-21) Tranche I Series IV Category III-IV	7.00%	1,635.53	1,635.53	22.01.2031		
7	Secured Public Issue (2020-21) Tranche I Series IV Category I-II	6.80%	33.67	33.67	22.01.2031		
8	Secured Public Issue (2020-21) Tranche I Series III Category III-IV	6.82%	28.74	28.74	22.01.2031		
9	Secured Public Issue (2020-21) Tranche I Series III Category I-II	6.63%	0.50	0.50	22.01.2031		
10	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	1,330.05	1,330.05	22.01.2036		
11	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	50.05	50.05	22.01.2036		
12	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	53.36	53.36	22.01.2036		
13	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	3.51	3.51	22.01.2036		
	Total		**4,428.99**	**4,428.99**			

17.11 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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
			31.03.2023	31.03.2022		
1	Series 88 C	9.48%	-	184.70	-	Repaid in FY 2022-23
2	Series 187 A	8.20%	-	1,605.00		
3	Series 168-A	7.28%	-	1,950.00		
4	Series 169-A	7.10%	-	3,395.00		
5	Series 181	8.45%	-	2,155.00		
6	Series 191	7.35%	-	3,735.00		
7	Series 170-A	7.35%	-	800.00		
8	Series 176-B	7.99%	-	1,295.00		
9	Zero Coupon Unsecured Taxable Bonds 2022-XIX Series	-	-	707.97		
10	Series 100 B	8.84%	-	1,310.00		
11	Series 102 A (II)	8.90%	-	403.00		
12	Series 194	7.04%	1,400.00	1,400.00	14.04.2023	Redeemable at par on maturity
13	Series 85 D	9.26%	736.00	736.00	15.04.2023	
14	Series 198	6.98%	3,160.00	3,160.00	20.04.2023	
15	Series 199A	6.83%	1,970.00	1,970.00	24.04.2023	
16	Series 202A	6.75%	2,145.00	2,145.00	22.05.2023	
17	Series 203A	6.72%	2,206.00	2,206.00	09.06.2023	
18	Series 206	5.47%	3,000.00	3,000.00	19.08.2023	
19	Series 188	8.10%	691.10	691.10	04.06.2024	
20	Series 211 (3M TB Link)	4.38%	1,985.00	1,985.00	02.08.2024	
21	Series 57- B	8.60%	866.50	866.50	07.08.2024	
22	Series 117 Option B	9.37%	855.00	855.00	19.08.2024	
23	Series 118 Option B II	9.39%	460.00	460.00	27.08.2024	
24	Series Option 120 B	8.98%	950.00	950.00	08.10.2024	
25	Series 120 Option A	8.98%	961.00	961.00	08.10.2024	
26	Series 192	7.42%	3,000.00	3,000.00	19.11.2024	
27	Series 124 C	8.48%	1,000.00	1,000.00	09.12.2024	
28	Series 61	8.50%	351.00	351.00	15.12.2024	
29	Series 125	8.65%	2,826.00	2,826.00	28.12.2024	
30	Series 126	8.65%	5,000.00	5,000.00	04.01.2025	
31	Series 62-B	8.80%	1,172.60	1,172.60	15.01.2025	
32	Series 128	8.20%	1,600.00	1,600.00	10.03.2025	
33	Series 63-III	8.90%	184.00	184.00	15.03.2025	
34	Series 131-C	8.41%	5,000.00	5,000.00	27.03.2025	
35	Series 64	8.95%	492.00	492.00	30.03.2025	
36	Series 204A	5.77%	900.00	900.00	11.04.2025	
37	Series 130-C	8.39%	925.00	925.00	19.04.2025	
38	Series 199B	7.16%	1,320.00	1,320.00	24.04.2025	
39	Series 65 III	8.70%	1,337.50	1,337.50	14.05.2025	
40	Series 202B	7.17%	810.00	810.00	22.05.2025	
41	Series 66-B	8.75%	1,532.00	1,532.00	15.06.2025	
42	Series 210A - STRPP1	6.35%	405.60	405.60	30.06.2025	
43	Series 215	7.13%	2,420.00	-	08.08.2025	
44	Series 217B STRPP I	7.15%	276.40	-	08.09.2025	
45	Series 208	6.50%	2,806.00	2,806.00	17.09.2025	

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
46	Series 141-B	8.40%	1,000.00	1,000.00	18.09.2025	
47	Series 218	7.59%	1,450.00	-	03.11.2025	
48	Series 71	9.05%	192.70	192.70	15.12.2025	
49	Series 222	7.58%	2,540.00	-	15.01.2026	
50	Series 147	8.03%	1,000.00	1,000.00	02.05.2026	
51	Series 210A - STRPP2	6.35%	540.80	540.80	30.06.2026	
52	Series 216	7.13%	3,000.00	-	15.07.2026	
53	Series 225A	7.77%	3,262.70	-	15.07.2026	
54	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026	
55	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026	
56	Series 212A	6.09%	2,450.00	2,450.00	27.08.2026	
57	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026	
58	Series 217B STRPP II	7.15%	276.40	-	08.09.2026	
59	Series 227A	7.70%	1,200.00	-	15.09.2026	
60	Series 151-B	7.56%	210.00	210.00	16.09.2026	
61	Series 152	7.55%	4,000.00	4,000.00	25.09.2026	
62	Series 155	7.23%	2,635.00	2,635.00	05.01.2027	
63	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027	
64	Series 210A - STRPP3	6.35%	405.60	405.60	30.06.2027	
65	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027	
66	Series 217B STRPP III	7.15%	276.40	-	08.09.2027	
67	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027	
68	Series 171	7.62%	5,000.00	5,000.00	15.12.2027	
69	Series 221B	7.59%	3,500.00	-	17.01.2028	Redeemable at par on maturity
70	Series 172	7.74%	850.00	850.00	29.01.2028	
71	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028	
72	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028	
73	Series 103	8.94%	2,807.00	2,807.00	25.03.2028	
74	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	
75	Series 227B	7.77%	1,390.00	-	15.04.2028	
76	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
77	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
78	Series 187 B	8.85%	1,982.10	1,982.10	27.05.2029	
79	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
80	Series193	7.93%	4,710.50	4,710.50	31.12.2029	
81	Series 196R1	7.41%	1,500.00	1,500.00	25.02.2030	
82	Series 196	7.41%	2,500.00	2,500.00	25.02.2030	
83	Series 225B STRPP I	7.82%	625.00	-	13.03.2030	
84	Series 195	7.86%	1,100.00	1,100.00	12.04.2030	
85	Series 200	7.40%	2,920.00	2,920.00	08.05.2030	
86	Series 197	7.41%	5,000.00	5,000.00	15.05.2030	
87	Series 203B	7.75%	3,318.00	3,318.00	11.06.2030	
88	Series 66-C	8.85%	633.00	633.00	15.06.2030	
89	Series 201	7.68%	3,101.30	3,101.30	15.07.2030	
90	Series 202C	7.79%	1,936.00	1,936.00	22.07.2030	
91	Series 205A	7.05%	1,610.10	1,610.10	09.08.2030	
92	Series 71	9.05%	192.70	192.70	15.12.2030	

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
93	Series 207R1	7.04%	2,549.10	2,549.10	16.12.2030	
94	Series 207	7.04%	1,097.40	1,097.40	16.12.2030	
95	Series 225B STRPP II	7.82%	625.00	-	13.03.2031	
96	Series 204B	6.88%	1,300.00	1,300.00	11.04.2031	
97	Series 213	6.95%	1,988.00	1,988.00	01.10.2031	
98	Series 225B STRPP III	7.82%	625.00	-	12.03.2032	
99	Series 214 (BBETF)	6.92%	1,180.00	1,180.00	14.04.2032	
100	Series 217A	7.42%	4,000.00	-	08.09.2032	
101	Series 223	7.64%	3,500.00	-	22.02.2033	
102	Series 225B STRPP IV	7.82%	625.00	-	11.03.2033	
103	Series 220	7.58%	470.00	-	15.04.2033	
104	Series 226A	7.66%	1,200.00	-	15.04.2033	
105	Series 226B	7.70%	583.50	-	15.04.2033	Redeemable at par on maturity
106	Series 179-B	8.64%	528.40	528.40	19.11.2033	
107	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
108	Series 186	8.79%	2,578.90	2,578.90	30.04.2034	
109	Series 189	8.15%	4,035.00	4,035.00	08.08.2034	
110	Series 190	8.25%	4,016.00	4,016.00	06.09.2034	
111	Series 205B	7.20%	1,605.70	1,605.70	10.08.2035	
112	Series 209	7.34%	1,711.00	1,711.00	29.09.2035	
113	Series 210B	7.11%	1,933.50	1,933.50	30.06.2036	
114	Series 212B	7.15%	2,343.68	2,343.68	27.08.2036	
115	Series 219	7.65%	4,000.00	-	13.11.2037	
116	Series 221A	7.72%	2,782.70	-	19.12.2037	
117	Series 224	7.82%	3,468.50	-	06.03.2038	
	Total		**1,95,743.80**	**1,71,187.84**		

17.13 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		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
1	3.75% USD Bonds 2024	3.75%	3,288.68	3,032.28	18.06.2024	
2	3.25% USD Bonds 2024	3.25%	2,466.51	2,274.21	16.09.2024	
3	3.75% USD Green Bonds 2027	3.75%	3,288.68	3,032.28	06.12.2027	
4	5.25% USD Bonds 2028	5.25%	2,466.51	2,274.21	10.08.2028	
5	1.841% EUR Bonds 2028	1.84%	2,688.23	2,539.80	21.09.2028	Redeemable at par on maturity
6	6.15% USD Bonds 2028	6.15%	4,110.85	3,790.36	06.12.2028	
7	4.50% USD Bonds 2029	4.50%	4,933.01	4,548.43	18.06.2029	
8	3.90% USD Bonds 2029	3.90%	3,699.76	3,411.32	16.09.2029	
9	3.95% USD Bonds 2030	3.95%	6,166.27	5,685.53	23.04.2030	
10	3.35% USD Bonds 2031	3.35%	4,110.84	3,790.36	16.05.2031	
	Total		**37,219.33**	**34,378.78**		

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
(A)	**Secured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Rupee Term Loans (Refer note 18.3)	13,476.25	17,887.50
(ii)	Other Loans from Banks		
	Loan against Term Deposits (Refer note 18.5)	-	228.59
	Sub-total (A)	**13,476.25**	**18,116.09**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 18.6)	6,615.95	128.07
	- Syndicated Foreign Currency Loans (Refer note 18.7)	20,719.21	21,781.52
	- Rupee Term Loans (Refer note 18.9)	48,841.65	40,374.98
(ii)	Term Loans From other Parties		
	- Rupee Term Loans - NSSF (Refer note 18.11)	7,500.00	7,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer Note 18.12)	3,983.83	-
	Sub-total (B)	**87,660.64**	**69,784.57**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) - (A+B)**	**1,01,136.89**	**87,900.66**
(D)	Interest accrued but not due on (C) above	392.31	294.39
(E)	Unamortised Transaction Cost on (C) above	(300.31)	(229.63)
	Total Borrowings (other than Debt Securities) (C to E)	**1,01,228.89**	**87,965.42**
	Geography wise Borrowings		
(i)	Borrowings in India	74,000.92	66,194.94
(ii)	Borrowings outside India	27,227.97	21,770.48
	Total Geography wise Borrowings	**1,01,228.89**	**87,965.42**

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 (Refer Note 18.4) :

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2023	31.03.2022		
1	Bank of Baroda	-	1,225.00	-	Repaid in FY 2022-23
2	Karnataka Bank	-	200.00		
3	State Bank of India	3,570.00	5,000.00	10.07.2023	The loan is to be repaid in 7 half yearly instalments comprising 6 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from 10-Jul-2022 and ending on 10-Jul-2025
4	Indian Bank	937.50	1,312.50	28.09.2023	The loan is to be repaid in 08 half yearly instalments of ₹ 187.50 crore each starting from 28-Mar-22 and ending on 28-Sep-2025
5	Indian Bank	1,800.00	1,800.00	29.09.2023	The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from 29-Sep-2023 and ending on 29-Jun-2026
6	Union Bank of India	200.00	300.00	30.09.2023	The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 30-Sep-2020 and ending on 30-Sep-2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	31.03.2022	Date of Redemption	Redemption details
7	Punjab National Bank	168.75	225.00	30.09.2023	The loan is to be repaid in 04 annual instalments of ₹ 56.25 crore each starting from 30-Sep-22 and ending on 30-Sep-2025
8	Union Bank of India	1,350.00	1,800.00	30.09.2023	The loan is to be repaid in 04 annual instalments of ₹ 450 crore each starting from 30-Sep-22 and ending on 30-Sep-2025
9	Canara Bank	1,000.00	1,000.00	20.02.2024	Bullet Repayment at the end of the tenor
10	Punjab National Bank	750.00	1,125.00	25.02.2024	The loan is to be repaid in 04 annual instalments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025
11	Bank of India	1,000.00	1,000.00	02.03.2024	The loan is to be repaid in 2 Annual instalments of ₹ 500 crore each starting from 02-Mar-2024 and ending on 02-Mar-2025
12	Union Bank of India	200.00	400.00	15.03.2024	The loan is to be repaid in 5 annual instalments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024
13	Indian Bank	500.00	500.00	02.04.2024	Bullet Repayment at the end of the tenor
14	Canara Bank T-1	500.00	500.00	21.06.2024	
15	Canara Bank T-2	500.00	500.00	24.06.2024	
16	Canara Bank	1,000.00	1,000.00	29.06.2024	
	Total Secured Rupee Term Loans	**13,476.25**	**17,887.50**		

18.4 Secured rupee term loans are secured by first *pari passu* charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formally 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 Loan against Term Deposits outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	31.03.2022	Date of Redemption	Redemption details
1	Indian Bank	-	142.50	-	Repaid in FY 2022-23
2	Canara Bank	-	41.09		
3	Canara Bank	-	45.00		
	Total Loan against Term Deposits	**-**	**228.59**		

18.6 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	31.03.2022	Date of Redemption	Redemption details
1	ADB (Guaranteed by the Government of India)	51.35	58.20	15.04.2023	Semi Annual Instalments till 15.10.2028
2	Credit National (Guaranteed by the Government of India)	18.86	27.05	30.06.2023	Semi Annual Instalments till 30.06.2028
3	KFW I (Guaranteed by the Government of India)	41.95	42.82	30.06.2023	Semi Annual Instalments till 30.12.2035
4	KfW EUR 200M 030123	526.42	-	15.11.2023	Semi Annual Instalments till 15.11.2025
5	1 FCNR SBI USD 110M 151222	904.39	-	15.12.2023	Bullet Repayment at the end of the tenor
6	2 FCNR ICICI USD TO EUR 291222	844.48	-	29.12.2023	
7	3 FCNR SBI USD TO EUR 270323	833.03	-	27.03.2024	
8	4 FCNR DBS USD TO EUR 290323	499.53	-	29.12.2023	
9	5 FCNR SBI USD TO EUR 280323	828.79	-	28.03.2024	
10	6 FCNR ICICI USD TO EUR 290323	831.47	-	29.03.2024	
11	7 FCNR SBI USD TO EUR 310323	1,235.68	-	31.03.2024	
	Total Foreign Currency Loans	**6615.95**	**128.07**		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

18.7 Details of Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
1	SLN 28 USD	-	1,895.18	-	Repaid in FY 2022-23
2	SLN 28 JPY	-	334.13		
3	SLN 18	-	905.82		
4	SLN 21	-	2,274.21		
5	SLN 22	-	1,895.18		
6	SLN 23	-	1,895.18		
7	SLN 26	2,055.42	1,895.18	26.09.2023	Bullet Repayment at the end of the tenor
8	SLN 27	1,014.18	1,021.24	01.02.2024	
9	SLN 29	2,055.42	1,895.18	20.12.2024	
10	SLN 30	822.17	758.07	13.10.2025	
11	SLN 30	2,466.51	2,274.21	05.11.2025	
12	31 A FCTL USD 525M 301121	4,316.40	3,979.87	30.11.2026	
13	31 B FCTL USD 100M 301121	822.17	758.07	30.11.2026	
14	32 A FCTL JPY 89208M 281222	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.
15	32 B FCTL JPY 26762M 050123	1,653.89	-	05.01.2030	Bullet Repayment at the end of the tenor
	Total Syndicated Foreign Currency Loans	**20,719.21**	**21,781.52**		

18.8 Floating Rate Foreign Currency Loans in above Note No. 18.6 and 18.7 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.

18.9 Details of Unsecured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
1	Bank of Baroda	-	1,800.00	-	Repaid in FY 2022-23
2	HDFC Bank Ltd.	-	2,000.00		
3	UCO Bank	-	500.00		
4	Union Bank of India	800.00	800.00	15.04.2023	The loan is to be repaid in 8 quarterly instalments of ₹ 100 crore each starting from 15-Apr-2023 and ending on 15-Jan-2025
5	UCO Bank	200.00	200.00	26.05.2023	Bullet Repayment at the end of the tenor
6	HDFC Bank Ltd.	1,000.00	-	10.06.2023	Bullet Repayment at the end of the tenor
7	HDFC Bank Ltd.	650.00	-	13.06.2023	Bullet Repayment at the end of the tenor
8	Canara Bank	875.00	1,750.00	20.06.2023	The loan is to be repaid in 8 quarterly instalments of ₹ 218.75 crore each starting from 20-Jun-2022 and ending on 20-Mar-2024
9	HDFC Bank Ltd.	20.00	-	20.06.2023	Bullet Repayment at the end of the tenor
10	Canara Bank	1,400.00	1,800.00	22.06.2023	The loan is to be repaid in 20 quarterly instalments of ₹ 100 crore each starting from 22-Dec-2021 and ending on 22-Sep-2026
11	HDFC Bank Ltd.	7.00	-	22.06.2023	Bullet Repayment at the end of the tenor
12	HDFC Bank Ltd.	55.00	-	23.06.2023	
13	HDFC Bank Ltd.	33.00	-	24.06.2023	
14	HDFC Bank Ltd.	235.00	-	27.06.2023	
15	HDFC Bank Ltd.	3,000.00	3,000.00	29.06.2023	
16	HDFC Bank Ltd.	1,000.00	-	30.06.2023	
17	Bank of India	1,000.00	1,000.00	11.09.2023	The loan is to be repaid in 4 annual instalments of ₹ 250 crore each starting from 11-Sep-2023 and ending on 11-Sep-2026

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	31.03.2022	Date of Redemption	Redemption details
18	Canara Bank	300.00	400.00	23.09.2023	The loan is to be repaid in 10 half-yearly instalments of ₹ 50 crore each starting from 23-Sep-2021 and ending on 23-Mar-2026
19	State Bank of India	2,999.98	2,999.98	27.09.2023	Bullet Repayment at the end of the tenor
20	HDFC Bank Ltd.	1,000.00	1,000.00	30.09.2023	Bullet Repayment at the end of the tenor
21	HDFC Bank Ltd.	750.00	750.00	05.10.2023	
22	Punjab National Bank	995.00	995.00	24.12.2023	
23	Canara Bank	500.00	500.00	28.12.2023	
24	Canara Bank	500.00	500.00	15.01.2024	
25	Bank of India	2,000.00	2,000.00	21.01.2024	
26	Punjab National Bank	666.67	1,000.00	20.03.2024	The loan is to be repaid in 2 annual instalments of ₹ 333.33 crore each starting from 20-Mar-2023 and ending on 20-Mar-2025
27	Union Bank of India	1,250.00	1,875.00	23.03.2024	The loan is to be repaid in 4 annual instalments of ₹ 625 crore each starting from 23-Mar-2022 and ending on 23-Mar-2025
28	KEB Hana Bank	100.00	-	31.05.2024	The loan is to be repaid in 4 half-yearly instalments of ₹ 25 crore each starting from 31-May-2024 and ending on 30-Nov-2025
29	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
30	State Bank of India	3,000.00	3,000.00	19.12.2024	Bullet Repayment at the end of the tenor
31	HDFC Bank Ltd.	3,000.00	3,000.00	30.09.2025	
32	Bank of Baroda	5,000.00	2,500.00	17.05.2026	The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029
33	UCO Bank	1,000.00	1,000.00	24.09.2026	Bullet Repayment at the end of the tenor
34	Punjab National Bank	500.00	500.00	27.09.2026	
35	Punjab National Bank	5.00	5.00	29.09.2026	
36	India Infrastructure Finance Company Limited	1,000.00	1,000.00	30.09.2026	
37	Central Bank	1,000.00	1,000.00	31.03.2027	
38	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
39	Canara Bank	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
40	Canara Bank	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
41	Indian Overseas Bank	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
42	Indian Overseas Bank	500.00	-	30.09.2027	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
43	UCO Bank	1,000.00	-	30.03.2028	Bullet Repayment at the end of the tenor
44	Punjab & Sind Bank	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
45	National Bank for Financing Infrastructure and Development	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
	Total Unsecured Rupee Term Loans	**48,841.65**	**40,374.98**		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

18.10 Borrowings as at 31.03.2023 in Note 18.3 and 18.9 above were raised at respective bank's Benchmark rate plus spread ranging from 100 to 200 bps.

18.11 Details of Unsecured Rupee term Loan - NSSF outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2023	31.03.2022		
1	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.11% p.a.)	7,500.00	7,500.00	27.12.2028	Bullet Repayment at the end of the tenor
	Total	**7,500.00**	**7,500.00**		

18.12 Details of Unsecured WCDL/ OD/ CC/ Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2023	31.03.2022		
1	State Bank of India (WCL)	1,555.28	-	10.04.2023	Bullet Repayment at the end of the tenor
2	State Bank of India (WCL)	500.00	-	15.04.2023	
3	Punjab National Bank (WCDL)	300.00	-	15.04.2023	
4	HDFC Bank (WCDL)	1,628.55	-	30.06.2023	
	Total WCDL/ OD/ CC/ Line of Credit	**3,983.83**	**-**		

18.13 None of the borrowings have been guaranteed by Directors.

18.14 There has been no default in repayment of borrowings and interest during periods presented above.

18.15 The amounts raised during the year have been utilised for the stated objects in the offer document/Information memorandum/ facility agreement.

18.16 The Company has not received any fund which are material either individually or in the aggregate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

19. SUBORDINATED LIABILITIES

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(A)	**Subordinated Liabilities (Unsecured)**		
(i)	Subordinated Bonds (Principal Outstanding) (Refer note 19.1)	9,211.50	9,211.50
(ii)	Interest accrued but not due on above	102.30	102.33
(iii)	Unamortised Transaction Cost on above	(1.96)	(2.56)
	Total Subordinated Liabilities	**9,311.84**	**9,311.27**
(B)	**Geography wise Subordinated Liabilities**		
(i)	Subordinated Bonds in India	9,311.84	9,311.27
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	**9,311.84**	**9,311.27**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

19.1 Details of Subordinated Bonds (Unsecured) are as under :

(₹ in crore)

Sr. No.	Subordinated Bond Series	As at 31.03.2023	As at 31.03.2022
(i)	8.19% Bond Series 105 - Redeemable at par on 14.06.2023	800.00	800.00
(ii)	9.65% Bond Series 111 - Redeemable at par on 13.01.2024	1,000.00	1,000.00
(iii)	9.70% Bond Series 114 - Redeemable at par on 21.02.2024	2,000.00	2,000.00
(iv)	9.25% Bond Series 184A - Redeemable at par on 25.09.2024	2,000.00	2,000.00
(v)	9.10% Bond Series 184 B - Redeemable at par on 25.03.2029	2,411.50	2,411.50
(vi)	8.98% Bond Series 185 - Redeemable at par on 28.03.2029	1,000.00	1,000.00
	Total Subordinated Bond Series	**9,211.50**	**9,211.50**

20. OTHER FINANCIAL LIABILITIES

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 20.1)	5,038.21	5,038.21
(ii)	Advance received from Subsidiaries and Associates	177.16	177.13
(iii)	Unclaimed Dividends (Refer note 20.2)	5.63	5.46
(iv)	Unpaid - Bonds and Interest Accrued thereon (Refer note 20.2)		
	- Unclaimed Bonds	0.92	2.02
	- Unclaimed Interest on Bonds	71.78	89.15
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.71	0.90
	- GoI funds for disbursement (Refer note 51)	-	498.83
	- Lease Liability (Refer note 45.1)	8.81	8.81
	- Other liabilities	234.46	983.48
	Total Other Financial Liabilities	**5,537.68**	**6,803.99**

20.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2023	As at 31.03.2022
(i)	7.10% Bond Series 156 - Redeemable at par on 11.01.2027	200.00	200.00
(ii)	7.18% Bond Series 158 - Redeemable at par on 20.01.2027	1,335.00	1,335.00
(iii)	7.60% Bond Series 160 - Redeemable at par on 20.02.2027	1,465.00	1,465.00
(iv)	7.75% Bond Series 164 - Redeemable at par on 22.03.2027	2,000.00	2,000.00
(v)	Interest accrued but not due on above	38.21	38.21
	Total GoI Serviced Bonds	**5,038.21**	**5,038.21**

20.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

21. PROVISIONS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	For Employee Benefits (Refer note 44)		
	- Gratuity	1.02	0.03
	- Leave Encashment	50.14	47.73
	- Economic Rehabilitation of Employees	7.82	6.76
	- Provision for Bonus/Incentive	43.26	42.11
	- Provision for Staff Welfare Expenses	21.55	18.29
(ii)	Impairment Loss Allowance - Letter of Comfort & Guarantee (Refer note 21.1)	50.93	77.21
(iii)	Provision for Unspent CSR Expense (Refer note 35)	148.93	54.87
	Total Provisions	**323.65**	**247.00**

21.1 Movement of Impairment loss allowance on Letter of Comfort & Guarantee

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
(i)	Opening balance	77.21	57.03
(ii)	Creation during the year	0.12	59.05
(iii)	Reversal during the year	(26.40)	(38.87)
	Closing balance	**50.93**	**77.21**

22. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Unamortised Fee - Undisbursed Loan Assets	189.15	158.94
(ii)	Statutory dues payable	28.63	35.81
(iii)	Sundry Liabilities Account (Interest Capitalisation)	26.27	28.35
(iv)	Others	28.33	53.83
	Total Other Non-Financial Liabilities	**272.38**	**276.93**

23. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2023		As at 31.03.2022	
		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)	2,64,00,81,408	2,640.08	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	-	-	-	-
	Closing Equity Share Capital	**2,64,00,81,408**	**2,640.08**	**2,64,00,81,408**	**2,640.08**

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

for the year ended March 31, 2023

23.2 Shares in the Company held by each shareholder holding more than 5% of the shares

Sr. No.	Particulars	As at 31.03.2023		As at 31.03.2022	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India (Promoters)	1,47,82,91,778	55.99%	1,47,82,91,778	55.99%
(ii)	HDFC Trustee Company Ltd.	16,38,70,959	6.21%	22,85,47,160	8.66%
(iii)	Life Insurance Corporation of India	12,37,62,976	4.69%	13,21,17,474	5.00%

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 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

23.5 Calls unpaid (showing aggregate value of calls unpaid by directors and officers): Nil

23.6 Forfeited shares (amount originally paid up): Nil

23.7 Refer Note 39 for Capital Management.

24. OTHER EQUITY

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Securities Premium (Refer note 24.1 (i))	2,776.54	2,776.54
(ii)	Foreign Currency Monetary Item Translation Difference Account (Refer note 24.1 (ii))	(467.57)	(513.80)
(iii)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 (Refer note 24.1 (iii))	8,559.23	6,238.14
(iv)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961 (Refer note 24.1 (iv))	529.39	576.44
(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 (Refer note 24.1 (v))	26,511.31	24,139.00
(vii)	Interest Differential Reserve - KFW Loan (Refer note 24.1 (vi))	64.97	64.07
(viii)	General Reserve (Refer note 24.1 (vii))	14,691.55	14,115.11
(ix)	Retained Earnings (Refer note 24.1 (viii))	12,648.64	8,863.49
(x)	Reserve for Equity Instruments through Other Comprehensive Income (Refer note 24.1 (ix))	55.54	(54.23)
(xi)	Reserve for Effective portion of Cash Flow Hedges (Refer note 24.1 (x))	492.20	200.34
(xii)	Cost of Hedging Reserve (Refer note 24.1 (xi))	(899.50)	(294.75)
	Total Other Equity	**65,562.15**	**56,710.20**

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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	2,776.54	2,776.54
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**2,776.54**	**2,776.54**

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**(513.80)**	**(634.33)**
Add: Foreign Currency Translation Gain/ Loss (-) on long-term monetary items during the year	(721.29)	(270.87)
Less: Amortisation during the year	767.52	391.40
Balance as at the end of the year	**(467.57)**	**(513.80)**

(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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**6,238.14**	**4,233.76**
Add: Transferred from Retained Earnings	2,321.09	2,004.38
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**8,559.23**	**6,238.14**

(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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**576.44**	**287.25**
Add: Transferred from Retained Earnings	590.10	576.44
Less: Transferred to General Reserve	(576.44)	(287.25)
Less: Adjustments during the year	(60.71)	-
Balance as at the end of the year	**529.39**	**576.44**

(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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**24,139.00**	**21,715.55**
Add: Transferred from Retained Earnings	2,363.47	2,423.45
Less: Transferred to General Reserve	-	-
Add: Adjustments during the year	8.84	-
Balance as at the end of the year	**26,511.31**	**24,139.00**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**64.07**	**62.65**
Add: Addition during the year	2.17	2.34
Less:Deletion during the year	(1.27)	(0.92)
Balance as at the end of the year	**64.97**	**64.07**

(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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**14,115.11**	**13,827.86**
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	576.44	287.25
Balance as at the end of the year	**14,691.55**	**14,115.11**

(viii) 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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**8,863.49**	**7,203.86**
Add: Profit for the year	11,605.47	10,021.90
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(2.68)	(3.70)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	46.13	13.22
Add: Transferred from Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	60.71	-
Less: Transferred to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	(8.84)	-
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(2,363.47)	(2,423.45)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(590.10)	(576.44)
Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(2,321.09)	(2,004.38)
Less: Transferred to Interest Differential Reserve - KFW Loan	(0.90)	(1.42)
Less: Dividend paid during the year	(2,640.08)	(3,366.10)
Balance as at the end of the year	**12,648.64**	**8,863.49**

(ix) 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

Details of Movement during the year:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**(54.23)**	**(183.37)**
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	155.90	142.36
Less: Reclassification of (gain)/ loss on sale/extinguishment of FVOCI equity instrument (net of taxes)	(46.13)	(13.22)
Balance as at the end of the year	**55.54**	**(54.23)**

(x) 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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**200.34**	**(113.34)**
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	291.86	313.68
Balance as at the end of the year	**492.20**	**200.34**

(xi) 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 31.03.2023	As at 31.03.2022
Balance as at the beginning of the year	**(294.75)**	**(23.24)**
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(604.75)	(271.51)
Balance as at the end of the year	**(899.50)**	**(294.75)**

24.2 Dividend declared/proposed by the Company for Equity Shares of ₹ 10/- each

(i)	Particulars	FY 2022-23			FY 2021-22		
		% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
	Interim Dividend	87.50%	8.75	2,310.07	107.50%	10.75	2,838.09
	Final Dividend	45.00%	4.50	1,188.04	12.50%	1.25	330.01
	Total Dividend	**132.50%**	**13.25**	**3,498.11**	**120%**	**12.00**	**3,168.10**

During the current year ended 31.03.2023, an amount of ₹ 1,478.29 crore (Previous year ₹ 1,884.82 crore) has been paid to Government of India as dividend (being proportionate share in final dividend for FY 21-22 and interim dividend for FY 22-23).

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 27.05.2023 has recommended final dividend @ 45% on the paid up equity share capital i.e. ₹ 4.50 per equity share of ₹ 10 each for the FY 2022-23 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

25. INTEREST INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(A)	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	37,659.34	36,780.13
	Less : Rebate for Timely Payment to Borrowers	(282.32)	(386.71)
(ii)	Interest on Deposits with Banks	171.27	246.50
(iii)	Interest on Investment	52.44	8.52
(iv)	Other Interest Income	29.36	26.73
	Sub-total (A)	**37,630.09**	**36,675.17**
(B)	**On Financial Assets Classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	9.07	20.67
(ii)	Other Income	6.15	5.38
	Sub-total (B)	**15.22**	**26.05**
	Total Interest Income ((A)+(B))	**37,645.31**	**36,701.22**

26. DIVIDEND INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Dividend on equity investments designated at FVTOCI		
	- held at the end of the year	90.19	64.36
	- derecognised during the year	0.90	0.29
	Sub-total	**91.09**	**64.65**
(ii)	Dividend on equity investments at cost (Subsidiaries)	1,653.70	1,282.77
(iii)	Dividend on preference Shares	0.02	0.00
	Total Dividend Income (i+ii+iii)	**1,744.81**	**1,347.42**

27. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Prepayment Premium on Loans	67.03	351.60
(ii)	Fee based Income on Loans	123.02	136.56
(iii)	Fee for implementation of GoI Schemes (Refer note 51)	71.58	8.60
	Total Fees and Commission Income	**261.63**	**496.76**

28. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Excess Liabilities written back	-	2.38
(ii)	Gain on cessation of joint control in Joint Venture	-	32.66
(iii)	Miscellaneous Income	13.88	10.73
	Total Other Income	**13.88**	**45.77**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings**		
	- Term Loans and Others	5,225.78	4,264.34
	- Interest on Lease Liability (Refer note 45.1)	0.77	0.77
(ii)	**Interest on Debt Securities**		
	- Bonds /Debentures	16,371.05	16,706.94
	- Commercial Papers	-	39.97
(iii)	**Interest on Subordinated Liabilities**	850.84	850.80
(iv)	**Other Interest Expense**		
	- Interest on Interest Subsidy Fund	-	1.13
	- Interest on Application Money - Bonds	0.01	0.29
	- Interest on advances received from Subsidiaries	4.66	2.87
	- Interest under Income Tax Act, 1961	0.88	1.91
(v)	**Swap Premium (Net)**	828.58	802.28
	Total Finance Costs	**23,282.57**	**22,671.30**

30. NET TRANSLATION / TRANSACTION EXCHANGE LOSS / (GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Net Translation/Transaction Exchange Loss /(Gain) on account of		
(i)	Translation of Long-term foreign currency monetary item (LTFCMI) recognised on or after 01.04.2018	1,359.59	514.18
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	615.64	391.40
	Total Translation/Transaction Exchange Loss /(Gain)	**1,975.23**	**905.58**

30.1 The foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2023	As at 31.03.2022
USD / INR	82.2169	75.8071
Euro / INR	89.6076	84.6599
JPY / INR	0.6180	0.6223

31. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Agency Fees	1.45	1.63
(ii)	Guarantee, Listing and Trusteeship fees	2.40	2.41
(iii)	Credit Rating Fees	7.18	5.72
(iv)	Other Finance Charges	1.03	0.42
	Total Fees and Commission Expense	**12.06**	**10.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

32. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	On financial instruments at Fair value through Profit or Loss:		
(i)	- Change in Fair Value of Derivatives	(123.36)	(39.77)
(ii)	- Change in Fair Value of Investments	52.80	30.35
	Total Net Loss / (Gain) on Fair Value changes	**(70.56)**	**(9.42)**
	Fair value changes:		
(i)	- Realised	97.47	213.16
(ii)	- Unrealised	(168.03)	(222.58)
	Total Net Loss / (Gain) on Fair Value changes	**(70.56)**	**(9.42)**

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 31.03.2023	Year ended 31.03.2022
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans *	(319.98)	2,126.68
(ii)	Investment	-	72.95
(iii)	Other Financial Assets	(6.41)	2.33
(iv)	Letter of Comfort & Guarantee	(26.28)	20.18
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	**(296.21)**	**2,222.14**

* Including write off of loans and investment acquired under loan settlement of ₹ 957.91 crore (Previous year ₹ 1396.13 crore) and corresponding reversal of impairment loss allowance of ₹ 2,700.33 crore (Previous year ₹ 1817.78 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 31.03.2023	Year ended 31.03.2022
(i)	Salaries and Wages	151.16	150.68
(ii)	Contribution to Provident and other Funds/ Schemes	18.99	17.75
(iii)	Staff Welfare Expenses	40.24	38.22
(iv)	Rent for Residential Accommodation of Employees	8.62	6.46
	Total Employee Benefit Expenses	**219.01**	**213.11**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 as at 31.03.2020 would continue to be dealt with in accordance with the pre-amendment framework.

35.1 Details of amount required to be spent by the Company on CSR activities during the year:

(₹ in crore)

Sr. No.	Particulars	FY 2022-23			FY 2021-22		
		For FY 2022-23	For period up to 31.03.2020	Total	For FY 2021-22	For period up to 31.03.2020	Total
(i)	Opening unspent / (Excess) amount	54.87	99.15*	154.02	(39.39)	143.43*	104.04
(ii)	Amount transferred to unspent CSR bank account out of opening unspent amount	54.87	-	54.87			
(iii)	Balance Opening unspent / (Excess) amount (i-ii)	-	99.15	99.15			
(iv)	Amount required to be spent as per Section 135 (5) of Companies Act, 2013	178.58	-	178.58	170.43	-	170.43
(v)	Amount approved by the Board out of (iv) above to be spent during the year	178.58	-	178.58	170.43	-	170.43
(vi)	Surplus arising out of the CSR projects	-	-	-	0.01	-	0.01
(vii)	**Sub-total (v + vi)**	**178.58**	**-**	**178.58**	**170.44**	**-**	**170.44**
(viii)	Amount required to be spent after set off excess spent of earlier years (iii+vii)	178.58	99.15	277.73	131.05	143.43	274.48
(ix)	Amount spent during the year	72.24$	46.72	118.96	76.18$	44.28	120.46
(x)	**Closing Unspent/(Excess) amount (viii – ix)**	**106.34@**	**52.43**	**158.77**	**54.87@**	**99.15**	**154.02**

*Sanctioned to various projects where disbursement is being made as per agreed terms.

$ includes ₹ 6.52 crore (Previous year - ₹ 15.49 crore) disbursed where utilisation is pending.

@ Since amount pertains to ongoing projects, it has been transferred to unspent CSR Account on 28.04.2023(Previous year on 29.04.2022).

35.2 Unspent CSR amount of ₹ 106.34 crore (Previous year ₹ 54.87 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 State Bank of India 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 2022-23			FY 2021-22		
		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	2.27		2.27	4.93	-	4.93
(iib)	Education/Vocational Skill development	16.81		16.81	21.72	-	21.72
(iic)	Environmental Sustainability (Solar Applications/ Afforestation/ Energy efficient LED lighting)	0.50		0.50	7.36	-	7.36
(iid)	Sports				0.95	-	0.95
(iie)	Others #	92.55		92.55	81.10	-	81.10
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	6.83		6.83	4.40	-	4.40
(iii)	**Total Amount Spent during FY (i +ii)**	**118.96**	**-**	**118.96***	**120.46**	**-**	**120.46**
(iv)	Add: To be transferred to Unspent CSR Account			106.34			54.87
(v)	Add/Less: Excess amount adjusted/(spent)			-			39.39
(vi)	**CSR Expenses charged to Standalone Statement of Profit and Loss (iii + iv + v)**			**225.30**			**214.72**

includes a contribution of ₹ 51.94 crore to PM CARES Fund (Previous year ₹ 50 crore).

*includes ₹ 46.72 crore (Previous year ₹ 44.28 crore) for the period up to 31.03.2020.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

35.4 Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:-

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 State Bank of India

For FY 2021-22

(₹ 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		
-	-	131.05	NA	76.18	-	54.87*	-	FY 2021-22	Various projects to support research, training, solar power, sanitation, skill development, Health care etc.

* Transferred on 29.04.2022 to unspent CSR Account with State Bank of India.

36. OTHER EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Rent, Taxes and Energy Cost	5.45	3.95
(ii)	Repairs and Maintenance	5.65	9.93
(iii)	Communication Costs	2.53	2.40
(iv)	Printing and Stationery	1.55	1.11
(v)	Advertisement and Publicity	13.79	11.29
(vi)	Directors Fees, Allowance and Expenses	0.41	0.28
(vii)	Auditor's fees and expenses (Refer note 36.1)	1.29	1.45
(viii)	Legal & Professional charges	18.67	9.83
(ix)	Insurance	0.35	0.23
(x)	Travelling and Conveyance	20.45	13.01
(xi)	Net Loss/ (Gain) on sale/ derecognition of PPE	2.88	2.91
(xii)	Govt. scheme monitoring expense	7.63	-
(xiii)	Conference and Meeting Expenses	7.27	1.74
(xiv)	Security Expenses	3.63	3.69
(xv)	Other Expenditure	37.00	60.89
	Total Other Expenses	**128.55**	**122.71**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

36.1 Auditor's fees and expenses are as under:

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Fee paid to Statutory Auditors:		
(i)	as Auditor	0.58	0.58
(ii)	for Taxation matters	0.15	0.15
(iii)	for Company Law Matters (includes Limited Review Fees)	0.35	0.32
(iv)	for Other services	0.11	0.29
	Sub-total	**1.19**	**1.34**
(v)	Non-recoverable GST credit in respect of fees paid to auditors	0.10	0.11
	Total Auditor's fees and expenses	**1.29**	**1.45**

37. DISCLOSURES RELATED TO 'INCOME TAXES':

37.1 Income tax expense recognised in Standalone Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Current Tax expense:		
Current Year	2,381.18	2,418.91
Earlier Years	(50.94)	(36.05)
(A) Total Current Tax Expense	**2,330.24**	**2,382.86**
Deferred Tax Expense /(Income)		
Origination and reversal of temporary differences	234.91	(177.11)
(B) Total Deferred Tax Expense/(Income)	**234.91**	**(177.11)**
Total Income Tax Expense (A+B)	**2,565.15**	**2,205.75**

37.2 Income tax expense recognised in Other Comprehensive Income:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Current Tax Expense/(Income)		
Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	0.06	0.35
(A) Total Current Tax Expense/(Income)	**0.06**	**0.35**
Deferred Tax Expense/(Income)		
(B) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(1.00)	(1.72)
Net Gain/(Loss) on Fair Value of Equity Instruments	(10.16)	9.58
(C) Items that will be reclassified to Profit and Loss		
Effective portion of Gains and Losses on Hedging Instruments in Cash flow Hedge	98.16	105.50
Cost of hedging reserve	(203.39)	(91.31)
(D) Total Deferred Tax Expense/(Income) (B+C)	**(116.39)**	**22.05**
Total Tax Expense/(Income) recognised in OCI (A+D)	**(116.33)**	**22.40**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 2022-23	FY 2021-22
Profit before Tax	14,170.62	12,227.65
Corporate Tax Rate	25.168%	25.168%
Tax expense using the Corporate tax rate	**3,566.46**	**3,077.45**
Increase/(Decrease) on account of:		
Non-deductible tax expenses	50.56	97.41
Deduction u/s 80M of Income Tax Act 1961	(439.13)	(339.12)
Deduction under 36(1)(viii) of Income Tax Act 1961	(594.84)	(609.93)
Others	33.04	15.99
Tax expense pertaining to earlier years	(50.94)	(36.05)
Total tax expense in the Standalone Statement of Profit and Loss	**2,565.15**	**2,205.75**

37.4 Deductible temporary differences/ unused tax losses/ unused tax credits carried forward

Particulars	As at 31.03.2023 (₹ in crore)	Expiry date	As at 31.03.2022 (₹ in crore)	Expiry date
Deductible temporary differences/ unused tax losses/ unused tax credits for which no deferred tax asset has been recognised in the Standalone Balance Sheet	-	-	1.25	31.03.2024
	-	-	2.54	31.03.2025
	-	-	0.03	31.03.2028
	-	-	0.07	31.03.2029

37.5 Movement in Deferred Tax balances:

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
for the year ended March 31, 2023

FY 2021-22

Description	Opening balance as at 01.04.2021	Recognised in Profit and Loss	Recognised in OCI	Closing balance as at 31.03.2022
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	24.26	2.96	1.72	28.94
(ii) Unamortised income on loans to borrowers	58.71	3.90	-	62.61
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	4,110.68	116.75	-	4,227.43
(iv) Depreciation and amortisation	2.35	0.60	-	2.95
(v) Fair value of derivatives (Net)	18.67	12.08	(14.19)	16.56
(vi) Others	24.38	11.59	(9.58)	26.39
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(160.46)	30.59	-	(129.87)
(ii) Unamortised expenditure on loan liabilities	(81.80)	(1.36)	-	(83.16)
(iii) Others	(0.03)	-	-	(0.03)
Net Deferred Tax Assets/(liabilities)	**3,996.76**	**177.11**	**(22.05)**	**4,151.82**

38. DISCLOSURE AS PER IND AS 33 "EARNINGS PER SHARE"

Sr. No.	Particulars	FY 2022-23	FY 2021-22
(A)	Profit for the period used as numerator (basic & diluted) (₹ in crore):		
(i)	from continuing operations	11,605.47	10,021.90
(ii)	from discontinued operations	-	-
(iii)	from continuing and discontinued operations	11,605.47	10,021.90
(B)	Weighted average number of equity shares used as denominator (basic & diluted)	2,64,00,81,408	2,64,00,81,408
(C)	Earning per equity share (basic & diluted), face value ₹ 10 each (in ₹):		
(i)	for continuing operations	43.96	37.96
(ii)	for discontinued operations	-	-
(iii)	for continuing and discontinued operations	43.96	37.96

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 RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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 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%. 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

39.1 Certain key financial parameters of the Company are as under:

Ratios	Numerator*	Denominator*	As at 31.03.2023	As at 31.03.2022	% variance
Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	24.37%	23.48%	3.79 %
CRAR – Tier I Capital	Tier I Capital	Risk Weighted assets	21.61%	20.00%	
CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	2.76%	3.48%	
Liquidity Coverage Ratio(LCR) (Refer Note 55.6)	Total High Quality Liquid Assets	Total Net Cash Outflows	70.00%	60.00%	NA

* Computed as per applicable RBI guidelines.

39.2 During FY 2022-23 , the Company has not raised any subordinated debt as Tier-II capital and Perpetual Debt (Previous FY 2021-22 – Nil).

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, 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, subordinated liabilities and loans at variable interest rates	Interest rate gap 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(RMC) headed by an Independent Director, 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
Low Credit Risk		
Cash and cash equivalents [(a)]	22.14	720.91
Bank balances other than included in cash and cash equivalents [(a)]	1,595.96	3,240.31
Loans (Principal Outstanding) [(c)]	3,89,559.35	3,25,704.99
Investments (Excluding equity investments) [(a)]	1,011.32	265.93
Other financial assets [(b)]	5,389.03	5,382.67
Moderate Credit Risk		
Loans (Principal Outstanding) [(c)]	16,436.73	26,514.34
High Credit Risk		
Investments (Excluding equity investments) [(a)]	72.95	72.95
Loans (Principal Outstanding) [(c)]	16,501.65	20,915.28
Other financial assets [(b)]	18.38	24.79

[(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.

[(b)] Credit risk on other financial assets 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 ₹ 18.38 crore on its other financial assets as at 31.03.2023 (as at 31.03.2022 ₹ 24.79 crore).

[(c)] The Company is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below.

40.1.1 Credit Risk Management for Lending Operations

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. The Company selects the borrowers in accordance with the Company's approved credit policy, which *inter alia*, defines factors to be considered for rating of the borrower/ project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, *inter alia*, based on internal rating awarded by the Company.

(i) Appraisal of Projects

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(a) Appraisal for Private Sector Projects

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the *prima facie* preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package, interest rate and debt-equity ratio) are stipulated.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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.

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.

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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:

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos/ Transcos/ Others, PFC's internal rating grades have been considered. For Discoms/ Power Department borrowers, PFC has adopted the MoP ratings . The ratings as above has been be mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various CRAs have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs . If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS / ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

(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 assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as Power demand, GDP growth, monthly weighted average prices of traded power and current account to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31.03.2023				As at 31.03.2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	3,89,559.28	674.51#	-	3,90,233.79	3,20,384.30	594.09 *	-	3,20,978.39
1-30 days	0.07		-	0.07	5,320.69	-	-	5,320.69
31-60 days	-	-	-	-	-	2,190.12	-	2,190.12
61-90 days	-	15,111.71	-	15,111.70	-	21,477.77	-	21,477.77
More than 90 days	-	650.51@	16501.65	17152.16	-	2252.36@	20,915.28	23,167.64
Total	**3,89,559.35**	**16,436.73**	**16,501.65**	**4,22,497.73**	**3,25,704.99**	**26,514.34**	**20,915.28**	**3,73,134.61**

Pending transfer of ownership, the account has been classified as Stage 2.

* Since the borrower is in stage 2 in other loans, these loans (which otherwise would have been categorised in stage 1) have also been categorised in stage 2.

@ 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:

Particulars	As at 31.03.2023		As at 31.03.2022	
	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)	3,49,765.78	2,551.42	3,14,004.35	1,525.46
Loans to private sector	72,731.95	13,524.18	59,130.26	15,823.06
Total	**4,22,497.73**	**16,075.60**	**3,73,134.61**	**17,348.52**

*including impairment loss allowance on Letter of Comfort and Guarantee of ₹ 50.93 crore (as at 31.03.2022 ₹ 77.21 crore).

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Company considers that these loans have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

Particulars	As at 31.03.2023		As at 31.03.2022	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes				
Generation	1,74,660.92	11,219.39	1,75,434.21	12,318.35
Renewable	48,197.75	3,120.12	36,777.49	2,833.98
Transmission	30,841.01	152.35	30,499.70	1,298.11
Distribution	1,55,871.68	1,484.10	1,28,006.79	892.46
Others	12,926.37	99.64	2,416.42	5.62
Total	**4,22,497.73**	**16,075.60**	**3,73,134.61**	**17,348.52**

*including impairment loss allowance on Letter of Comfort and Guarantee of ₹ 50.93 crore (as at 31.03.2022 ₹ 77.21 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 and Exposures:

(a) Concentration of Loans:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Total Loans (Principal Outstanding) to twenty largest borrowers (₹ in crore)	2,57,648.80	2,39,932.52
Percentage of Loans to twenty largest borrowers to Total Loans of the Company	60.98%	64.30%

(b) Concentration of Credit impaired accounts (Stage 3 accounts):

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Principal outstanding of top four Stage 3 accounts	10,296.14	10,939.56

(iv) Details of Stage wise Principal outstanding and Impairment loss Allowance:

(₹ in crore)

Particulars	As at 31.03.2023			As at 31.03.2022		
	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage (%)	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage (%)
Stage 1	3,89,559.35	2,893.68	0.74	3,25,704.99	2,058.82	0.63
Stage 2	16,436.73	1,182.54	7.19	26,514.34	945.32	3.57
Stage 3	16,501.65	11,999.38	72.72	20,915.28	14,344.38	68.58
Total	**4,22,497.73**	**16,075.60**	**3.80**	**3,73,134.61**	**17,348.52**	**4.65**

*including impairment loss allowance on Letter of Comfort and Guarantee of ₹ 50.93 crore (as at 31.03.2022 ₹ 77.21 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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 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	(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 (loans repaid/pre- payment)	(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**

(₹ in crore)

FY 2021-22	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	3,02,100.27	1,236.19	47,520.56	1,945.24	21,150.16	13,416.36	3,70,770.99	16,597.79
Transfer to Stage 1	19,077.60	1,115.88	(17,707.20)	(374.52)	(1,370.40)	(741.36)	-	-
Transfer to Stage 2	(812.08)	(3.96)	828.71	8.05	(16.63)	(4.09)	-	-
Transfer to Stage 3	(1,140.42)	(114.62)	(1,120.58)	(852.23)	2,261.00	966.86	-	-
Net change in Principal/ECL during the year	13,582.41	445.65	(1,394.27)	222.87	5.91	1,242.94	12,194.04	1,911.47
New financial assets originated	13,967.24	120.77	80.00	0.07	-	-	14,047.24	120.84
Financial assets derecognised (loans repaid/pre- payment)	(21,070.03)	(741.09)	(1,230.23)	543.77	(181.28)	334.89	(22,481.54)	137.57
Financial Assets derecognised (Write Off)	-	-	(462.65)	(547.93)	(933.48)	(871.22)	(1,396.13)	(1,419.15)
Closing 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**

(vi) Movement of Credit Impaired Accounts (Stage 3 accounts):

Sr. No.	Description	As at 31.03.2023	As at 31.03.2022
(i)	Net Credit Impaired accounts to Gross Loans (%)	1.07	1.76
(ii)	Net Credit Impaired accounts to Net Loans (%)	1.10	1.83
		FY 2022-23	FY 2021-22
(iii)	Movement of Gross Credit Impaired accounts		
	(a) Opening balance	20,915.28	21,150.16
	(b) Additions during the year	45.78	1,486.68
	(c) Reductions during the year	(4,459.42)	(1,721.56)
	(d) Closing balance	16,501.65	20,915.28

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sr. No.	Description		As at 31.03.2023	As at 31.03.2022
(iv)	Movement of Net Credit Impaired accounts			
	(a)	Opening balance	6,570.90	7,733.80
	(b)	Additions during the year	28.13	809.71
	(c)	Reductions during the year	(2096.76)	(1,972.61)
	(d)	Closing balance	4,502.27	6,570.90
(v)	Movement of impairment loss allowance on Credit Impaired accounts			
	(a)	Opening balance	14,344.38	13,416.36
	(b)	Provisions made during the year	425.99	1,913.99
	(c)	Write-off/write-back of excess provisions	(2770.99)	(985.97)
	(d)	Closing balance	11,999.38	14,344.38

(vii) Percentage of Gross Credit Impaired Assets (Stage 3) to Gross Loans – sector wise

(₹ in crore)

Description	As at 31.03.2023	As at 31.03.2022
Financing to power, logistics and infrastructure sector	3.91%	5.61%

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

(₹ in crore)

Description	As at 31.03.2023	As at 31.03.2022
Number of Borrowers	1	4
Amount of loan outstanding (₹ in crore)	650.51	2,252.36
Amount overdue * (₹ in crore)	160.91	188.18
Amount of Impairment Loss allowance (₹ in crore)	422.68	815.87

*Excluding overdue interest of ₹ 186.06 crore as at 31.03.2023 (As at 31.03.2022 ₹ 242.87 crore).

Pursuant to Ad-interim order from Hon'ble High Court(s) these borrower(s) accounts have not been classified as Credit impaired. The Company holds adequate impairment loss allowance with respect to these loan accounts and has categorised them in Stage 2. The interest income is also not been recognised on these loan accounts on accrual basis since these loans are more than 90 days past due.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31.03.2023

(₹ 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)						
Sub-standard	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 Sub-standard		**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**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

As at 31.03.2022

(₹ 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	3,26,133.66	1,676.69	3,24,456.96	1,331.16	345.54
	Stage 2	27,458.63	944.20	26,514.44	637.72	306.48
	Stage 3	-	-	-	-	-
Sub-total		**3,53,592.29**	**2,620.89**	**3,50,971.40**	**1,968.88**	**652.01**
Non-Performing Assets (NPA)						
Sub-standard	Stage 1	296.48	1.33	295.15	29.62	(28.29)
	Stage 2	151.37	1.12	150.25	14.83	(13.70)
	Stage 3	1,142.64	332.93	809.71	114.26	218.66
Sub-total for Sub-standard		**1,590.49**	**335.38**	**1,255.11**	**158.71**	**176.68**
Doubtful - up to 1 year	Stage 1	32.80	0.01	32.78	6.44	(6.42)
1 to 3 years	Stage 1	107.00	0.10	106.91	31.40	(31.30)
More than 3 years	Stage 1	3,105.80	310.93	2,794.87	1,522.95	(1,212.02)
Doubtful - up to 1 year	Stage 3	170.10	133.43	36.67	78.22	55.21
1 to 3 years	Stage 3	3,743.76	1,770.31	1,973.45	1,189.36	580.95
More than 3 years	Stage 3	12,779.39	9,181.94	3,597.46	9,120.21	61.73
Sub-total for doubtful		**19,938.85**	**11,396.72**	**8,542.14**	**11,948.57**	**(551.85)**
Loss	Stage 3	3,079.39	2,918.31	161.08	3,079.39	(161.08)
Sub-total for NPA		**24,608.74**	**14,650.41**	**9,958.33**	**15,186.66**	**(536.25)**
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	-	69.75	(69.75)	-	69.75
	Stage 2	-	-	-	-	-
	Stage 3	-	7.47	(7.47)	-	7.47
Sub-total		**-**	**77.21**	**(77.21)**	**-**	**77.21**
Total	**Stage 1**	**3,29,675.75**	**2,058.82**	**3,27,616.93**	**2,921.55**	**(862.74)**
	Stage 2	**27,610.01**	**945.32**	**26,664.69**	**652.55**	**292.77**
	Stage 3	**20,915.28**	**14,344.38**	**6,570.90**	**13,581.44**	**762.95**
	Total	**3,78,201.04**	**17,348.52**	**3,60,852.51**	**17,155.54**	**192.98**

40.1.8 In accordance with RBI's Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 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:

(₹ in crore)

Description	As at 31.03.2023	As at 31.03.2022
Gross NPA to Gross Loans	4.72%	6.58%
Net NPA to Net Loans	1.87%	2.76%

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 31.03.2023				
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**	**4,92,589.88**
As at 31.03.2022				
Domestic borrowings				
Principal	28,934.60	1,28,392.62	1,06,554.59	**2,63,881.81**
Interest	18,797.58	52,004.68	33,379.09	**1,04,181.35**
Foreign Currency borrowings				
Principal	9,222.97	17,958.25	29,107.15	**56,288.37**
Interest	1,745.64	5,804.15	2,999.03	**10,548.82**
Total	**58,700.79**	**2,04,159.70**	**1,72,039.86**	**4,34,900.36**

* 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 31.03.2023				
Forward	21.06	-	-	21.06
Option/ swaps	3.26			3.26
Total	**24.32**	**-**	**-**	**24.32**
As at 31.03.2022				
Forward	-	-	-	-
Option/swaps	56.75	46.50	-	103.25
Total	**56.75**	**46.50**	**-**	**103.25**

*The above table details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparty banks. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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 31.03.2023				
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**
As at 31.03.2022				
Loan assets				
Principal	28,263.46	1,28,615.86	2,01,918.38	3,58,797.70
Interest	34,703.91	1,06,907.01	1,00,935.58	2,42,546.50
Total	**62,967.37**	**2,35,522.87**	**3,02,853.96**	**6,01,344.20**

* 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 31.03.2023	As at 31.03.2022
CC/ OD/ LoC/ WCDL limits	8,116.17	5,398.00

(v) The Company also maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed by RBI for NBFCs. Refer note 55.6 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 31.03.2023		As at 31.03.2022	
	Crore in respective currency	₹ in crore	Crore in respective currency	₹ in crore
USD Loans	**584.12**	**48,024.91**	**678.27**	**51,417.51**
- Hedged	403.50	33,174.52	407.50	30,891.39
- Unhedged	180.62	14,850.39	270.77	20,526.12
Euro Loans	**93.17**	**8,348.44**	**30.83**	**2,609.67**
- Hedged	56.61	5,072.98	-	-
- Unhedged	36.56	3,275.46	30.83	2,609.67
JPY Loans	**13,238.08**	**8,181.14**	**3,633.60**	**2,261.19**
- Hedged	4,090.53	2,527.96	-	-
- Unhedged#	9,147.55	5,653.18	3,633.60	2,261.19
Total		**64,554.49**		**56,288.37**
- Hedged		**40,775.46**		**30,891.39**
- Unhedged		**23,779.03**		**25,396.98**

Includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at 31.03.2023 (As at 31.03.2022 - Nil).

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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 31.03.2023		As at 31.03.2022	
	Decrease	Increase	Decrease	Increase
	on account of change in foreign exchange rate			
USD	742.52	(742.52)	1,026.31	(1,026.31)
Euro	163.77	(163.77)	130.48	(130.48)
JPY	282.66	(282.66)	113.06	(113.06)
Total	**1,188.95**	**(1,188.95)**	**1,269.85**	**(1,269.85)**

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 (+/-) ₹ 194.52 crore. (As at 31.03.2022 (+/-) ₹ 118.77 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, 2023

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. Significant interest rate benchmark used in the Company's borrowings is 6 month USD LIBOR (London Interbank offer 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 656.24 million (Amount in INR ₹ 5395.44 crore) as on 31.03.2023. Out of this, the amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting is USD 650 million (Amount in INR ₹ 5,344.10 crore).

Following is the detail of the foreign currency borrowings which will be impacted based on LIBOR transition from 6 month USD LIBOR as planned after June 2023:-

Benchmark	As at 31.03.2023				As at 31.03.2022			
	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	657.67	4,985.66	650.00	4,927.46
Derivatives								
6 month USD LIBOR	650.00	5,344.10	650.00	5,344.10	650.00	4,927.46	650.00	4,927.46

(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 shall undertake all transition activities as per the process/ guidelines detailed in the policy. The process of transition from 6 month USD LIBOR to Alternative Reference Rate has been initiated & shall be 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.

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)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	3.47	(3.47)	6.29	(6.29)
Impact on OCI	56.50	(56.50)	47.48	(47.48)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 based dollar offset method.

(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]			
				Assets (₹ in crore)	Liabilities (₹ in crore)	Date of maturity	Weighted Average Rate/Strike Price
As at 31.03.2023							
1.	Currency Derivatives	Forwards	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**		
As at 31.03.2022							
1.	Currency Derivatives	Forward	-	-	-	-	-
		Principal Only Swaps	6,064.57	277.61	-	Jun 2022-Sep 2024	71.09
		Call Spread Option	7,959.75	70.55	21.55	Oct-2023-Dec-2024	73.90
		Seagull Option	10,802.51	1,453.26	-	May 2026-Nov-2026	73.96
	Sub-total		**24,826.83**	**1,801.42**	**21.55**		
2.	Interest rate Derivatives	Interest Rate Swap	8,717.82	198.86	39.15	Sep 2023-Jun 2024	1.38%
	Sub-total		**8,717.82**	**198.86**	**39.15**		
3.	**Total (1+2)**		**33,544.65**	**2,000.28**	**60.70**		

[1] forms part of the line item 'Derivative Financial Instruments' in the Standalone Balance Sheet.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge *

(₹ in crore)

Description	As at 31.03.2023	As at 31.03.2022
Currency derivatives		
Up to 1 year	16,901.55	1,895.18
1 – 5 years	31,002.74	22,931.65
More than 5 years	-	-
Sub-total (A)	**47,904.29**	**24,826.83**
Interest rate derivatives		
Up to 1 year	2,055.42	1,895.18
1 – 5 years	5,344.10	6,822.64
More than 5 years	-	-
Sub-total (B)	**7,399.52**	**8,717.82**
Total (A+B)	**55,303.81**	**33,544.65**

*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 31.03.2023					
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
As at 31.03.2022					
1.	Currency Derivatives	(451.84)	-	702.18	Finance Costs
				(532.79)	Net Translation/Transaction Exchange Loss / (Gain)
2.	Interest rate Derivatives	238.72	-	100.10	Finance Costs

(v) Reconciliation of Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
	Effective Portion of Cash flow Hedges		
(a)	**Opening balance of Reserves (net of tax)**	**200.34**	**(113.34)**
(b)	Changes in intrinsic value of options contracts	2,026.95	428.72
(c)	Changes in fair value of PoS/Forwards/IRS contracts	452.66	423.15
(d)	Amount reclassified from OCI to P&L	(2,089.59)	(432.69)
(e)	**Net amount recognised in OCI during the year (b + c + d)**	**390.02**	**419.18**
(f)	Deferred Tax on (e) above	(98.16)	(105.50)
(g)	**Net amount recognised in OCI during the year (Net of Tax) (e + f)**	**291.86**	**313.68**
(h)	**Closing balance of Reserves (net of Tax) (a + g)**	**492.20**	**200.34**
	Cost of Hedging Reserve		
(a)	**Opening balance of Reserves (net of tax)**	**(294.75)**	**(23.24)**
(b)	Changes in deferred time value of options/ PoS/ Forward contracts	(1,753.90)	(1,065.00)
(c)	Amortisation of time value	945.76	702.18
(d)	**Net amount recognised in OCI during the year (b + c)**	**(808.14)**	**(362.82)**
(e)	Deferred Tax on (d) above	203.39	91.31
(f)	**Net amount recognised in OCI during the year (Net of Tax) (d + e)**	**(604.75)**	**(271.51)**
(g)	**Closing balance of Reserves (net of Tax) (a + f)**	**(899.50)**	**(294.75)**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

42. FAIR VALUE MEASUREMENTS

(i) Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability - Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 5.1)	Valuation technique(s) & Key input(s)
		31.03.2023	31.03.2022		
1)	**Quoted Equity investments**				
	- PTC India Limited	102.06	98.70	Level 1	Quoted market price
	- Coal India Limited	298.35	255.62	Level 1	Quoted market price
	- NHPC Limited	624.40	517.88	Level 1	Quoted market price
	- Suzlon Energy Limited	105.15	77.42	Level 1	Quoted market price
	- RattanIndia Power Limited	69.36	125.79	Level 1	Quoted market price
2)	**Un-Quoted Equity investments**				
	- Power Exchange India Limited	3.59	0.00	Level 3	Fair value has been determined using the Ind AS financials of the investee company.
	- RKM PowerGen Pvt. Ltd.	0.00	0.00	Level 3	Allotted pursuant to restructuring, valued at ₹ 1 on prudent basis
	- Energy Efficiency Services Ltd. (EESL)	158.08	241.73	Level 3	Fair value has been determined using the Ind AS financials of the investee company.
	Jhabua Power Limited	429.40	-	Level 3	Fair value has been determined using the Ind AS financials of the investee company.
	Ind Barath Energy Utkal Limited	1.18	-	Level 3	Fair value has been determined using the Ind AS financials of the investee company.
3)	**Investment in preference shares**				
	- RattanIndia Power Limited - OCCRPS	0.00	0.00	Level 3	Owing to default in redemption of RPS of RattanIndia Power Ltd., PFC estimates no material amount may be realised from the investment.
	- Suzlon Global Services Limited - CCPS	-	0.00	Level 3	Converted into equity shares pursuant to resolution.
4)	**Investment in debentures**				
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	35.64	37.80	Level 3	Fair valued using discounted future cash flow as per terms of agreement.
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	14.36	15.23	Level 3	Fair valued using discounted future cash flow as per terms of agreement.
	- Suzlon Energy Limited - OCD	-	102.69	Level 3	During FY 2022-23, OCD of the Company was converted into Equity Shares of the Company.
	- Essar Power Transmission Company Ltd. - Series C - OCD	0.00	0.00	Level 3	Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	- RKM Powergen Pvt. Ltd. - Series A - OCD	0.00	0.00	Level 3	Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	- RKM Powergen Pvt. Ltd. - Series B - OCD	0.00	0.00	Level 3	Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	- RKM Powergen Pvt. Ltd. - Series AI - OCD	0.00	0.00	Level 3	Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
5)	**Derivative Financial Instruments**				
	- Assets	4,803.40	3,080.56	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	24.32	103.25	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.

(ii) There were no transfers between Level 1 and Level 2 during the year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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	FVTOCI		FVTPL	
	Investment in Units of SIB fund of KSK	Investment in Un-quoted Equity Shares	Investment in Preference Shares	Investment in Debentures
FY 2022-23				
Opening Balance	**-**	**241.73**	**-**	**155.72**
Investment made during the year	-	451.17	-	-
Settlement	-	-	-	
Transfer in Level 3	-	-	-	
Transfer from Level 3	-	-	-	
Interest income [1]	-	-	-	9.07
Fair Value gain/ (loss)	-	(100.65)[2]	-	(114.79)
Closing Balance	**-**	**592.25**	**-**	**50.00**
Unrealised gains/(loss) on assets held at the end of the year		(100.65)	-	4.24
FY 2021-22				
Opening Balance	**0.00**	**0.00**	**96.19**	**151.63**
Investment made during the year	-	-	-	-
Settlement	(0.95)	-	-	(16.58)
Transfer in Level 3	-	278.16	-	-
Transfer from Level 3	-	-		-
Interest income [1]	-	-	-	20.67
Fair Value gain/(loss)	0.95[2]	(36.43)[2]	(96.19)[3]	
Closing Balance	**-**	**241.73**	**-**	**155.72**
Unrealised gains/(loss) on assets held at the end of the year	-	(36.43)	(96.19)	16.92

[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.

[3] Fair value gain/ (loss) on Investments at FVTPL forms part of line item 'Net Loss/(Gain) on Fair Value changes' in the 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 31.03.2023		As at 31.03.2022	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	Level 3	4,10,829.15	4,19,054.16	3,60,929.74	3,67,609.10
Investments [a]	Level 1/3	961.32	967.04	110.21	110.60
Other Financial Assets	Level 2	5,389.03	5,398.09	5,382.67	5,391.78
Debt Securities [a]	Level 1 / 2	2,59,827.05	2,55,207.19	2,30,156.95	2,36,861.56
Borrowings other than debt securities [b]	Level 2	1,01,228.89	96,575.09	87,965.42	84,205.44
Subordinated Liabilities	Level 2	9,311.84	9,625.45	9,311.27	9,960.39

[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 LIBOR/Alternative reference rate and multilateral agencies loans being valued at par.

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
for the year ended March 31, 2023

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)
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	12	Tatiya Andhra Mega Power Limited (Struck off from the records of Registrar of Companies on 27.09.2022)
13	Chhattisgarh Surguja Power Limited (Struck off from the records of Registrar of Companies on 11.01.2023)	14	Coastal Maharashtra Mega Power Limited (Struck off from the records of Registrar of Companies on 29.09.2022)
15	Coastal Karnataka Power Ltd. (up to 30.06.2022)		
	Through PFCCL		
16	Mohanlalganj Transmission Limited (Transferred on 30.05.2022)	17	Chhatarpur Transmission Limited
18	Shongtong Karcham-Wangtoo Transmission Limited (Struck off from the records of Registrar of Companies on 13.01.2023)	19	Bijawar-Vidarbha Transmission Limited (under process of striking off the name from the records of Registrar of Companies)
20	Bhadla Sikar Transmission Limited (Transferred on 28.03.2023)	21	Tanda Transmission Company Limited (Struck off from the records of Registrar of Companies on 13.01.2023)
22	Fatehgarh III Beawar Transmission Limited (Incorporated on 05.05.2022)	23	Ananthpuram Kurnool Transmission Limited
24	Siot Transmission Limited (Incorporated on 27.04.2022)	25	Khetri-Narela Transmission Limited (Transferred on 11.05.2022)
26	Bhadla III Transmission Limited (Incorporated on 27.05.2022)	27	Kishtwar Transmission Limited (Transferred on 06.12.2022)
28	Dharamjaigarh Transmission Limited (Incorporated on 18.11.2022 and transferred on 28.03.2023)	29	Beawar Dausa Transmission Limited (Incorporated on 06.05.2022)
30	Khandukhal Rampura Transmission Limited (Incorporated on 13.05.2022 and transferred on 07.10.2022)	31	Fatehgarh III Transmission Limited (Incorporated on 18.05.2022)
32	Raipur Pool Dhamtari Transmission Limited (Incorporated on 18.11.2022 and transferred on 28.03.2023)	33	Fatehgarh IV Transmission Limited (Incorporated on 08.06.2022)
	Through RECL		
34	Dumka Transmission Limited	35	Chandil Transmission Limited
36	Koderma Transmission Limited	37	Bidar Transmission Limited
38	Mandar Transmission Limited	39	Beawar Transmission Limited (Incorporated on 27.04.2022)
40	Ramgarh II Transmission Limited (Incorporated on 20.04.2022)	41	Luhri Power Transmission Limited (Incorporated on 28.10.2022)
42	Sikar Khetri Transmission Limited (Incorporated on 06.05.2022)	43	NERES XVI Power Transmission Limited (Incorporated on 10.01.2023)
44	Meerut Shamli Power Transmission Limited (Incorporated on 14.12.2022)	45	Rajgarh Transmission Limited (Transferred on 30.05.2022)
46	Khavda II-D Transmission Limited (Incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies)	47	ER NER Transmission Limited (Transferred on 10.10. 2022)
48	Neemuch Transmission Limited (Incorporated on 12.04.2022 and transferred on 24.08.2022)	49	MP Power Transmission Package-I Limited (Transferred on 21.01 2023)
50	WRSR Power Transmission Ltd. (Incorporated on 22.09.2022 and transferred on 17.01.2023)	51	Khavda II-C Transmission Limited (Incorporated on 22.04.2022 and transferred on 21.03.2023)
52	Khavda II-B Transmission Limited (Incorporated on 21.04.2022 and transferred on 21.03.2023)	53	Khavda RE Transmission Limited (Incorporated on 02.05.2022 and transferred on 21.03,2023)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

54	KPS3 Transmission Limited (Incorporated on 29.04.2022 and transferred on 21.03.2023)	55	ERWR Power Transmission Ltd. (Incorporated on 27.09.2022 and transferred on 21.03. 2023)
56	KPS2 Transmission Limited (Incorporated on 04.05.2022 and transferred on 21.03.2023)	57	KPS1 Transmission Limited (Incorporated on 06.05.2022 and transferred on 20.04.2023)
58	Khavda II-A Transmission Limited (Incorporated on 19.04.2022 and transferred on 28.03.2023)	59	GADAG II-A Transmission Limited (Transferred on 18.11.2022)
Key Managerial Personnel (KMP) of the Company & their relatives:		**Designation**	
1	Shri Ravinder Singh Dhillon	Chairman and Managing Director	
2	Smt Parminder Chopra	Director (Finance)	
3	Shri Rajiv Ranjan Jha	Director (Projects)	
4	Shri Manoj Sharma (w.e.f. 29.08.2022)	Director (Commercial)	
5	Shri Ajay Tewari (w.e.f. 09.06.2022)	Government Nominee Director	
6	Shri Vishal Kapoor (up to 08.06.2022)	Government Nominee Director	
7	Shri Ram Chandra Mishra(up to 11.07.2022)	Part Time Non-Official Independent 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	
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
Companies in which Key Managerial Personnel are Directors			
1	PTC India Limited	2	Energy Efficiency Services Limited (EESL) (w.e.f. 29.09.2022)
3	SJVN Limited (w.e.f. 01.12.2022)		

43.2 Transactions with the Related Parties are as follows:

(₹ in crore)

Particulars	During FY 2022-23	During FY 2021-22
Subsidiaries:		
REC Ltd.		
Repayment of Loan	-	3,000.00
Dividend Income	1,642.40	1,269.22
Interest income on Loan	-	14.47
Directors' sitting fee received	-	0.09
Sharing of Expense incurred in Government Programme	0.46	-
PFC Consulting Ltd.		
Loans given	-	9.52
Interest income on Loan	1.27	0.00
Advances given (including interest)	-	0.29
Repayment of Advances by subsidiary (including interest)	2.91	-
Purchase of PPE	0.06	0.10
Sale of PPE	0.14	0.04
Dividend Income	11.30	13.55
Allocation of employee benefits	5.72	1.11
PFC Projects Ltd.		
Amount Recoverable from subsidiary	1.42	-
Joint Venture		
Lease rental on vehicles	-	0.09

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(₹ in crore)

Particulars	During FY 2022-23	During FY 2021-22
Associates		
Repayment of advance taken from Associate	2.27	1.12
Interest income on advances to associates	17.97	16.43
Interest expenses on advances from associates	4.66	2.87
Trusts/Funds under control of the Company		
Contributions made during the year	17.39	7.38
Redemption of bonds	-	2.60
Finance cost on bonds paid	0.10	0.34
Key managerial personnel		
(i) Short-term employee benefits	3.68	3.17
(ii) Post-employment benefits	0.50	0.42
(iii) Other long-term benefits	0.14	0.41
Sub-total (i+ii+iii)	**4.32**	**4.00**
Repayment/Recovery of loans and advances	0.51	0.33
Subscription of bonds	-	0.17
Directors' Sitting Fees paid	0.42	0.28
Finance cost on bonds paid	0.01	0.01
Companies in which Key Managerial Personnel are Directors		
Dividend Income – PTC India Limited	6.96	9.00
Directors' Sitting Fee received – PTC India Limited	0.08	0.05
Lease rental on vehicles	0.17	-

43.3 Outstanding balances with Related Parties are as follows:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Amount recoverable towards loans & advances (including interest) and others from:		
Subsidiaries		
PFC Consulting Ltd.	12.72	13.83
PFC Projects Ltd.	1.42	-
Associates	197.43	181.42
Key managerial personnel	0.31	0.48
Amount payable towards loans & advances (including interest) and others to :		
Associates	177.10	177.13
Subsidiaries		
REC Ltd.	0.46	-
PFC Consulting Ltd.	0.06	-
Debt Securities of the Company held by :		
Key managerial personnel	0.13	0.21
Trusts/Funds under control of the Company	1.10	1.10
Provisions made w.r.t Trusts/Funds under control of the Company	15.27	13.33
Investments made in:		
Subsidiaries	14500.70	14500.65
Associates	0.55	0.75
Companies in which Key Managerial Personnel are Directors (PTC India Limited & EESL)	260.14	98.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

43.4 Maximum amount of loans/investments outstanding are as follows:

Particulars	Loans		Investments	
	During FY 2022-23	During FY 2021-22	During FY 2022-23	During FY 2021-22
REC	-	3,000.00	14,500.50	14,500.50
PFCCL	9.52	9.52	0.15	0.15
PFC Projects Limited*	-	-	0.05	-
Associates	-	-	0.75	0.75
Companies in which Key Managerial Personnel are Directors - EESL	-	-	241.73	278.16

*Subsidiary w.e.f. 01.07.2022

43.5 Disclosure in respect of entities under the control of the same government (Government related entities)

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government. During the year, the Company had transactions with the related entities under the control/ joint control of the same government including but not limited to

Bhartiya Rail Bijlee Company Ltd.	Damodar Valley Corporation
Tehri Hydro Development Corporation	Mumbai Metro Rail Corporation Limited
Neyveli UP Power Ltd.	Bihar Grid Company Ltd.
Meja Urja Nigam Pvt. Ltd.	Coal India Ltd.
Raichur Power Corporation Ltd.	NHPC Ltd.
NLC Tamil Nadu Power Ltd.	Sardar Sarovar Narmada Nigam Ltd.
National High Power Test Laboratory Pvt. Ltd.	Neyveli Lignite Corporation Ltd.
Power Foundation of India	SJVN Thermal Pvt. Ltd..

Significant transactions with entities under the control of same government:

(₹ in crore)

Nature of Transaction	During FY 2022-23	During FY 2021-22
Dividend Income	62.89	55.65
Disbursement of loans	5,362.77	772.59
Interest Income received	2,435.11	2,976.13
Repayment of principal received	2,213.85	5,875.14
Membership Fees Paid	5.40	-

Refer Note 12, 18, 20.1, 24.2 and 51 in respect of material transactions with the Central Govt.

Above transactions with the Government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses 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 are 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 ₹ 9.52 crore.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 ₹ 17.10 crore (Previous year ₹ 14.87 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.

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Present value of Defined benefit obligation	29.54	27.53
(b) Fair Value of Plan Assets	28.42	27.50
(c) Net Defined Benefit (Asset)/ Liability (a-b)	1.12	0.03

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
I. Opening Balance	27.53	28.67	27.50	26.88	0.03	1.79
Included in profit and loss						
Current service Cost	1.48	1.65	-	-	1.48	1.65
Past service cost	-	-	-	-	-	-
Interest cost/income	2.04	2.03	2.05	1.90	(0.01)	0.13
II. Total amount recognised in profit and loss	**3.52**	**3.68**	**2.05**	**1.90**	**1.47**	**1.78**
Included in OCI						
Re-measurement loss/(gain):						
Actuarial loss (gain) arising from changes in financial assumptions	0.30	(0.89)	-	-	0.30	(0.89)
Actuarial loss (gain) arising from experience adjustment	(0.21)	(1.40)	-	-	(0.21)	(1.40)
Actuarial loss (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	0.44	(0.54)	(0.44)	0.54
III. Total amount recognised in OCI	**0.09**	**(2.29)**	**0.44**	**(0.54)**	**(0.35)**	**(1.75)**
IV. Contribution by participants	-	-	-	-		-
V. Contribution by employer	-	-	0.03	1.79	(0.03)	(1.79)
VI. Benefits paid	(1.60)	(2.53)	(1.60)	(2.53)	-	-
VII. Closing Balance (I+II+III+IV+V+VI)	**29.54**	**27.53**	**28.42**	**27.50**	**1.12**	**0.03**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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 31.03.2023	As at 31.03.2022
(a) Present value of Defined benefit obligation	64.31	56.39
(b) Fair Value of Plan Assets	58.80	50.12
(c) Net Defined Benefit (Asset)/ Liability (a-b)	5.51	6.27

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
I. Opening Balance	56.39	48.37	50.12	43.40	6.27	4.97
Included in profit and loss						
Current service Cost	3.10	2.59	-	-	3.10	2.59
Past service cost	-	-	-	-	-	-
Interest cost/income	4.24	3.46	3.75	3.07	0.50	0.39
II. Total amount recognised in profit and loss	**7.34**	**6.05**	**3.75**	**3.07**	**3.60**	**2.98**
Included in OCI						
Re-measurement loss/(gain)						
Actuarial loss (gain) arising from changes in financial assumptions	1.29	(1.26)	-	-	1.29	(1.26)
Actuarial loss (gain) arising from Experience adjustment	1.64	0.34	-	-	1.64	0.34
Actuarial loss (gain) arising from changes in demographic assumptions	-	5.55	-	-	-	5.55
Return on plan assets excluding interest income	-	-	0.10	0.33	(0.10)	(0.33)
III. Total amount recognised in OCI	**2.93**	**4.63**	**0.10**	**0.33**	**2.83**	**4.30**
IV. Contribution by participants	0.33	-	0.04	0.04	0.29	(0.04)
V. Contribution by employer	-	-	7.53	5.59	(7.53)	(5.59)
VI. Benefits paid	(2.68)	(2.66)	(2.74)	(2.31)	0.06	(0.35)
VII. Closing Balance (I+II+III+IV+V+VI)	**64.31**	**56.39**	**58.80**	**50.12**	**5.51**	**6.27**

(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 31.03.2023	As at 31.03.2022
Present value of Defined benefit obligation	7.82	6.76

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Movement in defined benefit obligation

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2023	31.03.2022
I. Opening Balance	**6.76**	**4.53**
Included in profit and loss		
Current service Cost	0.42	0.37
Past service cost	-	-
Interest cost/income	0.49	0.32
II. Total amount recognised in profit and loss	**0.91**	**0.69**
Included in OCI		
Actuarial loss (gain) arising from changes in financial assumptions	0.20	(0.24)
Actuarial loss (gain) arising from Experience adjustment	0.96	2.75
Actuarial loss (gain) arising from changes in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
III. Total amount recognised in OCI	**1.16**	**2.51**
IV. Contribution by participants	-	-
V. Contribution by employers	-	-
VI. Benefits paid	(1.01)	(0.97)
VII. Closing Balance (I+II+III+IV+V+VI)	**7.82**	**6.76**

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(e) Plan Assets

The value of plan assets for each category is as follows:

(₹ in crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Gratuity	PRMS	Gratuity	PRMS
Cash & Cash Equivalents	0.21	0.96	0.02	0.09
State/Central Government Debt Securities	15.43	35.60	14.15	30.10
Corporate Bonds/Debentures	11.34	22.24	12.08	19.93
Others	1.44	-	1.25	-
Total	**28.42**	**58.80**	**27.50**	**50.12**

As at 31.03.2023 - Nil (as at 31.03.2022 - 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 ₹ 6.32 crore (Previous year ₹ 4.77 crore).

(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 31.03.2023 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Discount Rate & expected return on plan assets, if funded	7.33%	7.45%	7.33%	7.45%	7. 33%	7.45%
Salary Escalation Rate/Medical inflation rate	6.00%	6.00%	6.00%	6.00%	6.00%	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 31.03.2023		As at 31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(1.21)	1.30	(1.12)	1.21
- PRMS	(4.62)	5.33	(4.28)	4.82
- ERS	(0.28)	0.31	(0.24)	0.27
Salary Escalation/Medical inflation Rate (0.50% movement)				
- Gratuity	0.19	(0.14)	0.14	(0.19)
- PRMS	2.72	(2.51)	4.60	(4.23)
- ERS	0.29	(0.25)	0.25	(0.22)
Medical Cost (10% movement)				
- PRMS	5.79	(5.09)	6.17	(5.15)

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Up to 1 year	1.85	1.72	2.26	2.01	0.99	0.82
1 to 5 years	10.77	10.64	15.25	13.56	3.17	3.30
Over 5 years	52.82	49.54	72.45	64.37	8.72	7.70
Total	**65.44**	**61.90**	**89.96**	**79.94**	**12.88**	**11.82**

The table above is drawn on the basis of expected cash flows.

(i) Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Gratuity		PRMS	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Expected contribution	2.49	1.51	8.61	9.36

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.14 years (as at 31.03.2022: 13.98 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 ₹ 6.84 crore (Previous year ₹ 11.62 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 ₹ 4.57 crore for the year (Previous year ₹ 1.14 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
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 31.03.2023	As at 31.03.2022
Up to 1 year	0.77	0.77
1-5 years	3.09	3.09
More than 5 years	54.74	55.51

45.3 During the year 2022-23, the expenses relating to short-term/low value leases amounting to ₹ 9.81 crore (Previous year ₹ 7.20 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 ₹ 10.11 crore (Previous year ₹ 8.10 crore).

46. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)

Sr. No.	Description	As at 31.03.2023	As at 31.03.2022
Contingent Liabilities			
(i)	Guarantees [(a) & (b)]	-	8.29
(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 demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	25.98	24.53
	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.	50.90	53.40
(v)[(b)]	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	2427.96	7,032.45
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for	139.52	174.53
(ii)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	52.43	99.15
Total		**2,788.57**	**7,484.13**

[(a)] Default payment guarantee given by the Company in favour of a borrower company. The amount paid/payable against this guarantee is reimbursable by Government of Madhya Pradesh.

[(b)] Necessary impairment loss allowance has been made. Refer note 21.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

47. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2023 (Nil as at 31.03.2022). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act,2006 has been 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 entities. All activities revolve around the main business. Hence, there are no reportable segments as per Ind AS 108.

49. MODIFICATIONS IN THE SIGNIFICANT ACCOUNTING POLICIES:

No modifications have been carried out in the significant accounting policies during the year.

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 31.03.2023			As at 31.03.2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
	ASSETS						
1	**Financial Assets**						
(a)	Cash and Cash Equivalents	22.14	-	22.14	720.91	-	720.91
(b)	Bank Balance other than included in Cash & Cash Equivalents	1,595.96	-	1,595.96	3,240.31	-	3,240.31
(c)	Derivative Financial Instruments	605.51	4,197.89	4,803.40	980.64	2,099.92	3,080.56
(d)	Loans	68,452.06	3,42,377.09	4,10,829.15	48,146.53	3,12,783.21	3,60,929.74
(e)	Investments	1,219.11	16,085.03	17,304.14	1,084.80	14,999.47	16,084.27
(f)	Other Financial Assets	84.93	5,304.10	5,389.03	102.08	5,280.59	5,382.67
	Total financial assets (1)	**71,979.71**	**3,67,964.11**	**4,39,943.82**	**54,275.27**	**3,35,163.19**	**3,89,438.46**
2	**Non-Financial Assets**						
(a)	Current Tax Assets (Net)	-	210.28	210.28	-	273.65	273.65
(b)	Deferred Tax Assets (Net)	-	4,033.31	4,033.31	-	4,151.82	4,151.82
(c)	Property, Plant and Equipment	-	44.00	44.00	-	44.72	44.72
(d)	Other Intangible Assets	-	0.04	0.04	-	0.13	0.13
(e)	Intangible assets under development	-	11.20	11.20			
(f)	Right of use asset	-	34.40	34.40	-	34.85	34.85
(g)	Other Non-Financial Assets	129.87	426.14	556.01	92.16	374.22	466.38
	Total non-financial assets (2)	**129.87**	**4,759.37**	**4,889.24**	**92.16**	**4,879.39**	**4,971.55**
	Total Asset (1+2)	**72,109.58**	**3,72,723.48**	**4,44,833.06**	**54,367.43**	**3,40,042.58**	**3,94,410.01**
	LIABILITIES						
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	24.32	-	24.32	56.76	46.49	103.25
(b)	Debt Securities	23,522.04	2,36,305.01	2,59,827.05	25,518.09	2,04,638.86	2,30,156.95
(c)	Borrowings (other than Debt Securities)	32,211.00	69,017.89	1,01,228.89	23,265.32	64,700.10	87,965.42
(d)	Subordinated Liabilities	3,902.30	5,409.54	9,311.84	102.33	9,208.94	9,311.27
(d)	Other Financial Liabilities	432.60	5,105.08	5,537.68	1,618.05	5,185.94	6,803.99
	Total financial liabilities (1)	**60,092.26**	**3,15,837.52**	**3,75,929.78**	**50,560.55**	**2,83,780.33**	**3,34,340.88**
2	**Non-Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	-	105.02	105.02	-	194.92	194.92
(b)	Provisions	272.72	50.93	323.65	106.57	140.43	247.00
(c)	Other Non-Financial Liabilities	248.19	24.19	272.38	250.67	26.26	276.93
	Total non-financial liabilities (2)	**520.91**	**180.14**	**701.05**	**357.24**	**361.61**	**718.85**
	Total liabilities (1+2)	**60,613.17**	**3,16,017.66**	**3,76,630.83**	**50,917.79**	**2,84,141.94**	**3,35,059.73**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

51. GOVERNMENT OF INDIA(GOI) SCHEMES BEING IMPLEMENTED BY THE COMPANY

The Company has been designated as Nodal Agency for operationalisation and implementation of RDSS Scheme and IPDS (R-APDRP subsumed in it). Role of Nodal Agency *inter alia* includes pass through of loans/grants to eligible utilities under schemes of GOI. The release of the funds under GoI schemes is ensured through Treasury Single Account (TSA) maintained with RBI, as per office memorandum issued by MoF, GoI dated March 9, 2022. This ensures that funds of these schemes are released 'Just in time' from the Consolidated Fund of India (CFI) to the beneficiaries.

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 during FY 2022-23 is ₹ 1319.86 crore (Previous year ₹ 359 crore) and the cumulative grant administered till 31.03.2023 is ₹ 1,678.86 crore (till 31.03.2022 is ₹ 359 crore).

Further, No amount of grant remained undisbursed as on 31.03.2023 and 31.03.2022.

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 2022-23 stands at ₹.71.58 crore. (Previous year Nil)

51.2 Integrated Power Development Scheme (IPDS) (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) subsumed)

IPDS scheme was launched in December 2014 to extend financial assistance against capital expenditure for addressing the gaps in sub transmission & distribution network and metering in urban areas to supplement the resources of DISCOMs/ Power Departments. This scheme has the sunset date of 31.03.2022 and the ongoing approved projects have been subsumed as a separate component under the new RDSS scheme.

The estimated outlay of the scheme was ₹ 32,612 crore including a budgetary support of ₹ 25,354 crore from GoI. R-APDRP scheme cost of ₹ 44,011 crore including budgetary support of ₹ 22,727 crore have also been carried forward to IPDS scheme. The amount of fund received and administered to the eligible entities during FY 2022-23 is ₹ 474.46 crore (Previous year ₹ 2125.01 crore) and the cumulative grant administered till 31.03.2023 is ₹ 18,381.91 crore (till 31.03.2022 ₹ 17,907.45 crore).

The amount of fund received under R-APDRP (subsumed with IPDS) and administered to the eligible entities during FY 2022-23 is ₹ 65.00 crore (Previous year ₹ 326.64 crore) and the cumulative grant administered till 31.03.2023 is ₹ 13,562.07 crore (till 31.03.2022 ₹ 13,497.07 crore).

Further, no fund remained undisbursed as on 31.03.2023 and 31.03.2022.

The total amount of nodal agency fee income from this scheme for FY 2022-23 stands at Nil (Previous year ₹ 8.60 crore). Additionally, the Company has also received Nil (Previous year ₹ 28.20 crore) as reimbursement of expenditure from MoP under the said scheme.

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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 RBI's Master Direction-Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time read with Scale Based Regulations and disclosures in Notes to Accounts thereto as issued by RBI vide Circular dated 22.10.2021 and 19.04.2022.

Being a Government owned NBFC the Company is subject to guidelines as prescribed under Scale based Regulation as applicable for the NBFC-ML (Middle Layer).

53.1 Asset Liability Management - Maturity pattern of items of Assets and Liabilities:

In the tables below, the principal cash flows net of impairment loss allowance relating to Stage 3 assets have been considered in over 5 years bucket irrespective of the maturity date. Further, Bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

(₹ in crore)

Bucket as at 31.03.2023	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**

(₹ in crore)

Bucket as at 31.03.2022	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	374.80	-	86.09	-	0.00
8 to 14 days	460.83	1933.65	184.70	-	0.00
15 days to 30/31 Days	2,510.53	3,565.02	1,067.50	-	5.43
Over 1 Month up to 2 Months	1,075.65	655.95	3,605.00	-	0.00
Over 2 Months up to 3 Months	2.03	970.23	2,268.75	-	2,235.52
Over 3 Months & up to 6 Months	2.39	6,607.24	7,733.04	-	0.00
Over 6 Months & up to 1 Year	4.49	14,531.37	13,989.53	-	6,982.03
Over 1 Year & up to 3 Years	14.74	65,323.48	83,967.36	-	10,160.98
Over 3 Years & up to 5 Years	9.50	63,292.38	44,425.26	-	7,797.27
Over 5 Years	14,975.23	2,01,918.38	1,06,554.59	-	29,107.15
Total	**19,430.19**	**3,58,797.70**	**2,63,881.81**	**-**	**56,288.37**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 31.03.2023	Amount as at 31.03.2022
(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);	16,342.82	15,974.26
(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;	2,898.97	2,699.02
(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		**19,241.79**	**18,673.28**

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:

In respect of Private sector entities, the Company has been following RBI's Credit Concentration Norms. In respect of Central/State Government entities, RBI had exempted the Company from applicability of RBI's Credit Concentration Norms till 31.03.2022. Further, RBI vide its letter dated 24.08.2022 has allowed the existing exposure of Central/State Government entities of the Company as on date of letter to run off till maturity without invoking any regulatory violation.

As per RBI's Scale Based Regulations, the Credit Concentration Limits need to be calculated based on Tier I Capital from 01.10.2022 as against Owned Funds. RBI vide its letter dated 20.03.2023 has, *inter alia*, directed the Company to reckon Tier I Capital as on March 31 (based on annual results) while computing exposure. However during the year, for the purpose of Credit Concentration Limits, the Company has worked out the Owned Fund / Tier I Capital based on quarterly financial results till 21.03.2023.

As on 31.03.2023, the exposure of the Company to Private / Government Sector entities are within the RBI's prescribed Credit Concentration Limits.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

53.3 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

53.4 Disclosure of Penalties imposed by RBI and other regulators during the year :

During FY 2022-23, NSE and BSE have levied fine on the Company for non-compliance in regard to composition of the Board of Directors.

The Company in its reply to NSE and BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India and had requested both the exchanges to waive the above said penalty. Revert on the matter is awaited.

The Company has also taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors.

During FY 2021-22, NSE and BSE had levied fine on the Company for non-compliance in regard to composition of the Board of Directors, Audit Committee and Nomination & Remuneration Committee of the Board of Directors. The Company is in compliance in regard to composition of the said committees on appointment of three independent directors on 15.11.2021. Accordingly, Company in its reply had requested both the exchanges to waive the said penalty. Revert on the matter is awaited.

53.5 Credit Ratings

53.5.1 Ratings assigned by domestic credit rating agencies as at 31.03.2023:

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+

53.5.2 Long-term foreign currency issuer rating assigned by international credit rating agencies as at 31.03.2023:

Sr. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Moody's	Baa3

53.5.3 In respect of the above, there has been no migration of ratings during the year.

53.6 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
1	Impairment loss allowance towards loans, investments acquired under loan settlement, letter of comfort and guarantees *	(289.60)	2,146.86
2	Impairment loss allowance on other financial assets	(6.41)	2.33
3	Impairment loss allowance on investment	(0.20)	72.95
4	Provision for unspent CSR on ongoing Projects	106.34	54.87
5	Provision made towards Income tax	2,330.24	2,382.86

* including write off of loans and investment acquired under loan settlement of ₹ 957.91 crore (Previous year ₹ 1396.13 crore) and corresponding reversal of impairment loss allowance of ₹ 2,700.33 crore (Previous year ₹ 1,817.78 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

53.7 Draw Down from reserves

Refer to Note 24.

53.8 Others

(a) The Company is preparing Consolidated Financial Statements in accordance with Ind AS – 110 'Consolidated Financial Statements'.

(b) The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

(c) There are no Off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

53.9 Customer Complaints for FY 2022-23

No complaints have been received by the Company from its borrowers during the year ended 31.03.2023. (Previous year Nil).

53.10 Concentration of Exposures :

Particulars	As at 31.03.2023	As at 31.03.2022
Total Exposure at Default (EAD)* to twenty largest borrowers/customers (₹ in crore)	2,60,886.64	243423.52
Percentage of Exposures at Default to twenty largest borrowers/ customers to Total Exposure of the Company on borrowers/ customers	61.10%	63.17%

* Exposure at Default is Principal outstanding & Accrued Interest thereon.

53.11 Large Industrial Sectoral Exposure –

(₹ in crore)

Infrastructure Sector	As at 31.03.2023				
	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	4,23,910.11	4,492.68	4,28,402.79	16,501.65	3.85%
Ports	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%**

Infrastructure Sector	As at 31.03.2022				
	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 Total EAD E= (D/C)
Power	3,80,175.35	5,156.24	3,85,331.59	20,915.28	5.43%

53.12 Intra-group exposures

Particulars	As at 31.03.2023	As at 31.03.2022
Total amount of intra-group Exposures at Default (EAD) (₹ in crore)	9.70	9.52
Total amount of top 20 intra-group Exposures at Default (EAD) (₹ in crore)	9.70	9.52
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.

53.13 Regulatory ratios, limits and disclosures are based on Ind AS figures in accordance with RBI circular dated March 13, 2020 relating to Implementation of Ind AS.

53.14 During FY 2022-23, there has been no instances of breach of covenants of loan availed or debt securities issued.(Previous year-Nil)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

53.15 There has been no divergence in Asset Classification and Provisioning assessed by RBI vis a vis as reported by the Company as on 31.03.2022 during the last annual inspection conducted by RBI for FY 2021-22.

54. INFORMATION / PARTICULARS AS SET OUT IN ANNEX IV OF RBI'S MASTER DIRECTION DATED 01.09.2016 APPLICABLE TO THE COMPANY, AS UPDATED FROM TIME TO TIME :

(₹ in crore)

Particulars	Amount as on 31.03.2023		Amount as on 31.03.2022	
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	19,920.79	-	17,980.13	-
: Unsecured	2,49,218.10	-	2,21,335.61	-
(b) Deffered Credits		-	-	-
(c) Term Loans		-	-	-
(i) Rupee Term Loans	69,716.78	-	65,507.07	-
(ii) Foreign Currency Loans	27,528.28	-	22,000.10	-
(d) Inter-corporate loans & borrowings		-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits		-	-	-
(g) Others				
(i) Other Loans from Banks	3,983.83	-	228.62	-

(₹ in crore)

Assets Side	Amount as on 31.03.2023	Amount as on 31.03.2022
(2) BREAK-UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES (NET OF PROVISIONS):		
(a) Secured	1,93,369.31	1,87,185.54
(b) Unsecured	2,29,128.42	1,85,949.07
(c) Less: Impairment loss allowance	(16,024.67)	(17,271.30)
Loans and advances (net of provision)	4,06,473.06	3,55,863.31
(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	526.25	98.69
(iii) Debentures and Bonds	300.08	-
2. **Unquoted**		
(i) Shares		
(a) Equity	0.75	0.90
(b) Preference	85.78	84.47
(c) Less: Impairment Loss allowance	(72.95)	(73.15)
Unquoted Shares (net of Provision)	13.58	12.22
(ii) Debentures and Bonds	122.16	-
Investments carried at Fair Value		
1. **Quoted**		
(i) Shares		
(a) Equity	1,199.32	1,075.41
2. **Unquoted**		
(i) Shares		
(a) Equity	592.25	241.73
(b) Preference	-	-
(ii) Debentures and Bonds	50.00	155.72

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(4) BORROWER GROUP-WISE CLASSIFICATION OF ASSETS FINANCED AS IN (2) ABOVE:

Category	Amount Net of Provisions (as on 31.03.2023)			Amount Net of Provisions (as on 31.03.2022)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries and Associates	9.52	-	9.52	9.52	-	9.52
(b) Other related parties	-	-	-	-	-	-
2. Other than related parties	1,93,359.79	2,29,128.42	4,22,488.21	1,87,176.02	1,85,949.07	3,73,125.09
Total	**1,93,369.31**	**2,29,128.42**	**4,22,497.73**	**1,87,185.54**	**1,85,949.07**	**3,73,134.61**

(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 31.03.2023		As on 31.03.2022	
	Break up value$	Book Value (Net of Provisions)	Break up value$	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	30,459.95	14,500.70	26,824.33	14,500.65
(b) Companies in the same group	0.51	0.55	0.50	0.55
2. Other than related parties	2,802.89	2,802.89	1,583.07	1,583.07
Total	**33,263.35**	**17,304.14**	**28,407.90**	**16,084.27**

(6) OTHER INFORMATION

Particulars	Amount (as on 31.03.2023)	Amount (as on 31.03.2022)
(i) Gross Stage III Assets		
(a) Other than related parties	16,501.65	20,915.28
(ii) Net Stage III Assets		
(a) Other than related parties	4,502.27	6,570.91
(iii) Assets acquired in satisfaction of debt	790.08	370.45

$ In case of negative break-up value, Nil value has been considered.

55. DISCLOSURES IN ACCORDANCE WITH GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LIQUIDITY COVERAGE RATIO AS PER RBI'S MASTER DIRECTION-NON-BANKING FINANCIAL COMPANY- SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 AS AMENDED FROM TIME TO TIME.

55.1 Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
As at 31.03.2023	7	61,507.08	16.33%
As at 31.03.2022	7	59,447.08	17.74%

* 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, 2023

55.2 Top 10 borrowings (amount in ₹ crore & % of total borrowings)

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

Sr. No.	Particulars*	As at 31.03.2022	
		Amount (₹ crore)	% of Total Borrowings
1	RTL from State Bank of India	10,999.98	3.44%
2	RTL from HDFC Bank	9,750.00	3.05%
3	RTL from National Small Savings Scheme (NSSF)	7,500.00	2.34%
4	RTL from Union Bank of India	6,675.00	2.09%
5	RTL from Canara Bank	6,200.00	1.94%
6	3.95% USD BONDS 2030	5,685.53	1.78%
7	RTL from Bank of Baroda	5,344.00	1.67%
8	8.65% Taxable Bond Series 126	5,000.00	1.56%
9	8.41% Taxable Bond Series 131 C	5,000.00	1.56%
10	7.62% Taxable Bond Series 171	5,000.00	1.56%

*Based on size of bond issuance/term loans from banks

55.3 Funding Concentration based on significant instrument/product

Sr. No.	Significant instrument /product	As at 31.03.2023		As at 31.03.2022	
		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	8,259.12	2.19%	8,983.03	2.68%
	- 54EC Capital Gain Tax Exemption Bonds	6,599.69	1.75%	3,998.82	1.19%
	- Taxable Bonds	2,00,172.79	53.15%	1,75,616.83	52.41%
	- Foreign Currency Notes	37,219.33	9.88%	34,378.78	10.26%
	- Commercial Paper	-	-	-	-
	Sub-total (i)	**2,52,289.44**	**66.99%**	**2,23,015.97**	**66.56%**
2	BORROWINGS (OTHER THAN DEBT SECURITIES)				
	- Foreign Currency Loans	6,615.94	1.76%	128.07	0.04%
	- Syndicated Foreign Currency Loans	20,719.21	5.50%	21,781.52	6.50%
	- Rupee Term Loan	62,317.90	16.55%	58,262.48	17.39%
	- Rupee Term Loan - GoI	7,500.00	1.99%	7,500.00	2.24%
	- Loan against Term Deposits			228.59	0.07%
	- Working Capital Demand Loan/ Overdraft/ Cash Credit/ Line of Credit	3,983.83	1.06%	-	-
	Sub-total (ii)	**1,01,136.88**	**26.85%**	**87,900.66**	**26.23%**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

3	SUBORDINATED LIABILITIES	9,211.50	2.45%	9,211.50	2.75%
	Sub-total (iii)	**9,211.50**	**2.45%**	**9,211.50**	**2.75%**
	Total (i+ii+iii)	**3,62,637.83**	**96.28%**	**3,20,128.13**	**95.54%**

55.4 Stock Ratios

Sr. No.	Particulars	% to total public funds	% to total liabilities	% to total assets
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%
As at 31.03.2022				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	-	-	-
3	Other short-term liabilities	0.07%	0.07%	0.06%

55.5 Refer Note 40.2 for Institutional set up for management of liquidity risk in the Company.

55.6 Liquidity Coverage Ratio

(₹ in crore)

Particulars		Quarter ended 31.03.2023		Quarter ended 31.12.2022				Quarter ended 30.09.2022	
				From 01.10.2022 to 30.11.2022		From 01.12.2022 to 31.12.2022			
		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)	1,318.83	1,318.83	1,168.02	1,168.02	1,883.65	1,883.65	1,086.53	1,086.53
Cash Outflows									
2	Outflows related to derivative exposures and other collateral requirements								
3	Other contractual funding obligations	5,752.95	6,615.89	5,593.60	6,432.64	7,813.96	8,986.05	5,173.18	5,949.16
4	Other contingent funding obligations	800.25	920.28	1,177.53	1,354.16	1,545.79	1,777.66	1,125.53	1,294.36
5	**TOTAL CASH OUTFLOWS**	**6,553.20**	**7,536.17**	**6,771.13**	**7,786.80**	**9,359.75**	**10,763.71**	**6,298.71**	**7,243.52**
Cash Inflows									
6	Lines of credit – Credit or liquidity facilities or other contingent funding facilities	5,031.32	3,773.49	4,945.10	3,708.82	3,444.29	2,583.22	5,650.07	4,237.55
7	Inflows from fully performing exposures	8,429.01	6,321.76	6,065.21	4,548.91	9,338.81	7,004.11	5,707.29	4,280.46
8	Other cash inflows	2,502.22	1,876.67	1,400.00	1,050.00	4,843.25	3,632.44		
9	**TOTAL CASH INFLOWS**	**15,962.55**	**11,971.91**	**12,410.31**	**9,307.73**	**17,626.34**	**13,219.76**	**11,357.36**	**8,518.02**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
9	**TOTAL HQLA**		**1,318.83**		**1,168.02**		**1,883.65**		**1,086.53**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Particulars	Quarter ended 31.03.2023		Quarter ended 31.12.2022				Quarter ended 30.09.2022	
			From 01.10.2022 to 30.11.2022		From 01.12.2022 to 31.12.2022			
	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)
10 **TOTAL NET CASH OUTFLOWS** [(Total Weighted Cash Outflows) - Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]		1,884.04		1,946.70		2,690.93		1,810.88
11 **LIQUIDITY COVERAGE RATIO (%)**		**70.00%**		**60.00%**		**70.00%**		**60.00%**

[a] The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the required LCR level of 70% (w.e.f. 01.12.2022 and 60% (up to 30.11.2022) has been considered.

(₹ in crore)

	Particulars	Quarter ended 30.06.2022		Quarter ended 31.03.2022	
		Total Unweighted Value (Average)	Total weighted Value (Average)		
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA) [b]	1,591.88	1,591.88	3,460.28	3,460.28
Cash Outflows					
2	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
3	Other contractual funding obligations	5,420.80	6,233.92	5,827.99	6,702.19
4	Other contingent funding obligations	3,807.51	4,378.64	6,920.18	7,958.20
5	**TOTAL CASH OUTFLOWS**	**9,228.31**	**10,612.55**	**12,748.17**	**14,660.39**
Cash Inflows					
6	Lines of credit – Credit or liquidity facilities or other contingent funding facilities	6,106.79	4,580.10	6,122.75	4,592.06
7	Inflows from fully performing exposures	5,376.39	4,032.30	5,617.12	4,212.84
8	Other cash inflows			117.81	88.36
9	**TOTAL CASH INFLOWS**	**11,483.19**	**8,612.39**	**11,857.68**	**8,893.26**
			Total Adjusted Value		**Total Adjusted Value**
10	**TOTAL HQLA**		**1,591.88**		**3,460.28**
11	**TOTAL NET CASH OUTFLOWS** [(Total Weighted Cash Outflows) - Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]		2,653.14		5,767.13
12	**LIQUIDITY COVERAGE RATIO (%)**		**60.00%**		**60.00%**

[b] The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the LCR level of 60% has been considered.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

55.6.1 RBI vide its Master Direction - NBFC - Systemically Important Non-Deposit Taking Company,2016 issued the guidelines covering liquidity risk management for NBFCs wherein RBI introduced Liquidity Coverage Ratio (LCR) applicable on 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. 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 Fixed Deposits with Scheduled Commercial Banks and eligible securities. The Company is maintaining LCR in INR only; hence there is no currency mismatch.

55.6.2 The position of HQLA holding is as follows

HQLA items	% of Overall HQLA	
	As at 31.03.2023	As at 31.03.2022
Assets without Haircut		
Cash and Cash Equivalents	37.78%	93.75%
Term/Demand Deposits		
G-Sec	39.26%	2.86%
Assets with 15% Haircut	-	-
Assets with 50% Haircut		
Coal India Ltd. shares	11.58%	3.39%
UPPCL Bond	11.38%	
Total	**100.00%**	**100.00%**

56. There are no reportable cases of loans transferred/ acquired during the FY 2022-23 (Previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021.

57. The disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time read with Scale Based Regulations and disclosures in Notes to Accounts thereto as issued by RBI vide Circular dated 22.10.2021 and 19.04.2022. 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 , 49, 53, 54, 55 and 56.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

58. The Company is a 'Large Corporate' in terms of the Chapter XII of SEBI Operational Circular dated 10.08.2021 on "Fund raising by Issuances of Debt Securities by Large Entities". Disclosures required under the said circular is as under:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Name of Company	Power Finance Corporation Limited	
CIN	L65910DL1986GOI024862	
Outstanding borrowings of company as on March 31 of FY **(₹ in crore)** (in line with Chapter XII of SEBI Operational Circular dated August 10, 2021)	2,91,099.50	2,63,611.19
Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	AAA by CRISIL, ICRA & CARE	
Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	Bombay Stock Exchange (BSE)	
Disclosure for FY 2022-23		
3-year block period (specify financial years)	FY 2022-23, FY 2023-24, FY 2024-25	
Incremental borrowing done in FY (2022-23) **(a)**	59,297.47	
Mandatory borrowing to be done through debt securities in FY (2022-23) **(b) = (25% of a)**	14,824.37	
Actual borrowing done through debt securities in FY (2022-23) **(c)**	44,697.47	
Shortfall in the borrowing through debt securities, if any, for FY (2021-22) carried forward to FY (2022-23) **(d) = (b) - (c)**	Nil	
Quantum of (d), which has been met from (c) **(e)**	N.A.	
Shortfall, if any, in the mandatory borrowing through debt securities for FY (2022-23) {after adjusting for any shortfall in borrowing for FY (2021-22) which was carried forward to FY (2022-23)} **(f) = (b) - [(c) - (e)]**	Nil	
Details of penalty to be paid, if any, in respect to previous block		
3-year block period (Specify financial years)	FY 2021-22, FY 2022-23, FY 2023-24	
Amount of fine to be paid for the block, if applicable **Fine = 0.2% of {(d)-(e)}**	N.A.	
Disclosure for FY 2021-22		
2-year block period	FY 2021-22, FY 2022-23	
Details of incremental borrowings:		
Incremental borrowing done in FY(2021-22) **(a)**	28,671.83	
Mandatory borrowing to be done through issuance of debt securities in FY (2021-22) **(b)** = (25% of a)	7,167.96	
Actual borrowings done through debt securities in FY (2021-22) **(c)**	14,666.83	
Shortfall in the borrowing through debt securities if any, for FY 2020-21 carried forward to FY 2021-22 **(d) = (b) – (c)**	Nil	
Quantum of (d), which has been met from (c) **(e)**	N.A.	
Shortfall, If any, in the mandatory borrowing through debt securities for FY (2020-21) {after adjusting for any shortfall in borrowing for FY (2020-21) which was carried forward to FY (2021-22)} **(f) = (b)-[(c)- (e)]**	Nil	

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

59. 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 31.03.2023	As at /Year ended 31.03.2022
Debt to Equity Ratio (times)	5.32	5.38
Outstanding Redeemable Preference Shares	-	-
Capital redemption reserve/debenture redemption reserve	-	-
Net Worth (₹ in crore)	68,202.23	59,350.28
Total Debt to Total Assets (times)	0.82	0.81
Operating Margin (%)	35.70%	31.60%
Net Profit Margin (%)	29.26%	25.97%

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, Current Liability Ratio, Long-term debt to working capital, Bad debts to Account receivable 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.

60. Figures of the previous year have been regrouped/rearranged wherever necessary, in order to make them comparable.

61. Figures have been rounded off to the nearest crore of rupees with two decimals.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

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 March 31, 2023, 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 (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 March 31, 2023, 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 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. EMPHASIS OF MATTER

We draw attention to Note 46.1.2 of the Consolidated Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company and one of its subsidiaries has recognised expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by them. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgement on the same.

Our opinion is not modified in respect of the above said matter.

4. 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 period. 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.	**Our audit procedures included:** • The Holding Company has availed services of independent expert to estimate the carrying value of the loan assets. We verified the criterion/framework with various regulatory updates along with Company's internal guidelines and procedures in respect of the impairment allowance as well as the completeness and accuracy of the data shared with the independent experts. • Recoveries are verified applying the standard audit procedures. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters.

Sr. No.	Key Audit Matter	Auditors' Response
	The key indicators underlying for assessment of impairment allowance are appraised on the ongoing basis by the management. The most significant areas where we identified greater levels of management 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 in the Consolidated Financial Statements as a percentage of total assets, impairment of loan assets there on has been considered as Key Audit Matter in our audit.	• We have reviewed the underlying assumptions and broad methodology of ECL assessment and shared our inputs. • Components and calculations in the study for impairment allowance carried out by the third party are test checks, discussed with management and relied upon by us. Our audit procedure in the same is limited in view of not sharing certain parameters of study being considered confidential by such third party. We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable & satisfactory.
(ii)	**Fair Valuation of Derivative financial instruments** The Holding Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with 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 P&L 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.	**Our audit procedures included:** Discussing and understanding management's perception and studying policy of the Company for risk management. Verification of fair value of derivative in term of Ind AS 109. Evaluation of key internal control over classification, of derivative instruments. The Holding Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on 31.03.2023 and fair value thereon. Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in profit & loss account and other comprehensive income in case of derivatives contracts under cash flow hedge. We did not find any material misstatement in measuring derivative contracts at fair value obtained from counterparty banks.

The following key audit matters with respect to audit opinion on the financial statement of Company's subsidiary REC Limited has been reported by the component auditors vide their report dated May 17, 2023 and has been reproduced by us as under:

Sr. No.	Key Audit Matter	Auditor's 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 analysed on case to case basis and wherever impairment impact need to be changed the same is considered in the financial statements. In view of the significance of the amount of loan assets in the Standalone Ind AS Financial Statements i.e. 90.79% of total assets, the audit procedure for impairment of loan assets has been considered as Key Audit Matter in our audit.	**We have applied following audit procedures in this regard** a) According to the provisions of Ind AS 109 "Financial Instruments", we have obtained the report of the external agency and verified the criterion/ framework with various regulatory updates alongwith Company's internal guidelines and procedures in respect of the impairment allowance. b) 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. c) Recoveries are verified applying the standard audit procedures. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. d) Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. e) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases. f) Components and calculations in the study for impairment allowance carried out by external agency are relied upon by us and test checks are carried out for the same. Such components are credit rating of borrowers (including ratings issued by Ministry of Power), calculation of probability of default/loan given defaults etc. Our audit procedure in the same are limited in view of reliance on report of the external agency.

Sr. No.	Key Audit Matter	Auditor's Response
		g) Further, the Management, pursuing a Board approved methodology reviews the impairment allowance in the report of the external agency and enhanced/reduced the impairment on case to case basis as management overlay. We have obtained a detailed analysis from the management for such changes. Our audit procedure in this regard is constrained by the management appraisal and we have relied upon the same.

5. 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 Director's Report including Annexures to Director's Report, Management Discussion and Analysis, Business Responsibility 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

6. 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 (other Comprehensive Income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective board of directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 responsible for overseeing the financial reporting process of the Group and of its associates.

7. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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.

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 period 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.

8. OTHER MATTERS

a) We did not audit the Financial Statements/ financial information of two subsidiaries whose Financial Statements/ financial information reflect total assets of ₹ 4,65,779.72 crore as at March 31, 2023, total revenues of ₹ 39,614.51 crore and net cash flows amounting to ₹ (175.47) 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 these subsidiaries, 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, is based solely on the reports of the other auditors.

b) We did not audit the Financial Statements/financial information of one subsidiary, whose unaudited Financial Statements/financial information reflect total assets of ₹ 1.31 crore as at March 31, 2023, total revenues ₹ NIL and net cash flows amounting to ₹ NIL for the year ended on that date, as considered in the consolidated Financial Statements. The consolidated Financial Statements also include unaudited financial Statements/other financial information in respect eleven associates, whose Financial Statements reflect Group's share of net profit of ₹ 0.01 crore for the year ended March 31, 2023 as considered in the consolidated Financial Statements.

   These Financial Statements/financial information are unaudited and have been furnished to us by the Management, 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 associates and jointly controlled entity, 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, these

Ind AS 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 with respect to our reliance on the work done by expert agency, the reports of the other auditors and the Financial Statements/financial information certified by the Management.

9. 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 change in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account 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 relevant rules;

(e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Holding company and its subsidiaries, & Associates.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.

(g) As per Notification No. GSR 463(E) dated June 5, 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 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 subsidiary and associate companies, incorporated in India.

iv. (a) The Management of the Group has represented (Refer Note 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 23.13) that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 29.2(iii) 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with respect to using accounting software for maintaining its books of account which has certain features e.g. edit log etc. as enumerated in aforesaid proviso is applicable to the Company with effect from April 1, 2023. Therefore, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 CARO reports of the subsidiaries included in the Consolidated Financial Statements, no qualifications or adverse remarks have been reported by the respective auditors.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN : 23082069BGZGVO8999

Date: 27.05.2023
Place: New Delhi

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZR8004

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 March 31, 2023)

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 March 31, 2023, 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

3. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. OPINION

In our opinion, the Holding Company, its subsidiary companies, 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 March 31, 2023, 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.

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 three subsidiary companies is based on the corresponding reports of the auditors of such companies incorporated in India and in respect of eleven associates, we have relied on the explanation provided by the management of 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 Statement of the Group and its associates.

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA NARESH KUMAR
Partner
Membership No. 082069
UDIN : 23082069BGZGVO8999

Date: 27.05.2023
Place: New Delhi

FOR PREM GUPTA & COMPANY
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 23520318BGWIZR8004

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 2023

The preparation of consolidated financial statements of Power Finance Corporation Limited for the year ended 31 March 2023 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 is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2023.

I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements Power Finance Corporation Limited for the year ended 31 March 2023 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 and PFC Consulting 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

Place: New Delhi
Dated: 28 07 2023

Sd/-
(Sanjay K. Jha)
Director General of Audit (Energy),

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	REC Limited
2	PFC Projects Limited
Associates and Joint Ventures:	
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	Coastal Maharashtra Mega Power limited
11	Chattisgarh Surguja Power Limited
12	Costal Tamil Nadu Power Limited.
13	Tatitya Andhra Mega Power Limited
14	Cheyyur Infra Limited

Consolidated Balance Sheet

as at March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS				
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	8	127.59	914.24
(b)	Bank Balance other than included in Cash and Cash Equivalents	9	3,973.43	5,770.26
(c)	Derivative Financial Instruments	10	13,785.01	8,590.73
(d)	Trade Receivables	11	171.17	125.63
(e)	Loans	12	8,32,903.36	7,32,850.76
(f)	Investments (Other than accounted for using equity method)	13A	5,972.89	3,773.51
(g)	Other Financial Assets	14	29,832.08	29,820.35
	Total Financial Assets (1)		**8,86,765.53**	**7,81,845.48**
2	**Non- Financial Assets**			
(a)	Current Tax Assets (Net)	15	543.08	495.25
(b)	Deferred Tax Assets (Net)	16	7,340.03	7,315.37
(c)	Property, Plant and Equipment	17	737.66	668.94
(d)	Capital Work-in-Progress	17	10.66	53.36
(e)	Intangible Assets under development	17	11.20	-
(f)	Other Intangible Assets	17	1.67	4.41
(g)	Right of Use Assets	18	42.97	45.83
(h)	Other Non-Financial Assets	19	641.14	551.68
(i)	Investments accounted for using equity method	13B	0.51	0.50
	Total Non- Financial Assets (2)		**9,328.92**	**9,135.34**
3	**Assets Classified as held for sale**	20	17.41	19.45
	Total Assets (1+2+3)		**8,96,111.86**	**7,91,000.27**
LIABILITIES AND EQUITY				
Liabilities				
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	10	1,001.27	656.39
(b)	Trade Payables	21		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.67	1.11
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		50.19	48.64
(c)	Debt Securities	22	4,96,729.38	4,49,731.56
(d)	Borrowings (other than Debt Securities)	23	2,38,343.00	1,94,616.98
(e)	Subordinated Liabilities	24	16,085.14	16,127.74
(f)	Other Financial Liabilities	25	30,964.67	32,598.98
	Total Financial Liabilities (1)		**7,83,174.32**	**6,93,781.40**

Consolidated Balance Sheet

as at March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
2	**Non- Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	15	133.34	219.15
(b)	Provisions	26	438.11	356.55
(c)	Other Non-Financial Liabilities	27	384.79	368.01
	Total Non- Financial Liabilities (2)		**956.24**	**943.71**
3	**Liabilities directly associated with assets classified as held for sale**	20	0.02	0.01
	Total Liabilities (1+2+3)		**7,84,130.58**	**6,94,725.12**
4	**Equity**			
(a)	Equity Share Capital	28	2,640.08	2,640.08
(b)	Other Equity	29	81,518.41	69,036.16
	Equity attributable to owners of the Company (a+b)		**84,158.49**	**71,676.24**
(c)	Non-Controlling Interest	30	27,822.79	24,598.91
	Total Equity (4)		**1,11,981.28**	**96,275.15**
	Total Liabilities and Equity (1+2+3+4)		**8,96,111.86**	**7,91,000.27**

The accompanying notes 1 to 63 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
	REVENUE FROM OPERATIONS			
(i)	Interest Income	31	76,495.93	74,887.12
(ii)	Dividend Income	32	103.00	68.86
(iii)	Fees and Commission Income	33	548.79	1,069.58
(iv)	Other Operating Income	34	420.58	236.10
I.	**Total Revenue from Operations**		**77,568.30**	**76,261.66**
II.	Other Income	35	56.89	83.26
III.	**Total Income (I+II)**		**77,625.19**	**76,344.92**
	Expenses			
(i)	Finance Costs	36	47,016.78	44,708.78
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	37	3,089.27	1,704.63
(iii)	Fees and Commission Expense	38	28.35	26.91
(iv)	Net Loss / (Gain) on Fair Value changes	39	(115.87)	(356.00)
(v)	Impairment on Financial Instruments	40	(153.55)	5,695.07
(vi)	Cost of Services Rendered		73.69	76.83
(vii)	Employee Benefit Expenses	41	438.88	407.32
(viii)	Depreciation, Amortisation and Impairment	17/18	51.80	34.77
(ix)	Corporate Social Responsibility Expenses		430.34	388.76
(x)	Other Expenses	42	269.44	253.23
IV.	**Total Expenses**		**51,129.13**	**52,940.30**
V.	Share of Profit / (Loss) in Joint Venture and Associates		0.01	(22.40)
VI.	Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)		26,496.07	23,382.22
VII.	Exceptional Items		-	-
VIII.	**Profit/(Loss) Before Tax (V-VI)**		**26,496.07**	**23,382.22**
	Tax Expense:	43		
	(1) Current Tax			
	- Current Year		5,119.10	5,501.89
	- Earlier Years		(198.44)	(40.01)
	(2) Deferred Tax Expense / (Income)		396.82	(847.87)
IX.	**Total Tax Expense**		**5,317.48**	**4,614.01**
X.	**Profit/(Loss) for the year from Continuing Operations (VIII-IX)**		**21,178.59**	**18,768.21**
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	**Profit/(Loss) for the year (from continuing and discontinued operations) (X+XI)**		**21,178.59**	**18,768.21**
XIII.	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(9.61)	(13.40)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		87.58	174.13
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method		-	(0.02)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		2.45	3.47
	- Net Gain / (Loss) on Fair Value of Equity Instruments		9.84	(7.03)
	Sub-Total (A)		**90.26**	**157.15**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) in Cash Flow Hedge		932.35	900.02
	- Cost of Hedging Reserve		(2,563.96)	(947.33)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		-	(0.17)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) in Cash Flow Hedge		(234.65)	(226.52)
	- Cost of Hedging Reserve		645.29	238.42
	Sub-Total (B)		**(1,220.97)**	**(35.58)**
	Other Comprehensive Income (A+B)		**(1,130.71)**	**121.57**
XIV.	**Total Comprehensive Income for the year (XII+XIII)**		**20,047.88**	**18,889.78**
	Profit for the year attributable to:			
	- Owners of the Company		15,889.33	14,014.79
	- Non-Controlling Interest		5,289.26	4,753.42
			21,178.59	**18,768.21**
	Other Comprehensive Income for the year			
	- Owners of the Company		(670.78)	148.99
	- Non-Controlling Interest		(459.93)	(27.42)
			(1,130.71)	**121.57**
	Total Comprehensive Income for the year			
	- Owners of the Company		15,218.55	14,163.78
	- Non-Controlling Interest		4,829.33	4,726.00
			20,047.88	**18,889.78**
XV.	**Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):**	44		
	(1) For continuing operations (in ₹)		60.19	53.08
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		60.19	53.08

The accompanying notes 1 to 61 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	Opening Balance	Changes during the year	Closing Balance
Issued, Subscribed and fully paid up:			
Year ended March 31, 2022	2,640.08	-	2,640.08
Year ended March 31, 2023	2,640.08	-	2,640.08

Refer Note 28 for detail

B. OTHER EQUITY

(₹ in crore)

Particulars	Reserves and surplus											Other Comprehensive Income					Non-Controlling Interest		Total
	Capital Reserve - Common Control	Capital Reserve - Change in shareholding in Joint Venture	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	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	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method	Attributable to owners of the parent	towards Equity Share Holders	towards Instruments Entirely Equity in Nature	
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)
Reclassification of gain / (loss) on sale / extinguishment of FVOCI equity instrument																		-	
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)
Dividends Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 of Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	(17.53)	-	-	-	-	(17.53)	(15.77)	-	(33.30)

(₹ in crore)

Particulars	Reserves and surplus											Other Comprehensive Income				Attributable to owners of the parent	Non-Controlling Interest		Total
	Capital Reserve - Common Control	Capital Reserve - Change in shareholding in Joint Venture	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	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	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method		towards Equity Share Holders	towards Instruments Entirely Equity in Nature	
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**
Balance as at 31.03.2021	**(13,461.00)**	**2.47**	**6,235.99**	**1,407.54**	**599.85**	**31,833.14**	**3,953.74**	**(936.01)**	**62.65**	**19,040.40**	**9,760.52**	**(170.71)**	**(200.50)**	**(1.42)**	**0.73**	**58,127.40**	**20,464.36**	**558.40**	**79,150.16**
Changes in Accounting Policy / Prior Period Errors	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	14,014.79	-	-	-	-	14,014.79	4,753.42	-	18,768.21
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	(6.98)	-	-	-	-	(6.98)	(2.95)		(9.93)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	0.00	155.38	503.06	(501.74)	(0.73)	155.97	(24.47)	-	131.50
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,007.81**	**155.38**	**503.06**	**(501.74)**	**(0.73)**	**14,163.78**	**4,726.00**	**-**	**18,889.78**
Dividends	-	-	-	-	-	-	-	-	-	-	(3,366.10)	-	-	-	-	(3,366.10)	(1,142.15)	-	(4,508.25)
Transfer to / from Retained Earnings	-	-	3,062.34	576.44	-	4,044.97	-	-	-	-	(7,683.75)			-	-	(0.00)	-	-	(0.00)
Transfer to / from General Reserve	-	(2.47)	-	-	-	-	-	-	-	2.47	-			-		-	-	-	-
Utilisation of reserve against bad debts written off	-		-	(1,303.94)	-	-	-	-	-	1,303.94	-	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	-	-	-	-	129.94	1.42	-	(1.42)	-	-	-	-	129.94	8.46	-	138.40
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	58.90	(58.90)	-	-	-	-	-	-	-
Issue of Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue expenses on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	(17.96)	-	-	-	-	(17.96)	(16.16)	-	(34.12)
Other Adjustments		-	-	-	-	-	-	-	-	-	(0.90)	-	-	-	-	(0.90)	-	-	(0.90)
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**

The accompanying notes 1 to 63 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2023		Year ended 31.03.2022	
I.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Profit before Tax	26,496.07		23,382.22	
	Adjustments for:				
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	9.67		3.91	
	Loss/ (Gain) on derecognition of Assets held for sale (net)	(4.08)		(30.25)	
	Loss/ (Gain) on Fair value changes (Net)	(114.32)		(348.00)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	5,063.45		2,286.31	
	Depreciation and Amortisation	51.78		34.78	
	Impairment on Financial Instruments	(153.84)		5,695.07	
	Impairment Allowance on Assets Classified as Held for Sale	0.03		9.71	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	(37.98)		(80.03)	
	Interest expense on Zero Coupon Bonds and Commercial Papers	42.06		107.55	
	Other interest expense	2.44		3.04	
	Interest accrued on investments	(45.47)		(73.88)	
	Provision created during the period	163.02		167.36	
	Excess Liabilities written back	(0.15)		(2.40)	
	Share of Profit/Loss of Joint Venture accounted for using equity method	(0.01)		22.40	
	Operating profit before Working Capital Changes:	**31,472.67**		**31,177.79**	
	Increase / Decrease :				
	Loans (Net)	(1,00,606.60)		(12,804.48)	
	Other Financial and Non-Financial Assets	1,773.21		(2,620.84)	
	Derivative	(1,306.20)		(4,634.69)	
	Other Financial & Non-Financial Liabilities and Provisions	(933.06)		(872.00)	
	Cash Flow before Exceptional Items	**(69,599.98)**		**10,245.78**	
	Exceptional Items	-		-	
	Cash Flow from Operations Before Tax	(69,599.98)		10,245.78	
	Income Tax paid	(5,256.63)		(5,364.56)	
	Income Tax Refund	157.68		23.26	
	Net Cash Inflow/(Outflow) from Operating Activities		**(74,698.93)**		**4,904.48**
II.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Proceeds from disposal of Property, Plant and Equipment	0.32		0.48	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance)	(122.77)		(301.01)	
	Finance Cost Capitalised	(0.03)		(5.10)	
	Increase/(Decrease) in Other Investments	(1,575.70)		(273.00)	
	Sale of assets held for sale	4.60		31.24	
	Net Cash Inflow/(Outflow) from Investing Activities		**(1,693.58)**		**(547.39)**
III.	CASH FLOW FROM FINANCING ACTIVITIES :				
	Raising of Bonds (including premium) (Net of Redemptions)	41,226.83		(33,428.48)	
	Raising of Long-Term Loans/ WCDL/ OD/ CC/ Line of credit (Net of Repayments)	22,619.60		15,603.25	
	Raising of Foreign Currency Loans (Net of Repayments)	15,856.34		26,432.96	
	Raising of Commercial paper (Net of Repayments)	-		(3,134.76)	
	Raising of Working Capital Demand Loan/ OD/ CC/ Line of Credit (Net of Repayments)	-		(9,230.04)	
	Coupon Expenses on Perpetual Debt Instruments entirely equity in nature	(44.50)		(45.60)	
	Unclaimed Bonds (Net)	(18.47)		(58.28)	
	Unclaimed Dividend (Net)	0.17		1.56	
	Payment of Lease Liability	(2.94)		(2.95)	
	Issue Expenses on Bonus Issue of Equity Shares by subsidiary REC Ltd.	(0.71)		-	
	Payment of Dividend	(4,118.05)		(4,508.25)	
	Net Cash Inflow/(Outflow) from Financing Activities		**75,518.27**		**(8,370.59)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2023		Year ended 31.03.2022	
	Net Increase / Decrease in Cash and Cash Equivalents		**(874.24)**		**(4,013.50)**
	Add : Cash and Cash Equivalents at beginning of the financial year		**914.24**		**4,927.74**
	Cash and Cash Equivalents at the end of the year		**40.00**		**914.24**
	Details of Cash and Cash Equivalents at the end of the year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	63.17		148.22	
	In Term Deposit Accounts (original maturity up to 3 months)	64.42	127.59	766.00	914.22
	ii) Cheques, Drafts on hand including postage and Imprest		0.00		0.02
	iii) Investment in Mutual Funds (original maturity up to 3 months)		-		-
	iv) Bank overdraft		(87.59)		-
	Total Cash and Cash Equivalents at the end of the year		**40.00**		**914.24**

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 ₹ 331.53 crores (previous year ₹ 291.27 crores) towards Corporate Social Responsibility.

Reconciliation of liabilities (principal o/s) arising from financing activities

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	WCDL/ Rupee Term Loans**	Foreign Currency Loans	Commercial Paper	Subordinated Debts	Total
	Opening Balance as at 01.04.2021	**4,05,247.18**	**1,17,707.12**	**1,02,651.33**	**3,080.23**	**15,862.20**	**6,44,548.08**
	Cash Flow During the Year	(33,444.88)	6,373.21	29,540.53	(3,134.76)	-	(665.92)
	Non-Cash Changes due to:						
	Adjustments	69.42	2,999.99	(42.45)	54.53	-	3,081.49
	Variation in Exchange Rates			(48.67)			(48.67)
	Closing Balance as at 31.03.2022	**3,71,871.72**	**1,27,080.32**	**1,32,100.74**	**(0.00)**	**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
	Closing Balance as at 31.03.2023	**4,13,140.33**	**1,49,787.51**	**1,58,418.76**	**(0.00)**	**15,862.20**	**7,37,208.80**

*Foreign Currency Notes form part of Foreign Currency Loans in Statement of Cash Flows.

**Foreign Currency loans and syndicated foreign currency loans form part of foreign currency loan in Statement of Cash Flows.

The accompanying notes 1 to 63 form integral part of Consolidated Financial Statements.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 – 110 001 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 a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC is placed in Middle layer under framework for Scale Based Regulation for NBFCs 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 27.05.2023.

4. STANDARDS / AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31.03.2023, whereby amendments to various Indian Accounting Standards has been made applicable w.e.f. from 01.04.2023.

The Group has evaluated the amendments made vide the aforesaid notification dated 31.03.2023 and there will be no impact of the same on the Consolidated Financial Statements as and when these are made applicable.

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 31.03.2023
			31.03.2023	31.03.2022	
Subsidiaries:					
1	REC Limited (RECL) *	India	52.63%	52.63%	Audited
2	PFC Consulting Ltd. (PFCCL)*	India	100%	100%	Audited
3	PFC Projects Limited - (formerly known as Coastal Karnataka Power Limited) (refer note no.5.1)	India	100%	-	Unaudited
Associates:					
1	Coastal Maharashtra Mega Power Limited #	India	-	100%	Unaudited
2	Orissa Integrated Power Limited	India	100%	100%	Unaudited
3	Coastal Karnataka Power Limited (refer note no.5.1)	India	-	100%	Unaudited
4	Coastal Tamil Nadu Power Limited	India	100%	100%	Unaudited
5	Chhattisgarh Surguja Power Limited #	India	-	100%	Unaudited
6	Sakhigopal Integrated Power Company Limited	India	100%	100%	Unaudited
7	Ghogarpalli Integrated Power Company Limited	India	100%	100%	Unaudited
8	Tatiya Andhra Mega Power Limited #	India	-	100%	Unaudited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 31.03.2023
			31.03.2023	31.03.2022	
9	Deoghar Mega Power Limited	India	100%	100%	Unaudited
10	Cheyyur Infra Limited	India	100%	100%	Unaudited
11	Odisha Infrapower Limited	India	100%	100%	Unaudited
12	Deoghar Infra Limited	India	100%	100%	Unaudited
13	Bihar Infrapower Limited	India	100%	100%	Unaudited
14	Bihar Mega Power Limited	India	100%	100%	Unaudited
15	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.

struck off during the year by the Registrar of Companies.

5.1 Coastal Karnataka Power Limited (CKPL), a wholly-owned company of PFC Ltd. was set up for managing the UMPPs as per the mandate from GoI and was considered as associate over PFC had significant influence. During FY 2022-23, CKPL's MoA has been amended to be used for bidding lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL). Accordingly, the ability to direct activities of said Company now vests with PFC Ltd and the same is now considered as a subsidiary.

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 SIGNIFICANT ACCOUNTING POLICIES

The Group's significant accounting policies applied in 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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 Significant Accounting Policies.

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

(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 cash flow hedge or fair value hedge.

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

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

(iv) Cash flow hedge

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

(v) Fair Value Hedge

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

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

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

6.5 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,

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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 realise the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Group to collect the contractual cash flows.

(ii) Classification, Measurement and Derecognition of Equity Instruments

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

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

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

(iii) Impairment of Financial Assets

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

The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

(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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 realisable 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 recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Maintenance or servicing costs of PPE are recognised in Consolidated Statement of Profit and Loss as incurred.

(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 ₹ 5,000/- 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 capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the Balance Sheet date are classified under 'Capital Advances.'

6.7 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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

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

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

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

(v) The Group uses the principles laid down by Ind AS 115 to determine that how much and when revenue

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

is recognised, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:

a) Identify the contract(s) with customer;

b) Identify separate performance obligations in the contract;

c) Determine the transaction price;

d) Allocate the transaction price to the performance obligations; and

e) Recognise revenue when a performance obligation is satisfied.

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

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

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

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

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

(vii) Income from Smart Metering services of 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 recognised over the period of contract.

(viii) The sale proceeds from Request for qualification (Rfq) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.

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

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

(xi) Interest expense on financial liabilities subsequently measured at amortised cost is recognised 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 recognised 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 capitalised. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

6.13 Employee Benefits

(i) Defined Contribution Plan

Group'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.

(ii) Defined Benefit Plan

The Group'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 recognised in Other Comprehensive Income (OCI). Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment.

(iii) Other long-term employee benefits

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

(iv) Short-term employee benefits

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

(v) Loan to employees at concessional rate

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

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

6.15 Leases

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(i) The Group as a lessee

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

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

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

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

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

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

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

(ii) The Group as a lessor

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

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

6.16 Foreign Currency Transactions and Translations

The functional currency of the Group is Indian Rupees. 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 amortised 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 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:

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

- 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 significant 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 recognised in the period when such payments are authorised 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 judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognised prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

7.1 Significant Management Judgements

In order to enhance understanding of the Consolidated Financial Statements, information about significant areas of critical judgements, apart from those involving estimation (Note no. 7.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements, are as under:

(i) Deferred Tax Liability on Special Reserve

The Company and its subsidiary RECL have obtained resolution from their respective Board of Directors that there is no intention to make withdrawal from the Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961 and the same is not capable of being withdrawn. Accordingly, no deferred tax liability has been created on the said reserve.

(ii) Non-recognition of income on Credit Impaired Loan Assets

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

(iii) Amortisation of transaction cost on Credit Impaired 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 current financial year, 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 33.33 % 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 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)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

8. CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	63.17	148.22
	- In Term Deposit Accounts (original maturity up to 3 months)	64.42	766.00
(ii)	Cheques, Drafts on hand including Postage & Imprest	0.00	0.02
	Total Cash and Cash Equivalents	**127.59**	**914.24**

9. BANK BALANCE OTHER THAN INCLUDED IN CASH AND CASH EQUIVALENTS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Earmarked Balances and Term Deposits with Banks for:		
	- Term Deposits Accounts - LAD (Refer Note 9.1)	-	245.84
	- Term Deposits Accounts - HQLA (Refer Note 9.2)	1,473.26	2,398.99
	- Unpaid Dividend	12.42	11.85
	- Unpaid - Bonds/Interest on Bonds etc.	72.70	91.19
	- Amount received under GoI scheme	172.41	1,379.42
	- Fixed Deposits with Banks - for Redemption of Debentures	196.35	225.33
	- Held as Margin money/against security deposits	-	0.27
(ii)	Deposit in compliance of Court	0.62	0.59
(iii)	Balance with Bank not available for use pending allotment of securities	1,720.36	1,291.54
(iv)	Term Deposits with Banks- More than 3 months but less than 12 months	30.56	10.99
(v)	Other Term Deposits	252.16	114.25
(vi)	Current Accounts with Banks - Unspent CSR Purposes	42.59	-
	Total Bank Balance other than included in Cash and Cash Equivalents	**3,973.43**	**5,770.26**

9.1 The Group has availed Loan against these Term Deposits (LAD) and is presented in Note 23.2

9.2 Term Deposits held for maintenance of High Quality Liquid Assets (HQLA) as per RBI.

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 31.03.2023			As at 31.03.2022		
		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	7,605.06	507.62	58.13	14,979.27	1,112.54	48.37
	- Options	1,30,438.82	12,107.19	91.15	75,384.97	6,468.82	21.55
	Total Currency Derivatives:	**1,39,058.06**	**12,635.21**	**170.34**	**90,364.24**	**7,581.36**	**69.92**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	56,827.39	1,149.80	300.82	51,171.39	1,009.37	255.22
	Total Interest Rate Derivatives	**56,827.39**	**1,149.80**	**300.82**	**51,171.39**	**1,009.37**	**255.22**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023			As at 31.03.2022		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(iii)	Other Derivatives						
	- Reverse cross currency swaps	4,947.00	-	530.11	4,747.00	-	331.25
	Total Other Derivatives	**4,947.00**	**-**	**530.11**	**4,747.00**	**-**	**331.25**
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	**2,00,832.45**	**13,785.01**	**1,001.27**	**1,46,282.63**	**8,590.73**	**656.39**

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 31.03.2023			As at 31.03.2022		
		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	10.32	289.34	11,850.70	19.76	112.00
	Total Fair Value Hedging (Designated)	**15,950.70**	**10.32**	**289.34**	**11,850.70**	**19.76**	**112.00**
(ii)	Cash Flow Hedging (Designated):						
	- Currency Derivatives	1,33,405.31	12,212.17	89.02	84,292.31	6,746.43	69.92
	- Interest Rate Derivatives	31,027.09	701.80	11.48	22,031.03	313.96	84.42
	Total Cash Flow Hedging (Designated)	**1,64,432.40**	**12,913.97**	**100.50**	**1,06,323.34**	**7,060.39**	**154.34**
(iii)	Undesignated Derivatives	20,449.35	860.72	611.43	28,108.59	1,510.58	390.05
	Total Undesignated Derivatives	**20,449.35**	**860.72**	**611.43**	**28,108.59**	**1,510.58**	**390.05**
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	**2,00,832.45**	**13,785.01**	**1,001.27**	**1,46,282.63**	**8,590.73**	**656.39**

10.1 Details of Forward Rate Agreements/Interest Rate Swaps:

(₹ in crore)

Sr. No.	Description	As at 31.03.2023	As at 31.03.2022
(i)	Notional principal of swap agreements	56,827.39	51,171.39
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,149.80	1,009.37
(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)	848.98	754.15

[(a)] The Group has entered into swap agreements with Category-I Authorised Dealer Banks only, in accordance with the RBI guidelines.

10.2 The Group does not hold any exchange traded derivatives as at 31.03.2023 (as at 31.03.2022 Nil).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

10.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023			As at 31.03.2022		
		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	139,058.06	56,827.39[b]	4,947.00	90,364.24	51,171.39[b]	4,747.00
(ii)	Marked to Market Positions (MTM)						
	a) Asset (+MTM)	12,635.21	1,149.80	-	7,581.36	1,009.37	-
	b) Liability (-MTM)	170.34	300.82	530.11	69.92	255.22	331.25
(iii)	Credit Exposure	14,561.03	1,134.87	692.05	10,218.30	1,075.98	662.05
(iv)	Unhedged Foreign Currency Exposures	32,142.27	8,758.90	-	41,736.51	2,319.39	-

[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.

10.4 Refer Note 46.3 and 46.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and Note 47 for disclosures related to hedge accounting.

11. TRADE RECEIVABLES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	Trade Receivables		
(i)	- considered good - Secured (Gross)	-	31.08
(ii)	- considered good - Unsecured (Gross)	185.69	91.94
(iii)	less: Impairment loss allowance	(25.67)	(12.48)
(iv)	- which have Significant Increase in Credit Risk (Gross)	37.62	30.97
(v)	less: Impairment loss allowance	(28.07)	(15.88)
(vi)	- credit Impaired (Gross)	66.81	63.32
(vii)	Less: Impairment loss allowance on Credit Impaired	(65.21)	(63.32)
	Total Trade Receivables	**171.17**	**125.63**

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 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	135.28	36.93	0.45	3.09	9.93	185.68
- which have significant increase in credit risk	-	-	21.32	16.31	-	37.63
- credit impaired	-	-	2.42	0.57	63.81	66.81
Sub-total (i)	**135.28**	**36.93**	**24.19**	**19.98**	**73.74**	**290.12**
(ii) - Disputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Sub-total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
Total (i+ii)	**135.28**	**36.93**	**24.19**	**19.98**	**73.74**	**290.12**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Particulars		As at 31st March 2022					
		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	78.37	27.46	4.19	3.19	6.81	120.02
	- which have significant increase in credit risk	-	-	19.35	14.56	-	33.91
	- credit impaired	-	-	1.10	1.27	61.01	63.38
	Sub-total (i)	**78.37**	**27.46**	**24.64**	**19.02**	**67.82**	**217.31**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub-total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (i+ii)	**78.37**	**27.46**	**24.64**	**19.02**	**67.82**	**217.31**

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 31.03.2023	As at 31.03.2022
(A)	**Loans to Borrowers***		
(i)	Rupee Term Loans (RTLs)	8,07,013.69	7,52,573.06
(ii)	Buyer's Line of Credit	2,086.95	2,495.83
(iii)	Working Capital Loans	47,621.75	2,658.59
(iv)	Others	777.61	768.87
(v)	**Principal Outstanding (i to iv)**	**8,57,500.00**	**7,58,496.35**
(vi)	Interest accrued but not due on Loans	5,513.99	5,467.27
(vii)	Interest accrued & due on Loans	478.37	1,070.52
(viii)	Unamortised Fee on Loans	(300.58)	(207.42)
	Gross Carrying Amount (v to viii)	**8,63,191.78**	**7,64,826.72**
	Less: Impairment loss allowance	(30,288.42)	(31,975.96)
	Net Carrying Amount	**8,32,903.36**	**7,32,850.76**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	4,38,196.92	4,14,821.03
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	3,41,748.33	2,74,293.60
(iv)	Unsecured	83,246.53	75,712.09
	Gross Security-wise classification	**8,63,191.78**	**7,64,826.72**
	Less: Impairment loss allowance	(30,288.42)	(31,975.96)
	Net Security-wise classification	**8,32,903.36**	**7,32,850.76**
(C) I	**Loans in India**		
(i)	Public Sector	7,48,503.38	6,70,548.18
(ii)	Private Sector	1,14,688.40	94,278.54
	Gross Carrying Amount of Loans in India	**8,63,191.78**	**7,64,826.72**
	Less: Impairment loss allowance	(30,288.42)	(31,975.96)
	Net Carrying Amount of Loans in India	**8,32,903.36**	**7,32,850.76**
(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	**8,32,903.36**	**7,32,850.76**

*For details of Loans pledged as security refer Note 22.10 to 22.20 and 23.12.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

12.1 Balance Confirmation from Borrowers

During the year, PFC has sent letters to borrowers, seeking confirmation of balances as at 31.03.2023 except where loans have been recalled or pending before court/NCLT. Confirmations for 99.76% of the said balances have been received. Out of the remaining loans amounting to ₹ 967.94 crore for which balance confirmations have not been received, 0.94% are secured by way of Government Guarantee/Loans to Government and 99.06% are unsecured loans

In respect of RECL, loan balance confirmations for 93% of total loan assets as at 31.03.2023 have been received from the borrowers. Out of the remaining 7% loan assets amounting to ₹ 28,832.15 crore for which balance confirmations have not been received, 54% loans are secured by way of hypothecation of assets, 25% by way of Government Guarantee/Loans to Government and 21% are unsecured loans.

12.2 The details of resolution plans implemented during the year by PFC and subsidiary RECL:

(₹ 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 investment)	Instruments received by the Group under Resolution Plan*
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.
2	South-East UP Power Transmission Company Limited	Resolution with change in ownership through NCLT	3,185.00	1,592.47	-	Besides realisation 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 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	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**	
FY 2021-22						
1	Krishna Godavari Power Utilities Ltd.	Restructuring with change in ownership through NCLT	76.63	76.63	64.23	Loan stands settled as at 31.03.2022.
2	GVK Ratle Hydro Electric Project Pvt. Ltd.	One time settlement	1,116.65	851.93	462.65	Loan amount representing arbitration award of ₹ 304.00 crore with 100% impairment provisioning is appearing in Books as at 31.03.2022.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(₹ 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 investment)	Instruments received by the Group under Resolution Plan*
3	Essar Power MP Ltd.	Restructuring with change in ownership through NCLT	2,689.55	1,462.78	1,455.17	Sustainable Loan amounting to ₹ 938.14 crore is continuing in books as at 31.03.2022.
4	Astonfield Solar (Gujarat) Pvt. Ltd.	Restructuring with change in ownership through NCLT	25.85	23.47	15.78	Sustainable Loan amounting to ₹ 4.11 crore is continuing in books as at 31.03.2022.
5	RS India Wind Energy Private Limited	One time settlement	223.77	134.48	122.70	Loan stands settled as at 31.03.2022.
6	VS Lignite Power Private Limited	Resolution Plan approved under IBC proceedings	54.24	40.69	39.45	Loan amounting to ₹ 12.54 crore is appearing in books as at 31.03.2022.
7	Lanco Babandh Power Limited	Liquidation order passed under IBC proceedings	1,200.55	1,146.53	1,160.16	Loan stands settled as at 31.03.2022.
8	Amrit Jal Ventures Private Limited	Resolution Plan approved under IBC proceedings	4.35	2.10	-	Loan stands settled as at 31.03.2022.
	Total		**5,391.59**	**3,738.61**	**3,320.14**	

* For more details of instruments received under resolution plan refer Note 13A

12.3 The Companies in the Group has not advanced or loaned or invested any funds which are material either individually or in the aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

12.4 For details of credit risk exposure and management by the Group refer Note 46.1.

13A INVESTMENTS (OTHER THAN ACCOUNTED FOR USING EQUITY METHOD)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Sub-total (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
(v)	Others	-	-	-	-	-	-
	Total Investments (Other than accounted for using equity method)	**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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2022					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Sub-total (4)=(2)+(3)	Others (5)	Total (1)+(4)+(5)
(i)	Government Securities	1,473.20	-	-	-	-	1,473.20
(ii)	Debt securities	365.60	-	288.27	288.27	-	653.87
(iii)	Equity Instruments	-	1,459.61	175.31	1,634.92	-	1,634.92
(iv)	Preference Shares	113.19	-	-	-	-	113.19
(v)	Others	-	-		-	-	-
	Total	**1,951.99**	**1,459.61**	**463.58**	**1,923.19**	**-**	**3,875.18**
	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	1,951.99	1,459.61	463.58	1,923.19	-	3,875.18
	Gross Geography wise investment	**1,951.99**	**1,459.61**	**463.58**	**1,923.19**	**-**	**3,875.18**
	Less: Impairment loss allowance	(101.67)	-	-	-		(101.67)
	Net Geography wise investment	**1,850.32**	**1,459.61**	**463.58**	**1,923.19**	**-**	**3,773.51**

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

Details of Investments

(₹ in crore)

Sr. No.	Particulars *	Measured at	As at 31.03.2023			As at 31.03.2022		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(i)	**Government Securities**	Amortised Cost	18,79,32,800	100	1,957.99	14,39,32,800	100	1,473.20
(ii)	**Debt Securities (HQLAs)**	Amortised Cost	3,21,940	1,000 to 10,00,000	961.24	3,14,940	1,000 to 10,00,000	259.39
	Debt Securities (Other than HQLAs)							
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	FVTPL	23,32,01,910	10	122.49	26,86,36,304	10	129.83
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	FVTPL	10,01,29,332	10	52.59	11,48,94,246	10	55.75
	- Essar Power Transmission Company Ltd. - Series C - OCD	FVTPL	2,55,14,666	10	0.00	2,55,14,666	10	0.00
	- Suzlon Energy Limited - OCD	FVTPL	-	-	-	34,791	1,00,000	102.69
	- RKM Powergen Pvt. Ltd. - OCD Series A	FVTPL	63,31,99,420	100	0.00	63,31,99,420	100	0.00
	- RKM Powergen Pvt. Ltd. - OCD Series B	FVTPL	1,97,74,516	100	0.00	1,97,74,516	100	0.00
	- RKM Powergen Pvt. Ltd. - OCD Series AI	FVTPL	3,37,46,560	100	0.00	3,37,46,560	100	0.00
	- Ferro Alloys Corporation Limited - NCD	Amortised Cost	2,55,19,173	1,00,000	56.40	2,54,95,144	1,00,000	106.21
	- Jhabua Power Limited-NCD	Amortised Cost	1,74,14,830	100	171.50	-	-	-
	- 7.99% Perpetual bonds -Canara Bank	FVTPL	200	1,00,00,000	208.47	-	-	-
	- 9.50% Perpetual Bonds of UCO Bank	FVTPL	228	1,00,00,000	228.79	-	-	-
	Total Debt Securities				**1,801.48**			**653.87**
(iii)	**Equity instruments**							
	- PTC India Limited	Designated - FVTOCI	1,20,00,000	10	102.06	1,20,00,000	10	98.70
	- Coal India Limited	Designated - FVTOCI	1,39,64,530	10	298.35	1,39,64,530	10	255.62
	- NHPC Limited (Refer Note 13.4)	Designated - FVTOCI	17,16,75,750	10	690.13	20,51,30,167	10	570.26
	- Power Exchange India Limited	Designated - FVTOCI	32,20,000	10	3.59	32,20,000	10	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars *	Measured at	As at 31.03.2023 Number	As at 31.03.2023 Face Value (₹)	As at 31.03.2023 Amount	As at 31.03.2022 Number	As at 31.03.2022 Face Value (₹)	As at 31.03.2022 Amount
	- Energy Efficiency Services Limited	Designated - FVTOCI	46,36,00,000	10	298.51	46,36,00,000	10	456.47
	- Suzlon Energy Limited	Designated - FVTOCI	13,31,04,997	2	105.15	8,46,15,798	2	77.42
	- Housing and Urban Development Corporation Ltd.	Designated - FVTOCI	3,47,429	10	1.50	3,47,429	10	1.14
	- Universal Commodity Exchange Ltd.	Designated - FVTOCI	1,60,00,000	10	-	1,60,00,000	10	-
	- Jhabua Power Limited#	Designated - FVTOCI	9,69,30,666	10	602.82	-	-	-
	- Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	366	10	1.81	-	-	-
	- RattanIndia Power Limited	FVTPL	32,76,95,820	10	96.67	32,76,95,820	10	175.31
	- RKM PowerGen Pvt. Ltd.	FVTPL	58,57,06,587	10	-	58,57,06,587	10	-
	Total Equity instruments				**2,200.59**			**1,634.92**
(iv)	**Preference Shares**							
	- Raipur Energen Limited - RPS	Amortised Cost	59,82,371	100	12.83	59,82,371	100	11.52
	- 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	-
	- Suzlon Global Services Limited - CCPS	FVTPL	-	-	-	38,161	1,00,000	-
	Total Preference Shares				**114.50**			**113.19**
	Total Investments (Other than accounted for using equity method)				**6,074.56**			**3,875.18**
	Less: Impairment Loss Allowance				**(101.67)**			**(101.67)**
	Net Investments (Other than accounted for using equity method)				**5,972.89**			**3,773.51**

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

* Refer Note 48 for fair value of instruments measured at FVTPL or FVTOCI

13B Investments accounted for using equity method

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	**Associates (Refer Note 13.2)**		
	- Ultramega Power Projects/Independent Transmission Projects [5,60,000 equity shares of ₹ 10 each; previous year 8,10,000 equity shares of ₹ 10 each]	0.51	0.50

13.1 Movement of impairment loss allowance on investments

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Opening Balance	101.67	-
Add: Impairment loss allowance recognised during the year	-	101.67*
Less: Reversal of excess impairment loss allowance during the year	-	-
Closing Balance	**101.67**	**101.67**

* Impairment loss allowance on Redeemable preference shares of Rattan India Power Ltd.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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)-(xv) 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.(xvi)-(xviii) below) incorporated by PFCCL, being the bid process coordinator for transmission schemes.

(₹ in crore)

Sr. No.	Name of investee company	As at 31.03.2023	As at 31.03.2022
(i)	Chhattisgarh Surguja Power Limited[1]	-	-
(ii)	Coastal Karnataka Power Limited (refer note 13.3)	-	-
(iii)	Coastal Maharashtra Mega Power Limited[1]	-	-
(iv)	Orissa Integrated Power Limited	-	-
(v)	Coastal Tamil Nadu Power Limited	0.08	0.08
(vi)	Sakhigopal Integrated Power Limited	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited[1]	-	-
(ix)	Deoghar Mega Power Limited	0.05	0.04
(x)	Cheyyur Infra Limited	0.05	0.05
(xi)	Odisha Infrapower Limited	0.04	0.04
(xii)	Deoghar Infra Limited	0.05	0.05
(xiii)	Bihar Infrapower Limited	0.05	0.05
(xiv)	Bihar Mega Power Limited	0.05	0.05
(xv)	Jharkhand Infrapower Limited	0.04	0.04
(xvi)	Tanda Transmission Company Limited[1]	-	-
(xvii)	Shongtong Karcham-Wangtoo Transmission Limited[1]	-	-
(xviii)	Bijawar-Vidarbha Transmission Limited[2]	-	-
	Total Carrying Value	**0.51**	**0.50**

[1]Associates struck off during the year by the Registrar of Companies

[2]under process of striking off

13.3 Coastal Karnataka Power Limited (CKPL), a wholly-owned company of PFC Ltd. was set up for managing the UMPPs as per the mandate from GoI and was considered as associate over which PFC had significant influence. During FY 2022-23, CKPL's MoA has been amended to be used for bidding lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL). Accordingly, the ability to direct activities of said Company now vests with PFC Ltd. and the same is now considered as a subsidiary.

13.4 At initial recognition, companies in the Group made an irrevocable election to present subsequent changes in the fair value of certain equity instruments in other comprehensive income. The Group's main operation is to extend financial assistance to power, logistics and infrastructure sector. Thus, in order to insulate the Consolidated Statement of Profit and Loss from price fluctuations of these instruments, the Management of the respective companies believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares/ units derecognised	Fair Value as on date of de-recognition	Cumulative gain/ (loss) on de-recognition
FY 2022-23			
NHPC Limited[1]	3,34,54,417	123.70	50.83
Total			**50.83**
FY 2021-22			
NHPC Limited[1]	18,46,45,279	510.44	108.28
'Small is Beautiful' Fund[2]	1,23,04,400	1.50	(10.80)
Total			**97.48**

[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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(2)Pursuant to the completion of liquidation proceedings of 'Small is Beautiful' Fund; 1,23,04,400 units of the 'Small is Beautiful' Fund held by PFC and RECL have been derecognised from the books.

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.

13.5 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 31.03.2023	As at 31.03.2022
(i)	Recoverable on account of Government of India Serviced Bonds	29,356.50	29,356.50
(ii)	Advances to Associates	197.46	181.81
(iii)	Advances to Employees	1.52	1.24
(iv)	Loans to Employees	166.42	152.59
(v)	Others	223.77	244.18
	Less: Impairment loss allowance on Others	(113.59)	(115.97)
	Total Other Financial Assets	**29,832.08**	**29,820.35**

14.1 Detail of Loans & Advances to KMPs (Included in Note 14 (iii) & (iv) above):

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Loans & Advances to KMPs (including interest accrued)	0.53	0.66

14.2 Movement of Impairment on Other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
(i)	Opening balance	115.97	111.37
(ii)	Add : Creation during the year	16.04	14.24
(iii)	Less : Reversal during year	(18.42)	(9.64)
	Closing balance	**113.59**	**115.97**

15. CURRENT TAX ASSETS / LIABILITIES (NET)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Advance income tax and TDS net of Provision	461.37	413.54
(ii)	Tax Deposited on income tax demands under contest	81.71	81.71
	Total Current Tax Assets (Net)	**543.08**	**495.25**
(i)	Provision for income tax net of Advance Tax	133.09	218.90
(ii)	Provision for income tax for demand under contest	0.25	0.25
	Total Current Tax Liabilities (Net)	**133.34**	**219.15**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

16. MOVEMENT IN DEFERRED TAX BALANCES

(₹ in crore)

FY 2022-23	Net balance at 01.04.2022	Adjustment (PFCCL)	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) Unamortised 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)
(iv) Others	0.50	-	-	-	0.50
Net Deferred Tax (Liabilities)/Assets	**7,315.37**	**-**	**(396.82)**	**421.48**	**7,340.03**

(₹ in crore)

FY 2021-22	Net balance at 01.04.2021	Adjustment (PFCCL)	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2022
(A) Deferred Tax Asset					
(i) Provision for expenses deductible on payment basis under Income Tax Act	40.52	(0.07)	8.22	4.27	52.94
(ii) Unamortised income on loans to borrowers	(5.32)	-	3.90	-	(1.42)
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	6,875.84	-	832.89	-	7,708.73
(iv) Depreciation and amortisation	1.46	(0.05)	(10.34)	-	(8.93)
(v) Fair value of derivatives (Net)	46.47	-	23.24	11.90	81.61
(vi) Others	24.38	-	11.59	(9.58)	26.39
(B) (Deferred Tax Liabilities)					
(i) Unamortised exchange loss (Net)	(313.72)	-	32.80	-	(280.92)
(ii) Unamortised expenditure on loan liabilities	(209.10)	-	(26.26)	-	(235.36)
(iii) Fair valuation of Debt securities	-	-	(28.17)	-	(28.17)
(iv) Others	0.50	-	-	-	0.50
Net Deferred Tax (Liabilities) /Assets	**6,461.03**	**(0.12)**	**847.87**	**6.59**	**7,315.37**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

17. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP), INTANGIBLE ASSETS UNDER DEVELOPMENT AND OTHER INTANGIBLE ASSETS

(₹ 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												
Opening Balance as at 01.04.2021	**113.77**	**155.32**	**-**	**48.17**	**44.90**	**39.29**	**0.52**	**1.66**	**403.63**	**335.67**	**0.77**	**24.49**
Additions/Adjustments	-	303.73	19.90	11.62	18.14	52.90	0.10	-	406.39	79.64	-	1.02
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	5.10	-	-
Less :Deduction/Adjustments	-	(3.30)	-	(3.63)	(8.63)	(4.47)	(0.09)	-	(20.12)	(367.05)	(0.77)	(0.33)
Closing Balance as at 31.03.2022	**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	-	-
Less :Deductions/Adjustments	-	-	(0.04)	(9.38)	(12.41)	(6.80)	-	0.00	(28.63)	(85.49)	-	(0.10)
Closing Balance as at 31.03.2023	**113.77**	**481.82**	**79.30**	**60.25**	**60.22**	**88.41**	**0.68**	**1.66**	**886.11**	**10.66**	**11.20**	**25.09**
Accumulated Depreciation/ Amortisation												
Opening Balance as at 01.04.2021	**-**	**22.86**	**-**	**32.55**	**29.37**	**19.13**	**0.44**	**1.53**	**105.88**	**-**	**-**	**18.10**
For the period	-	5.49	0.95	8.88	7.76	5.63	0.07	0.12	28.90	-	-	3.00
Less Reversal on Assets Sold/Written off from books	-	(1.27)	-	(2.89)	(6.92)	(2.65)	(0.09)	-	(13.82)	-	-	(0.33)
Closing Balance as at 31.03.2022	**-**	**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)
Closing Balance as at 31.03.2023	**-**	**34.78**	**7.39**	**42.91**	**33.50**	**27.75**	**0.46**	**1.66**	**148.45**	**-**	**-**	**23.42**
Net Carrying Amount												
As at 31.03.2022	**113.77**	**428.67**	**18.95**	**17.62**	**24.20**	**65.61**	**0.11**	**0.01**	**668.94**	**53.36**	**-**	**4.41**
As at 31.03.2023	**113.77**	**447.04**	**71.91**	**17.34**	**26.72**	**60.66**	**0.22**	**-**	**737.66**	**10.66**	**11.20**	**1.67**

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

17.3 In case of PFC Ltd. details of assets pledged as security are as under:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Gross Carrying Value	4.12	4.12
Net Carrying Value	3.40	3.43

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 31.03.2023	As at 31.03.2022
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.36	2.41

17.4 In case of PFC's Subsidiary REC Ltd., As on 31st March 2023, 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 31.03.2023		As at 31.03.2022	
	Land	Building	Land	Building
Gross Carrying Value	-	4.59	-	4.59
Net Carrying Value	-	1.95	-	2.01

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 ₹ 0.03 crore (Previous year ₹ 5.10 crore) on account of general borrowings at an average rate of borrowings of 7.00% (Previous year 7.94%) 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:

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 31.03.2023					
Projects in progress	11.20	-	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	**11.20**	**-**	**-**	**-**	**11.20**
As at 31.03.2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

17.8 CWIP ageing schedule

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2023					
Projects in progress	9.18	0.08	-	1.40	10.66
Projects temporarily suspended	-	-	-	-	-
As at 31.03.2022					
Projects in progress	51.96	-	1.40	-	53.36
Projects temporarily suspended	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

17.9 In respect of Company's subsidiary REC Ltd., CWIP completion schedule

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2023					
Projects in progress	-	-	2.72	-	2.72
Projects temporarily suspended	-	-	-	-	-
As at 31.03.2022					
Projects in progress	4.59	-	-	1.48	6.07
Projects temporarily suspended	-	-	-	-	-

18. RIGHT-OF-USE ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	**Opening Balance of Leasehold Land**	45.83	37.17
(ii)	Additions	-	11.95
(iii)	Less: Disposal/Adjustment	-	(0.42)
(iv)	Less: Depreciation*	(2.86)	(2.87)
	Closing Balance of Leasehold Land	**42.97**	**45.83**

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

19. OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Prepaid Expenses	19.10	7.33
(ii)	Deferred Employee Costs	59.52	58.63
(iii)	Capital Advances	389.96	339.18
(iv)	Excess Spent - CSR Expenses	7.70	0.48
(v)	Other assets	164.86	146.06
	Total Other Non-Financial Assets	**641.14**	**551.68**

20. ASSETS CLASSIFIED AS HELD FOR SALE*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(A)	**Assets classified as held for sale**		
(i)	Investment in associates (Refer Note 20.1)	0.73	0.46
(ii)	Loan to associates (Refer Note 20.2)	26.07	27.84
(iii)	Provision for impairment on assets classified as held for sale (Refer Note 20.4)	(9.73)	(9.71)
	Sub-total (i+ii+iii)	**17.07**	**18.59**
(B)	**Asset Classified as Held for Sale - Building**	0.34	0.86
	Total (A+B)	17.41	19.45
(C)	**Liabilities directly associated with assets classified as held for sale**		
(i)	Less : Payable to associates (Refer Note 20.3)	(0.02)	(0.01)
	Total (C)	**(0.02)**	**(0.01)**
	Disposal Group - Net assets (A+B+C)	**17.39**	**19.44**

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

20.1 Investment in associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	Investments in Equity Instruments of associates (fully paid up equity shares of ₹ 10/- each)		
	In case of PFC's Subsidiary REC Ltd.		
(i)	Chandil Transmission Ltd.	0.05	0.05
(ii)	Dumka Transmission Ltd.	0.05	0.05
(iii)	Koderma Transmission Ltd.	0.05	0.05
(iv)	Mandar Transmission Ltd.	0.05	0.05
(v)	Bidar Transmission Limited	0.05	0.05
(vi)	MP Power Transmission Package I Limited	-	0.05
(vii)	Rajgarh Transmission Limited	-	0.05
(viii)	ER NER Transmission Limited	-	0.05
(ix)	Beawar Transmission Limited	0.05	-
(x)	Khavda II-D Transmission Limited	0.05	-
(xi)	KPS1 Transmission Limited	0.05	-
(xii)	Ramgarh II Transmission Limited	0.05	-
(xiii)	Sikar Khetri Transmission Limited	0.05	-
(xiv)	Luhri Power Transmission Limited	0.05	-
(xv)	Meerut Shamli Power TL	0.05	-
	In case of PFC's Subsidiary PFC Consulting Limited		
(i)	NERES XVI Power Transmission Limited	0.05	
(ii)	Khetri-Narela Transmission Limited	-	0.01
(iii)	Ananthpuram Kurnool Transmission Limited	0.01	0.01
(iv)	Bhadla Sikar Transmission Limited	-	0.01
(v)	Chhatarpur Transmission Limited	0.01	0.01
(vi)	Mohanlalganj Transmission Limited	-	0.01
(vii)	Kishtwar Transmission Limited	-	0.01
(viii)	Beawar Dausa Transmission Limited	0.01	-
(ix)	Bhadla III Transmission Limited	0.01	-
(x)	Fatehgarh IV Transmission Limited	0.01	-
(xi)	Fatehgarh III Transmission Limited	0.01	-
(xii)	Fatehgarh-III Beawar Transmission Limited	0.01	-
(xiii)	SIOT Transmission Limited	0.01	-
	Total	**0.73**	**0.46**

20.2 Loan to Associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	In case of PFC's Subsidiary REC Ltd.		
(i)	Chandil Transmission Ltd.	2.54	2.54
(ii)	Dumka Transmission Ltd.	2.48	2.48
(iii)	Mandar Transmission Ltd.	2.23	2.22
(iv)	Koderma Transmission Ltd.	2.28	2.28
(v)	MP Power Transmission Package I Limited	-	1.99
(vi)	Rajgarh Transmission Limited	-	0.28
(vii)	ER NER Transmission Limited	-	0.28
(viii)	Receivable from SPV- Yet to Incorporate	-	0.76
(ix)	Bidar Transmission Limited	0.10	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(x)	Sikar Khetri Transmission Limited	0.67	-
(xi)	KPS1 Transmission Limited	0.58	-
(xii)	Ramgarh II Transmission Limited	0.70	-
(xiii)	Beawar Transmission Limited	0.71	-
(xiv)	Luhri Stage-I HEP	0.48	-
(xv)	Meerut Shamli Power Transmission Limited	0.43	-
(xvi)	NERES XVI Power Transmission Limited	0.19	-
	In case of PFC's Subsidiary PFC Consulting Limited		
(xvii)	Khetri-Narela Transmission Limited	-	4.42
(xviiii)	Ananthpuram Kurnool Transmission Limited	1.32	0.82
(xix)	Bhadla Sikar Transmission Limited	-	4.36
(xx)	Kishtwar Transmission Limited	-	1.15
(xxi)	Mohanlalganj Transmission Limited	-	2.95
(xxii)	Chhatarpur Transmission Limited	1.31	0.28
(xxiii)	SIOT Transmission Limited	1.98	-
(xxiv)	Fatehgarh-III Beawar Transmission Limited	1.47	-
(xxv)	Beawar Dausa Transmission Limited	2.16	-
(xxvi)	Bhadla III Transmission Limited	1.45	-
(xxvii)	Fatehgarh IV Transmission Limited	1.20	-
(xxviii)	Fatehgarh III Transmission Limited	1.27	-
	Amount receivable from ITP under Incorporation	-	-
(xxix)	ITP47- Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under phase III Part A1	-	0.09
(xxx)	ITP48- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part A3	-	0.09
(xxxi)	ITP49- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part B1	-	0.14
(xxxii)	ITP50- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part G	-	0.26
(xxxiii)	ITP51- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part H	-	0.17
(xxxiv)	ITP52- Creation of 400/220 kV, 2x315 MVA S/S at Siot, Jammu & Kashmir	-	0.25
(xxxv)	ITP53- 400 kV Khandukhal (Srinagar) ? Rampura (Kashipur) D/c line	-	0.02
(xxxvi)	ITP 56 - Shamli- Aligarh Transmission Limited	0.17	-
(xxxvii)	ITP 57 - Joda/Barbil Transmission Line	0.01	-
(xxxviii)	ITP 58 - Rajasthan REZ Phase-IV (Part-1A)	0.09	-
(xxxix)	ITP 59 - Rajasthan REZ Phase-IV (Part-1B)	0.09	-
(xl)	ITP 60 - Rajasthan REZ Phase-IV (Part-1C)	0.08	-
(xli)	ITP 61 - Rajasthan REZ Phase-IV (Part-1D)	0.08	-
	Total	**26.07**	**27.84**

20.3 Liabilities directly associated with assets classified as held for sale

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Bidar Transmission Limited	-	0.01
(ii)	Khavda II-D Transmission Limited	0.02	-
	Total	**0.02**	**0.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

20.4 Provision for impairment on assets classified as held for sale

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Chandil Transmission Limited	2.59	2.59
(ii)	Dumka Transmission Limited	2.53	2.53
(iii)	Mandar Transmission Limited	2.28	2.27
(iv)	Koderma Transmission Limited	2.33	2.33
	Total	**9.73**	**9.71**

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 Jharkhand Urja Sancharan Nigam Limited (JUSNL) has cancelled RFQ and RFP of transmission projects in State of Jharkhand. These projects have been kept in abeyance w.e.f. 01.10.2020. RECPDCL vide letters dated 14.10.2020, 06.11.2020 and 28.07.2021 has communicated JUSNL regarding recovery of expenses incurred on these SPVs. However, no communication has been received from JUSNL in this regard. As the bidding process of these SPVs has been cancelled and there is less probability of recovery of expenses already incurred, hence as an accounting prudence provision for impairment loss of ₹ 0.02 crore (Previous year ₹ 9.71 crore) has been created.

20.7 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 ₹ 0.52 crore (Previous year ₹ 1.18 crore), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹ 4.08 crore during the current year (Previous year ₹ 30.19 crore).

Further, residential building units with carrying value ₹ 0.34 crore (Previous year ₹ 0.86 crore) classified under "Assets classified as held for sale" are pending for disposal as at March 31, 2023. The process for their disposal is expected to be completed during the year 2023-24 through e-auction process.

21 TRADE PAYABLES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	Trade Payables		
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	0.67	1.11
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	50.19	48.64
	Total Trade Payables	**50.86**	**49.75**

21.1 Trade Payables ageing schedule

(₹ in crore)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
- Disputed	-	-	-	-	-
- Others	0.67	-	-	-	0.67
Sub-total (i)	**0.67**	**-**	**-**	**-**	**0.67**
(ii) Other than MSME					
- Disputed	-	-	-	-	-
- Others	23.31	14.02	0.34	12.52	50.19
Sub-total (ii)	**23.31**	**14.02**	**0.34**	**12.52**	**50.19**
Total (i+ii)	**23.97**	**14.02**	**0.34**	**12.52**	**50.86**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Particulars		As at March 31, 2022				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**MSME**					
	- Disputed	-	-	-	-	-
	- Others	1.11	-	-	-	1.11
	Sub-total (i)	**1.11**	**-**	**-**	**-**	**1.11**
(ii)	**Other than MSME**					
	- Disputed	-	-	-	-	-
	- Others	27.11	8.40	11.35	1.78	48.64
	Sub-total (ii)	**27.11**	**8.40**	**11.35**	**1.78**	**48.64**
	Total (i+ii)	**28.22**	**8.40**	**11.35**	**1.78**	**49.75**

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 31.03.2023	As at 31.03.2022
(i)	**Secured Bonds / Debenture**		
	- Infrastructure Bonds (Refer note 22.1)	38.51	38.51
	- Tax Free Bonds (Refer note 22.2)	18,520.76	20,746.33
	- 54EC Capital Gain Tax Exemption Bonds (Refer note 22.3)	42,466.24	28,144.95
	- Taxable Bonds (Refer note 22.4)	6,383.99	6,383.99
	- Bond Application Money (Refer note 22.5)	1,720.36	1,291.54
	Sub-Total (i)	**69,129.86**	**56,605.32**
(ii)	**Unsecured Bonds / Debenture**		
	- Infrastructure Bonds (Refer note 22.6)	3.96	3.96
	- Taxable Bonds (Refer note 22.7)	344,006.50	315,262.44
	- Foreign Currency Notes (Refer note 22.8 & 22.9)	70,106.11	64,701.63
	Sub-Total (ii)	**414,116.57**	**379,968.03**
(iii)	**Total Principal Outstanding of Debt Securities (i+ii)**	483,246.43	436,573.35
(iv)	Interest accrued but not due on above	14,414.63	14,027.33
(v)	Unamortised Transaction Cost on above	(931.68)	(869.12)
	Total Debt Securities (iii to v)	**496,729.38**	**449,731.56**
	Geography wise Debt Securities		
(i)	Debt Securities in India	426,580.42	385,129.26
(ii)	Debt Securities outside India	70,148.96	64,602.30
	Total Geography wise Debt Securities	**496,729.38**	**449,731.56**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
In case of PFC							
1	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	5.27	31.03.2026	22.10	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	19.33	31.03.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	2.86	21.11.2026	22.11	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	7.77	21.11.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027		Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	30.03.2027		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
	Total		**38.51**	**38.51**			

22.2 Details of Tax Free Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
In case of PFC							
1	Tax Free Bond Series 94A	7.21%	-	255.00	-		Repaid in FY 2022-23
2	Tax Free Bonds Series 95A	7.22%	-	30.00			
3	Tax Free Bonds (2012-13) Tranch I Series 1	7.69%	-	140.23			
4	Tax Free Bonds (2012-13) Tranch I Series 1	7.19%	-	202.52			
5	Tax Free Bonds (2012-13) Tranch II	7.38%	-	41.43			
6	Tax Free Bonds (2012-13) Tranch II	6.88%	-	54.72			
7	Tax Free Bonds Series 107A	8.01%	113.00	113.00	30.08.2023	22.12	Redeemable at par on maturity
8	Tax Free Bonds Series IB	8.43%	335.47	335.47	16.11.2023		
9	Tax Free Bonds Series 1A	8.18%	325.07	325.07	16.11.2023		
10	Tax Free Bonds Series 136	7.16%	300.00	300.00	17.07.2025		
11	Tax Free Bonds (2015-16) Series 1B	7.36%	79.35	79.35	17.10.2025		
12	Tax Free Bonds (2015-16) Series 1A	7.11%	75.09	75.09	17.10.2025		
13	Tax Free Bond Series 79-B	7.75%	217.99	217.99	15.10.2026		
14	Tax Free Bond Series 80-B	8.16%	209.34	209.34	25.11.2026		
15	Tax Free Bonds (2011-12) Public Issue	8.30%	1,280.58	1,280.58	01.02.2027		
16	Tax Fee Bond Series 94B	7.38%	25.00	25.00	22.11.2027		
17	Tax Free Bonds Series 95B	7.38%	100.00	100.00	29.11.2027		
18	Tax Free Bonds (2012-13) Tranch-I Series 2	7.86%	180.78	185.78	04.01.2028		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	For Security, Refer Note	Redemption details
19	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	176.21	171.22	04.01.2028	22.12	Redeemable at par on maturity
20	Tax Free Bonds (2012-13) Tranch II	7.54%	55.85	56.97	28.03.2028		
21	Tax Free Bonds (2012-13) Tranch II	7.04%	13.35	12.24	28.03.2028		
22	Tax Free Bonds Series 107-B	8.46%	1,011.10	1,011.10	30.08.2028		
23	Tax Free Bonds Series 2-B	8.79%	353.32	353.32	16.11.2028		
24	Tax Free Bonds Series 2-A	8.54%	932.70	932.70	16.11.2028		
25	Tax Free Bonds (2015-16) Series 2-B	7.52%	45.18	45.18	17.10.2030		
26	Tax Free Bonds (2015-16) Series 2-A	7.27%	131.33	131.33	17.10.2030		
27	Tax Free Bonds Series 3-B	8.92%	861.96	861.96	16.11.2033		
28	Tax Free Bonds Series 3-A	8.67%	1,067.38	1,067.38	16.11.2033		
29	Tax Free Bonds (2015-16) Series 3-B	7.60%	155.48	155.48	17.10.2035	22.12	Redeemable at par on maturity
30	Tax Free Bonds (2015-16) Series 3-A	7.35%	213.58	213.58	17.10.2035		
	Sub-total (A)		**8,259.12**	**8,983.03**			
In case of PFC's Subsidiary REC Ltd.							
1	Series 2013-14 Series 3A & 3B	8.01% to 8.46%	1,350.00	1,350.00	29.08.2023		Redeemable at par. Bonds amounting to ₹ 209.00 crore are redeemable on 29.08.2023 and ₹ 1,141.00 crore are redeemable on 29.08.2028
2	Series 2013-14 Tranche 1	8.01% to 8.71%	3,410.60	3,410.60	25.09.2023		Redeemable at par. Bonds amounting to ₹ 575.06 crore are redeemable on 25.09.2023, ₹ 2,810.26 crore are redeemable on 25.09.2028 and ₹ 55.28 crore are redeemable on 26.09.2033
3	Series 2013-14 Series 4A & 4B	8.18% to 8.54%	150.00	150.00	11.10.2023		Redeemable at par. Bonds amounting to ₹ 105.00 crore are redeemable on 11.10.2023 and ₹ 45.00 crore are redeemable on 11.10.2028
4	Series 2013-14 Tranche 2	8.19% to 8.88%	1,057.40	1,057.40	24.03.2024		Redeemable at par. Bonds amounting to ₹ 419.32 crore are redeemable on 22.03.2024, ₹ 530.42 crore are redeemable on 23.03.2029 and ₹ 109.66 crore are redeemable on 24.03.2034
5	Series 2015-16 Series 5A	7.17%	300.00	300.00	23.07.2025		Redeemable at par on maturity
6	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 crore are redeemable on 05.11.2025, ₹ 172.90 crore are redeemable on 05.11.2030 and ₹ 421.17 crore are redeemable on 05.11.2035
7	Series 2011-12	8.12% to 8.32%	2,160.33	2,160.33	27.03.2027		Redeemable at par on maturity
8	Series 2012-13 Series 2A & 2B	7.38%	245.00	500.00	22.11.2027		Redeemable at par on maturity
9	Series 2012-13 Tranche 1	7.38% to 7.88%	842.04	2,007.35	20.12.2027		Redeemable at par on maturity
10	Series 2012-13 Tranche 2	7.04 to 7.54%	49.71	131.06	27.03.2028		Redeemable at par on maturity
	Sub-total (B)		**10,261.64**	**11,763.30**			
	Total (A+B)		**18,520.76**	**20,746.33**			

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	For Security, Refer Note	Redemption details
In case of PFC						
1	Series II (FY 2018-19)	5.75%	491.95	491.95	22.12	Redeemable at par during FY 2023-24
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 IV (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	-		Redeemable at par during FY 2027-28
	Sub-total (A)		**6,599.69**	**3,998.82**		
In case of PFC's Subsidiary REC Ltd.						
1	Series XII (2018-19)	5.75%	6,651.31	6,651.77	Redeemable at par during FY 2023-24	
2	Series XIII (2019-20)	5.75%	6,157.82	6,157.72	Redeemable at par during FY 2024-25	
3	Series XIV (2020-21)	5.75% and 5%	5,312.07	5,312.07	Redeemable at par during FY 2025-26	
4	Series XV (2021-22)	5.00%	7,312.80	6,024.57	Redeemable at par during FY 2026-27	
5	Series XVI (2022-23)	5.00%	10,432.55	-	Redeemable at par during FY 2027-28	
	Sub-total (B)		**35,866.55**	**24,146.13**		
	Total (A+B)		**42,466.24**	**28,144.95**		

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 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	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	1.95	22.01.2024	22.12	Redeemable at par on maturity
2	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	27.05	27.05	22.01.2026		
3	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	3.50	3.50	22.01.2026		
4	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		
5	Secured Public Issue (2020-21) Tranche I Series V Category I-II	6.58% (10YR GSEC Link)	10.35	10.35	22.01.2031		
6	Secured Public Issue (2020-21) Tranche I Series IV Category III-IV	7.00%	1,635.53	1,635.53	22.01.2031		
7	Secured Public Issue (2020-21) Tranche I Series IV Category I-II	6.80%	33.67	33.67	22.01.2031		
8	Secured Public Issue (2020-21) Tranche I Series III Category III-IV	6.82%	28.74	28.74	22.01.2031		
9	Secured Public Issue (2020-21) Tranche I Series III Category I-II	6.63%	0.50	0.50	22.01.2031		
10	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	1,330.06	1,330.06	22.01.2036		
11	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	50.05	50.05	22.01.2036		
12	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	53.36	53.36	22.01.2036		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
13	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	3.50	3.50	22.01.2036		
	Sub-total (A)		**4,428.99**	**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	Redeemable at par on maturity	
	Sub-total (B)		**1,955.00**	**1,955.00**			
	Total (A+B)		**6,383.99**	**6,383.99**			

22.5 The details of Bond Application Money outstanding are as follows:

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Redemption details
			31.03.2023	31.03.2022	
In case of PFC's Subsidiary REC Ltd.					
1	54EC Capital Gain Tax Exemption Bonds	5.00%	1,720.36	1,291.54	Redeemable at par after 5 years from the deemed date of allotment
	Total		**1,720.36**	**1,291.54**	

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		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2023	31.03.2022			
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.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
In case of PFC						
1	Series 88 C	9.48%	-	184.70	-	Repaid in FY 2022-23
2	Series 187 A	8.20%	-	1,605.00		
3	Series 168-A	7.28%	-	1,950.00		
4	Series 169-A	7.10%	-	3,395.00		
5	Series 181	8.45%	-	2,155.00		
6	Series 191	7.35%	-	3,735.00		
7	Series 170-A	7.35%	-	800.00		
8	Series 176-B	7.99%	-	1,295.00		
9	Zero Coupon Unsecured Taxable Bonds 2022-XIX Series	-	-	707.97		
10	Series 100 B	8.84%	-	1,310.00		
11	Series 102 A (II)	8.90%	-	403.00		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
12	Series 194	7.04%	1,400.00	1,400.00	14.04.2023	Redeemable at par on maturity
13	Series 85 D	9.26%	736.00	736.00	15.04.2023	
14	Series 198	6.98%	3,160.00	3,160.00	20.04.2023	
15	Series 199A	6.83%	1,970.00	1,970.00	24.04.2023	
16	Series 202A	6.75%	2,145.00	2,145.00	22.05.2023	
17	Series 203A	6.72%	2,206.00	2,206.00	09.06.2023	
18	Series 206	5.47%	3,000.00	3,000.00	19.08.2023	
19	Series 188	8.10%	691.10	691.10	04.06.2024	
20	Series 211 (3M TB Link)	4.38%	1,985.00	1,985.00	02.08.2024	
21	Series 57- B	8.60%	866.50	866.50	07.08.2024	
22	Series 117 Option B	9.37%	855.00	855.00	19.08.2024	
23	Series 118 Option B II	9.39%	460.00	460.00	27.08.2024	
24	Series Option 120 B	8.98%	950.00	950.00	08.10.2024	
25	Series 120 Option A	8.98%	961.00	961.00	08.10.2024	
26	Series 192	7.42%	3,000.00	3,000.00	19.11.2024	
27	Series 124 C	8.48%	1,000.00	1,000.00	09.12.2024	
28	Series 61	8.50%	351.00	351.00	15.12.2024	
29	Series 125	8.65%	2,826.00	2,826.00	28.12.2024	
30	Series 126	8.65%	5,000.00	5,000.00	04.01.2025	
31	Series 62-B	8.80%	1,172.60	1,172.60	15.01.2025	
32	Series 128	8.20%	1,600.00	1,600.00	10.03.2025	
33	Series 63-III	8.90%	184.00	184.00	15.03.2025	
34	Series 131-C	8.41%	5,000.00	5,000.00	27.03.2025	
35	Series 64	8.95%	492.00	492.00	30.03.2025	
36	Series 204A	5.77%	900.00	900.00	11.04.2025	
37	Series 130-C	8.39%	925.00	925.00	19.04.2025	
38	Series 199B	7.16%	1,320.00	1,320.00	24.04.2025	
39	Series 65 III	8.70%	1,337.50	1,337.50	14.05.2025	
40	Series 202B	7.17%	810.00	810.00	22.05.2025	
41	Series 66-B	8.75%	1,532.00	1,532.00	15.06.2025	
42	Series 210A - STRPP1	6.35%	405.60	405.60	30.06.2025	
43	Series 215	7.13%	2,420.00	-	08.08.2025	
44	Series 217B STRPP I	7.15%	276.40	-	08.09.2025	
45	Series 208	6.50%	2,806.00	2,806.00	17.09.2025	

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
46	Series 141-B	8.40%	1,000.00	1,000.00	18.09.2025	
47	Series 218	7.59%	1,450.00	-	03.11.2025	
48	Series 71	9.05%	192.70	192.70	15.12.2025	
49	Series 222	7.58%	2,540.00	-	15.01.2026	
50	Series 147	8.03%	1,000.00	1,000.00	02.05.2026	
51	Series 210A - STRPP2	6.35%	540.80	540.80	30.06.2026	
52	Series 216	7.13%	3,000.00	-	15.07.2026	
53	Series 225A	7.77%	3,262.70	-	15.07.2026	
54	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026	
55	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026	
56	Series 212A	6.09%	2,450.00	2,450.00	27.08.2026	
57	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026	
58	Series 217B STRPP II	7.15%	276.40	-	08.09.2026	
59	Series 227A	7.70%	1,200.00	-	15.09.2026	
60	Series 151-B	7.56%	210.00	210.00	16.09.2026	
61	Series 152	7.55%	4,000.00	4,000.00	25.09.2026	
62	Series 155	7.23%	2,635.00	2,635.00	05.01.2027	
63	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027	
64	Series 210A - STRPP3	6.35%	405.60	405.60	30.06.2027	
65	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027	
66	Series 217B STRPP III	7.15%	276.40	-	08.09.2027	
67	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027	
68	Series 171	7.62%	5,000.00	5,000.00	15.12.2027	
69	Series 221B	7.59%	3,500.00	-	17.01.2028	Redeemable at par on maturity
70	Series 172	7.74%	850.00	850.00	29.01.2028	
71	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028	
72	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028	
73	Series 103	8.94%	2,807.00	2,807.00	25.03.2028	
74	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	
75	Series 227B	7.77%	1,390.00	-	15.04.2028	
76	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
77	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
78	Series 187 B	8.85%	1,982.10	1,982.10	27.05.2029	
79	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
80	Series193	7.93%	4,710.50	4,710.50	31.12.2029	
81	Series 196R1	7.41%	1,500.00	1,500.00	25.02.2030	
82	Series 196	7.41%	2,500.00	2,500.00	25.02.2030	
83	Series 225B STRPP I	7.82%	625.00	-	13.03.2030	
84	Series 195	7.86%	1,100.00	1,100.00	12.04.2030	
85	Series 200	7.40%	2,920.00	2,920.00	08.05.2030	
86	Series 197	7.41%	5,000.00	5,000.00	15.05.2030	
87	Series 203B	7.75%	3,318.00	3,318.00	11.06.2030	
88	Series 66-C	8.85%	633.00	633.00	15.06.2030	
89	Series 201	7.68%	3,101.30	3,101.30	15.07.2030	
90	Series 202C	7.79%	1,936.00	1,936.00	22.07.2030	
91	Series 205A	7.05%	1,610.10	1,610.10	09.08.2030	
92	Series 71	9.05%	192.70	192.70	15.12.2030	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
93	Series 207R1	7.04%	2,549.10	2,549.10	16.12.2030	Redeemable at par on maturity
94	Series 207	7.04%	1,097.40	1,097.40	16.12.2030	
95	Series 225B STRPP II	7.82%	625.00	-	13.03.2031	
96	Series 204B	6.88%	1,300.00	1,300.00	11.04.2031	
97	Series 213	6.95%	1,988.00	1,988.00	01.10.2031	
98	Series 225B STRPP III	7.82%	625.00	-	12.03.2032	
99	Series 214 (BBETF)	6.92%	1,180.00	1,180.00	14.04.2032	
100	Series 217A	7.42%	4,000.00	-	08.09.2032	
101	Series 223	7.64%	3,500.00	-	22.02.2033	
102	Series 225B STRPP IV	7.82%	625.00	-	11.03.2033	
103	Series 220	7.58%	470.00	-	15.04.2033	
104	Series 226A	7.66%	1,200.00	-	15.04.2033	
105	Series 226B	7.70%	583.50	-	15.04.2033	
106	Series 179-B	8.64%	528.40	528.40	19.11.2033	
107	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
108	Series 186	8.79%	2,578.90	2,578.90	30.04.2034	
109	Series 189	8.15%	4,035.00	4,035.00	08.08.2034	
110	Series 190	8.25%	4,016.00	4,016.00	06.09.2034	
111	Series 205B	7.20%	1,605.70	1,605.70	10.08.2035	
112	Series 209	7.34%	1,711.00	1,711.00	29.09.2035	
113	Series 210B	7.11%	1,933.50	1,933.50	30.06.2036	
114	Series 212B	7.15%	2,343.68	2,343.68	27.08.2036	
115	Series 219	7.65%	4,000.00	-	13.11.2037	
116	Series 221A	7.72%	2,782.70	-	19.12.2037	
117	Series 224	7.82%	3,468.50	-	06.03.2038	
	Sub-total (A)		**1,95,743.80**	**1,71,187.84**		
In case of PFC's Subsidiary REC Ltd.						
1	179th Series	8.15%	-	1,000.00		Repaid in FY 2022-23
2	107th Series	9.35%	-	2,378.20		
3	186A Series	6.90%	-	2,500.00		
4	150th Series	7.03%	-	2,670.00		
5	184B Series STRPP-C**	7.55%	-	300.00		
6	152nd Series	7.09%	-	1,225.00		
7	111-II Series	9.02%	-	2,211.20		
8	155th Series	7.45%	-	1,912.00		
9	185th Series	7.09%	-	2,759.00		
10	187th Series	7.24%	-	2,090.00		
11	159th Series	7.99%	-	950.00		
12	188A Series	7.12%	-	1,400.00		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
13	114th Series	8.82%	4,300.00	4,300.00	12.04.2023	Redeemable at par on maturity
14	195th Series	6.92%	2,985.00	2,985.00	22.04.2023	
15	197th Series	6.90%	3,740.00	3,740.00	11.05.2023	
16	191A Series	6.80%	1,100.00	1,100.00	30.06.2023	
17	200th Series PP-MLD *	5.36%	500.00	500.00	30.06.2023	
18	184B Series STRPP-D**	7.55%	300.00	298.00	26.09.2023	
19	202B Series	5.69%	2,474.00	2,474.00	30.09.2023	
20	205A Series	4.99%	2,135.00	2,135.00	31.01.2024	
21	209th Series	5.79%	1,550.00	1,550.00	20.03.2024	
22	210th Series	5.74%	4,000.00	4,000.00	20.06.2024	
23	180A Series	8.10%	1,018.00	1,018.00	25.06.2024	
24	191B Series	6.99%	1,100.00	1,100.00	30.09.2024	
25	212th Series - Floating (linked to T-Bill)		2,500.00	2,500.00	31.10.2024	
26	186B Series	7.40%	1,500.00	1,500.00	26.11.2024	
27	128th Series	8.57%	2,250.00	2,250.00	21.12.2024	
28	129th Series	8.23%	1,925.00	1,925.00	23.01.2025	
29	130th Series	8.27%	2,325.00	2,325.00	06.02.2025	
30	131st Series	8.35%	2,285.00	2,285.00	21.02.2025	
31	190A Series	6.88%	2,500.00	2,500.00	20.03.2025	
32	201A Series	5.90%	900.00	900.00	31.03.2025	
33	133rd Series	8.30%	2,396.00	2,396.00	10.04.2025	
34	94th Series	8.75%	1,250.00	1,250.00	09.06.2025	
35	95-II Series	8.75%	1,800.00	1,800.00	14.07.2025	
36	136th Series	8.11%	2,585.00	2,585.00	07.10.2025	
37	203B Series	5.85%	2,777.00	2,777.00	20.12.2025	
38	204B Series	5.81%	2,082.00	2,082.00	31.12.2025	Redeemable at par on maturity
39	205B Series	5.94%	2,000.00	2,000.00	31.01.2026	
40	214A Series	7.32%	500.00	-	28.02.2026	
41	219 series	7.60%	3,148.70	-	28.02.2026	
42	220B series	7.69%	1,600.10	-	31.03.2026	Redeemable at par on 31.03.2033 with put option exercisable on 31.03.2026
43	218A series	7.56%	3,000.00	-	30.06.2026	Redeemable at par on maturity
44	140th Series	7.52%	2,100.00	2,100.00	07.11.2026	
45	142nd Series	7.54%	3,000.00	3,000.00	30.12.2026	
46	147th Series	7.95%	2,745.00	2,745.00	12.03.2027	
47	156th Series	7.70%	3,533.00	3,533.00	10.12.2027	
48	216A series	7.55%	1,701.50	-	31.03.2028	
49	220A series	7.77%	2,000.00	-	31.03.2028	
50	162nd Series	8.55%	2,500.00	2,500.00	09.08.2028	
51	163rd Series	8.63%	2,500.00	2,500.00	25.08.2028	
52	168th Series	8.56%	2,552.40	2,552.40	29.11.2028	
53	169th Series	8.37%	2,554.00	2,554.00	07.12.2028	
54	176th Series	8.85%	1,600.70	1,600.70	16.04.2029	
55	178th Series	8.80%	1,097.00	1,097.00	14.05.2029	
56	180B Series	8.30%	2,070.90	2,070.90	25.06.2029	
57	184A Series	8.25%	1,160.80	870.60	26.09.2029	
58	192nd Series	7.50%	2,382.00	2,382.00	28.02.2030	

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
59	188B Series	7.89%	1,100.00	1,100.00	31.03.2030	Redeemable at par on maturity
60	189th Series	7.92%	3,054.90	3,054.90	31.03.2030	
61	198B Series	7.79%	1,569.00	1,569.00	21.05.2030	
62	202A Series	7.25%	3,500.00	3,500.00	30.09.2030	
63	203A Series	6.80%	5,000.00	5,000.00	20.12.2030	
64	204A Series	6.90%	2,500.00	2,500.00	31.01.2031	
65	201B Series	6.90%	1,300.00	1,300.00	31.03.2031	
66	211th Series	6.23%	1,200.00	1,200.00	31.10.2031	Redeemable at par on 31.10.2031 with put/ call option exercisable on 31.10.2026
67	213th Series	6.92%	1,380.00	1,380.00	20.03.2032	Redeemable at par on maturity
68	218B series	7.69%	2,004.40	-	31.01.2033	
69	214B Series	7.50%	1,947.60	-	28.02.2033	
70	214B (re-issue)	7.50%	3,000.00	-	28.02.2033	
71	217th series	7.53%	500.00	-	31.03.2033	
72	215th series	7.65%	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
73	182nd Series	8.18%	5,063.00	5,063.00	22.08.2034	Redeemable at par on maturity
74	183rd Series	8.29%	3,028.00	3,028.00	16.09.2034	
75	207th Serie	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	-	30.11.2037	
			1,48,262.70	**1,44,074.60**		
			3,44,006.50	**3,15,262.44**		

*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 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
In case of PFC						
1	3.75% USD Bonds 2024	3.75%	3,288.68	3,032.28	18.06.2024	Redeemable at par on maturity
2	3.25% USD Bonds 2024	3.25%	2,466.51	2,274.21	16.09.2024	
3	3.75% USD Green Bonds 2027	3.75%	3,288.68	3,032.28	06.12.2027	
4	5.25% USD Bonds 2028	5.25%	2,466.51	2,274.21	10.08.2028	
5	1.841% EUR Bonds 2028	1.84%	2,688.23	2,539.80	21.09.2028	
6	6.15% USD Bonds 2028	6.15%	4,110.85	3,790.36	06.12.2028	
7	4.50% USD Bonds 2029	4.50%	4,933.01	4,548.43	18.06.2029	
8	3.90% USD Bonds 2029	3.90%	3,699.76	3,411.32	16.09.2029	
9	3.95% USD Bonds 2030	3.95%	6,166.27	5,685.53	23.04.2030	
10	3.35% USD Bonds 2031	3.35%	4,110.85	3,790.36	16.05.2031	
	Sub-total (A)		**37,219.33**	**34,378.78**		
In case of PFC's Subsidiary REC Ltd.						
1	US $500	4.75%	4,110.85	3,790.36	19.05.2023	
2	US $700	5.25%	5,755.18	5,306.50	13.11.2023	
3	US $650	3.38%	5,344.10	4,927.46	25.07.2024	

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2023	31.03.2022		
4	US $500	3.50%	4,110.85	3,790.36	12.12.2024	Redeemable at par on maturity
5	US $500	2.25%	4,110.85	3,790.36	01.09.2026	
6	US $400	2.75%	3,288.68	3,032.28	13.01.2027	
7	US $450	3.88%	3,699.76	3,411.32	07.07.2027	
8	US $300	4.63%	2,466.51	2,274.21	22.03.2028	
	Sub-total (B)		**32,886.78**	**30,322.85**		
	Total (A+B)		**70,106.11**	**64,701.63**		

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 31-03-2023	For the year ended 31-03-2022
Funds raised during the year under GMTN Programme	Nil*	USD 0.4 billion
Cumulative amount raised under GMTN Programme	USD 4.4 billion	USD 4.4 billion
Outstanding amount out of funds raised under GMTN Programme	USD 4.0 billion	USD 4.0 billion

* Subsequent to the Balance Sheet date, the Company has raised USD 750 million through Green Bonds under its GMTN Programme. Consequently, as on the date of signing of the Balance Sheet, the cumulative amount raised under GMTN Programme is USD 5.15 billion and the outstanding amount out of funds raised under GMTN Programme is USD 4.75 billion.

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 ₹ 254.91 crore as on 31.03.2023 (₹ 438.71 crore as on 31.03.2022) 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 favour of IDBI Trusteeship Services Ltd.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 loan assets of ₹ 4,998.66 crore 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.

22.18 The Bond Series XIV, XV and XVI of 54EC Capital Gain Tax Exemption Bonds are secured by first *pari passu* charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company 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 31.03.2023	As at 31.03.2022
(A)	**Secured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Rupee Term Loans (Refer note 23.1)	13,476.25	17,887.50
(ii)	Other Loans from Banks		
	Loan against Term Deposits (Refer note 23.2)	-	228.59
	Sub-Total (A)	**13,476.25**	**18,116.09**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 23.3)	23,760.24	11,866.70
	- Syndicated Foreign Currency Loans (Refer note 23.4)	64,552.40	55,532.41
	- Rupee Term Loans (Refer note 23.6)	1,11,139.85	90,053.30
(ii)	Term Loans From other Parties		
	- Rupee Term Loans - NSSF (Refer note 23.7)	17,500.00	17,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan/ Overdraft/ Cash Credit/ Line of Credit (Refer Note 23.8)	7,671.42	1,410.93
	Sub-Total (B)	**2,24,623.91**	**1,76,363.34**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) (A+B)**	**2,38,100.16**	**1,94,479.43**
(D)	Interest accrued but not due on above	1,063.18	725.08
(E)	Unamortised Transaction Cost on above	(820.34)	(587.53)
	Total Borrowings (other than Debt Securities) (C to E)	**2,38,343.00**	**1,94,616.98**
	Geography wise Borrowings		
(i)	Borrowings in India	1,65,851.51	1,37,516.63
(ii)	Borrowings outside India	72,491.49	57,100.35
	Total Geography wise Borrowings	**2,38,343.00**	**1,94,616.98**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

23.1 Details of Secured Rupee Term Loans outstanding are as follows :

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
1	Bank of Baroda	-	1,225.00	-	Repaid in FY 2022-23
2	Karnataka Bank	-	200.00		Repaid in FY 2022-23
3	State Bank of India	3,570.00	5,000.00	10.07.2023	The loan is to be repaid in 7 half yearly instalments comprising 6 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from 10-Jul-2022 and ending on 10-Jul-2025
4	Indian Bank	937.50	1,312.50	28.09.2023	The loan is to be repaid in 08 half yearly instalments of ₹ 187.50 crore each starting from 28-Mar-22 and ending on 28-Sep-2025
5	Indian Bank	1,800.00	1,800.00	29.09.2023	The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from 29-Sep-2023 and ending on 29-Jun-2026
6	Union Bank of India	200.00	300.00	30.09.2023	The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 30-Sep-2020 and ending on 30-Sep-2024
7	Punjab National Bank	168.75	225.00	30.09.2023	The loan is to be repaid in 04 annual instalments of ₹ 56.25 crore each starting from 30-Sep-22 and ending on 30-Sep-2025
8	Union Bank of India	1,350.00	1,800.00	30.09.2023	The loan is to be repaid in 04 annual instalments of ₹ 450 crore each starting from 30-Sep-22 and ending on 30-Sep-2025
9	Punjab National Bank	750.00	1,125.00	25.02.2024	The loan is to be repaid in 04 annual instalments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025
10	Union Bank of India	200.00	400.00	15.03.2024	The loan is to be repaid in 5 annual instalments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024
11	Canara Bank	1,000.00	1,000.00	20.02.2024	Bullet Repayment at the end of the tenor
12	Bank of India	1,000.00	1,000.00	02.03.2024	The loan is to be repaid in 2 Annual instalments of ₹ 500 crore each starting from 02-Mar-2024 and ending on 02-Mar-2025
13	Indian Bank	500.00	500.00	02.04.2024	Bullet Repayment at the end of the tenor
14	Canara Bank T-1	500.00	500.00	21.06.2024	Bullet Repayment at the end of the tenor
15	Canara Bank T-2	500.00	500.00	24.06.2024	Bullet Repayment at the end of the tenor
16	Canara Bank	1,000.00	1,000.00	29.06.2024	Bullet Repayment at the end of the tenor
	Total Secured Rupee Term Loans	**13,476.25**	**17,887.50**		

23.2 Details of Loan against Term Deposits outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
In case of PFC					
1	Indian Bank	-	142.50	-	Repaid in FY 2022-23
2	Canara Bank	-	41.09	-	Repaid in FY 2022-23
3	Canara Bank	-	45.00	-	Repaid in FY 2022-23
	Total Loan against Term Deposits	**-**	**228.59**		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

23.3 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	Principal Amount (₹ in crore) outstanding as at 31.03.2022	Date of Redemption	Redemption details
In case of PFC					
1	ADB (Guaranteed by the Government of India)	51.35	58.20	15.04.2023	Semi Annual Instalments till 15.10.2028
2	Credit National (Guaranteed by the Government of India)	18.86	27.05	30.06.2023	Semi Annual Instalments till 30.06.2028
3	KFW I (Guaranteed by the Government of India)	41.95	42.82	30.06.2023	Semi Annual Instalments till 30.12.2035
4	KfW EUR 200M 030123	526.42	-	15.11.2023	Semi Annual Instalments till 15.11.2025
5	1 FCNR SBI USD 110M 151222	904.39	-	15.12.2023	Bullet Repayment at the end of the tenor
6	2 FCNR ICICI USD TO EUR 291222	844.48	-	29.12.2023	
8	4 FCNR DBS USD TO EUR 290323	499.53	-	29.12.2023	
7	3 FCNR SBI USD TO EUR 270323	833.03	-	27.03.2024	
9	5 FCNR SBI USD TO EUR 280323	828.79	-	28.03.2024	
10	6 FCNR ICICI USD TO EUR 290323	831.47	-	29.03.2024	
11	7 FCNR SBI USD TO EUR 310323	1,235.68	-	31.03.2024	
	Sub-total (A)	**6,615.95**	**128.07**		
In case of PFC's Subsidiary REC Ltd.					
1	US$200 Mn	-	1,516.14	-	Repaid in FY 2022-23
2	US$150 Mn	-	1,137.11		
3	US$200 Mn	-	1,516.14		
4	US$25 Mn	-	189.52		
5	US$150 Mn	-	1,137.11		
6	US$200 Mn	-	1,516.14		
7	US$75 Mn	-	568.55		
8	US$200 Mn	-	1,516.14		
9	US$100 Mn	-	758.07		
10	JICA Loan	-	23.47		
11	KfW-IV Loan	1,578.56	1,637.43	15.05.2023	Repayable in equal half-yearly instalments of €12.00 million till 15.11.2030, next instalment falling due on 15.05.2023
12	US$200 Mn	1,644.34	-	24.05.2023	Bullet Repayment at the end of the tenor
13	US$150 Mn	1,233.25	-	26.05.2023	
14	US$200 Mn	1,644.34	-	03.06.2023	
15	US$75 Mn	616.63	-	07.06.2023	
16	US$150 Mn	1,233.25	-	21.06.2023	
17	KfW-III Loan	141.51	222.81	30.06.2023	Repayable in equal half-yearly instalments of €5.26 million till 30.03.2024, next instalment falling due on 30.06.2023
18	US$200 Mn	1,644.34	-	08.12.2023	Bullet Repayment at the end of the tenor
19	US$300 Mn	2,466.51	-	13.12.2023	
20	US$75 Mn	616.63	-	14.12.2023	
21	US$100 Mn	822.17	-	15.12.2023	
22	US$200 Mn	1,644.34	-	29.12.2023	
23	€ 69.77 Mn	625.17	-	16.01.2024	
24	US$150 Mn	1,233.25	-	15.02.2024	
	Sub-total (B)	**17,144.29**	**11,738.63**		
	Total (A+B)	**23,760.24**	**11,866.70**		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

23.4 Details of Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of R edemption	Redemption details
		31.03.2023	31.03.2022		
1	SLN 28 USD	-	1,895.18	-	Repaid in FY 2022-23
2	SLN 28 JPY	-	334.13		
3	SLN 18	-	905.82		
4	SLN 21	-	2,274.21		
5	SLN 22	-	1,895.18		
6	SLN 23	-	1,895.18		
7	SLN 26	2,055.42	1,895.18	26.09.2023	Bullet Repayment at the end of the tenor
8	SLN 27	1,014.18	1,021.24	01.02.2024	
9	SLN 29	2,055.42	1,895.18	20.12.2024	
10	SLN 30	822.17	758.07	13.10.2025	
11	SLN 30	2,466.51	2,274.21	05.11.2025	
12	31 A FCTL USD 525M 301121	4,316.39	3,979.87	30.11.2026	
13	31 B FCTL USD 100M 301121	822.17	758.07	30.11.2026	
14	32 A FCTL JPY 89208M 281222	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.
15	32 B FCTL JPY 26762M 050123	1,653.89	-	05.01.2030	Bullet Repayment at the end of the tenor
	Sub-total (A)	**20,719.21**	**21,781.52**		
In case of PFC's Subsidiary REC Ltd.					
1	US $200	-	1,516.14	-	Repaid in FY 2022-23
2	US $150	-	1,137.11	-	
3	¥ 10,327	638.22	642.66	08.08.2023	Bullet Repayment at the end of the tenor
4	US $250	2,055.42	1,895.18	29.08.2023	
5	US $250	2,055.42	1,895.18	27.03.2024	
6	US $150	1,233.25	1,137.11	29.03.2024	
7	US $100	822.17	758.07	01.07.2024	
8	SG $72.0	445.48	403.21	30.03.2025	
9	US $75 M	616.63	568.55	30.03.2025	
10	¥ 10,519	650.07	654.60	25.09.2025	
11	US $170	1,397.69	1,288.72	26.03.2025	$100 million repayable on 26.03.2025 and $ 70 million repayable on 06.10.2025
12	US $425	3,494.22	3,221.80	16.03.2026	Bullet Repayment at the end of the tenor
13	US $600	4,933.01	4,548.43	25.08.2026	
14	US $75 M	616.63	568.55	07.10.2026	
15	US $1175	9,660.49	8,907.33	29.12.2026	
16	¥ 37,506	2,317.91	2,334.04	03.03.2027	
17	US $100	822.17	-	13.06.2027	
18	US $200	1,644.34	-	28.07.2027	
19	US $150	1,233.25	-	13.09.2027	
20	SGD 213.	1,317.80	-	27.10.2027	
21	€ 254.19	2,277.77	-	31.10.2027	
22	€ 349.83	3,134.74	-	27.03.2028	
23	US $300	2,466.51	2,274.21	02.06.2030	
	Sub-total (B)	**43,833.19**	**33,750.89**		
	Total (A+B)	**64,552.40**	**55,532.41**		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

23.5 In case of PFC Ltd. Floating Rate Foreign Currency Loans in above Note No. 23.3 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. 23.3 and 23.4 have been raised fixed interest rates ranging from 0.65% to 1.86% per annum and variable interest rates ranging from a spread of 13 bps to 210 bps over external benchmarks including 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) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates.

23.6 Details of Unecured Rupee Term Loans outstanding are as follows :

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2023	31.03.2022		
1	Bank of Baroda	-	1,800.00	-	Repaid in FY 2022-23
2	HDFC Bank Ltd.	-	2,000.00		
3	UCO Bank	-	500.00		
4	Union Bank of India	800.00	800.00	15.04.2023	The loan is to be repaid in 8 quarterly instalments of ₹ 100 crore each starting from 15-Apr-2023 and ending on 15-Jan-2025
5	UCO Bank	200.00	200.00	26.05.2023	Bullet Repayment at the end of the tenor
6	HDFC Bank Ltd.	1,000.00	-	10.06.2023	Bullet Repayment at the end of the tenor
7	HDFC Bank Ltd.	650.00	-	13.06.2023	Bullet Repayment at the end of the tenor
8	Canara Bank	875.00	1,750.00	20.06.2023	The loan is to be repaid in 8 quarterly instalments of ₹ 218.75 crore each starting from 20-Jun-2022 and ending on 20-Mar-2024
9	HDFC Bank Ltd.	20.00	-	20.06.2023	Bullet Repayment at the end of the tenor
10	Canara Bank	1,400.00	1,800.00	22.06.2023	The loan is to be repaid in 20 quarterly instalments of ₹ 100 crore each starting from 22-Dec-2021 and ending on 2 2-Sep-2026
11	HDFC Bank Ltd.	7.00	-	22.06.2023	Bullet Repayment at the end of the tenor
12	HDFC Bank Ltd.	55.00	-	23.06.2023	
13	HDFC Bank Ltd.	33.00	-	24.06.2023	
14	HDFC Bank Ltd.	235.00	-	27.06.2023	
15	HDFC Bank Ltd.	3,000.00	3,000.00	29.06.2023	
16	HDFC Bank Ltd.	1,000.00	-	30.06.2023	
17	Bank of India	1,000.00	1,000.00	11.09.2023	The loan is to be repaid in 4 annual instalments of ₹ 250 crore each starting from 11-Sep-2023 and ending on 11-Sep-2026
18	Canara Bank	300.00	400.00	23.09.2023	The loan is to be repaid in 10 half-yearly instalments of ₹ 50 crore each starting from 23-Sep-2021 and ending on 23-Mar-2026
19	State Bank of India	2,999.98	2,999.98	27.09.2023	Bullet Repayment at the end of the tenor
20	HDFC Bank Ltd.	1,000.00	1,000.00	30.09.2023	Bullet Repayment at the end of the tenor
21	HDFC Bank Ltd.	750.00	750.00	05.10.2023	
22	Punjab National Bank	995.00	995.00	24.12.2023	
23	Canara Bank	500.00	500.00	28.12.2023	
24	Canara Bank	500.00	500.00	15.01.2024	
25	Bank of India	2,000.00	2,000.00	21.01.2024	
26	Punjab National Bank	666.67	1,000.00	20.03.2024	The loan is to be repaid in 2 annual instalments of ₹ 333.33 crore each starting from 20-Mar-2023 and ending on 20-Mar-2025

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2023	31.03.2022		
27	Union Bank of India	1,250.00	1,875.00	23.03.2024	The loan is to be repaid in 4 annual instalments of ₹ 625 crore each starting from 23-Mar-2022 and ending on 23-Mar-2025
28	KEB Hana Bank	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
29	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
30	State Bank of India	3,000.00	3,000.00	19.12.2024	Bullet Repayment at the end of the tenor
31	HDFC Bank Ltd.	3,000.00	3,000.00	30.09.2025	
32	Bank of Baroda	5,000.00	2,500.00	17.05.2026	The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029
33	UCO Bank	1,000.00	1,000.00	24.09.2026	Bullet Repayment at the end of the tenor
34	Punjab National Bank	500.00	500.00	27.09.2026	
35	Punjab National Bank	5.00	5.00	29.09.2026	
36	India Infrastructure Finance Company Limited	1,000.00	1,000.00	30.09.2026	
37	Central Bank	1,000.00	1,000.00	31.03.2027	
38	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
39	Canara Bank	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
40	Canara Bank	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
41	Indian Overseas Bank	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
42	Indian Overseas Bank	500.00	-	30.03.2028	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
43	UCO Bank	1,000.00	-	30.03.2028	Bullet Repayment at the end of the tenor
44	Punjab & Sind Bank	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
45	National Bank for Financing Infrastructure and Development	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
	Sub-total (A)	**48,841.65**	**40,374.98**		
In case of PFC's Subsidiary REC Ltd.					
1	JP Morgan Chase Bank	-	1,500.00	-	Repaid in FY 2022-23
2	Mizuho Bank	-	300.00		
3	HDFC Bank	16,350.00	12,000.00	15.06.2023	₹ 2,000 crore repayable on 15.06.2023, ₹ 1,500 crore repayable on 19.06.2023, ₹ 300 crore repayable on 29.09.2023, ₹ 1,500 crore repayable on 30.09.2023, ₹ 350 crore repayable on 11.10.2023, ₹ 350 crore repayable on 05.11.2023, ₹ 500 crore repayable on 15.01.2024, ₹ 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 and ₹ 2,500 crore repayable on 27.02.2028.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2023	31.03.2022		
4	Punjab National Bank	4,995.97	4,996.98	27.08.2023	₹ 1,996.66 crore repayable in 3 annual instalments with first instalment due on 27.08.2023, and ₹ 1,999.66 crore repayable on 11.11.2026 and ₹ 999.66 crore repayable in 10 semi-annual instalments starting from 29.03.2028 and final instalment due on 29.12.2031
5	State Bank of India	10,900.26	12,729.30	15.10.2023	₹ 699.84 crore repayable on 15.10.2023, ₹ 919.44 crore repayable in 2 annual instalments due on 05.09.2023 and 05.03.2024, ₹ 3,569.93 crore repayable in 5 semi-annual instalments starting from 15.07.2023 and last instalment due on 15.07.2025, ₹ 1,711.19 crore repayable on 12.12.2027 and ₹ 3,999.86 crore repayable in structured instalments starting from 29.10.2023 and last instalment on 29.10.2031
6	Deutsche Bank	1,000.00	1,000.00	18.12.2023	₹ 500 crore repayable on 18.12.2023 and ₹ 500 crore repayable on 15.06.2027
7	Indian Infrastructure Finance Company Ltd. (IIFCL)	5,500.00	6,800.00	23.02.2024	₹ 1,500 crore repayable on 23.02.2024, ₹ 500 crore repayable on 14.03.2024, ₹ 1,000 crore repayable on 25.03.2026, ₹ 1,000 crore repayable on 27.03.2026, ₹ 1,000 crore repayable on 09.08.2026 and ₹ 500 crore repayable on 28.07.2027
8	Central Bank	2,399.99	500.00	26.03.2024	₹ 1,499.99 repayable on 26.03.2024, ₹ 400 crore repayable on 17.10.2025 and ₹ 500 crore repayable in 7 annual instalments starting from 28.02.2026 and final instalment due on 29.02.2032
9	Indian Bank	1,500.00	-	04.08.2024	₹ 1,500 crore repayable in 6 equal annual instalments starting from 04.08.2024 and final instalment on 04.08.2029
10	Bank of India	1,499.87	749.87	27.09.2024	₹ 749.87 repayable in 5 annual instalments starting from 27.09.2024 and final instalment on 27.09.2028 and ₹ 750 crore repayable on 31.03.2030
11	Bank of Baroda	5,000.00	-	30.09.2024	₹ 5,000 crore repayable in 6 annual instalments starting from 30.09.2024 and final instalment due on 29.09.2029
12	Karnataka Bank	499.99	-	15.05.2025	₹ 499.99 crore repayable on 15.05.2025
13	HSBC Bank	3,402.49	3,402.49	19.05.2025	₹ 565 crore repayable on 19.05.2025, ₹ 187.49 crore repayable on 18.12.2025, ₹ 900 crore repayable on 25.03.2026, ₹ 500 crore repayable on 06.07.2026, ₹ 500 crore repayable on 09.07.2026, ₹ 85 crore repayable on 25.03.2030 and ₹ 665 crore repayable on 28.03.2030
14	Punjab & Sind Bank	700.00	-	09.12.2025	₹ 700 crore repayable on 09.12.2025
15	Union Bank of India	2,999.68	1,999.68	04.01.2026	₹ 1,000 crore repayable on 04.01.2026 and ₹ 1,999.68 crore repayable in 5 annual instalments starting from 31.03.2027 and final instalment on 31.03.2031
16	Jammu & Kashmir Bank	299.95	300.00	28.10.2026	₹ 299.95 crore repayable on 28.10.2026
17	Karur Vysya Bank	250.00	250.00	29.10.2026	₹ 250 crore repayable on 29.10.2026
18	South Indian Bank	500.00	300.00	08.11.2026	₹ 300 crore repayable on 08.11.2026 and ₹ 200 crore repayable on 04.08.2027
19	National Bank for Financing Infrastructure and Development (NaBFID)	500.00	-	31.03.2027	₹ 500 crore repayable in 7 equal annual instalment starting from 31.03.2027 and last instalment due on 31.03.2033
20	ICICI Bank	4,000.00	2,850.00	23.01.2030	₹ 4,000 crore repayable on 23.01.2030
	Sub-total (B)	**62,298.20**	**49,678.32**		
	Total (A+B)	**1,11,139.85**	**90,053.30**		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

23.7 Details of Unsecured Rupee term Loan NSSF outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	31.03.2022	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**		

23.8 Details of Unsecured WCDL/ OD/ CC/ Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2023	31.03.2022	Date of Redemption	Redemption details
1	State Bank of India (WCL)	1,555.28	-	10.04.2023	Bullet Repayment at the end of the tenor
2	State Bank of India (WCL)	500.00	-	15.04.2023	
3	Punjab National Bank (WCDL)	300.00	-	15.04.2023	
4	HDFC Bank (WCDL)	1,628.55	-	30.06.2023	
	Sub-total (A)	**3,983.83**			
In case of PFC's Subsidiary REC Ltd.					
1	Short-Term Loans/Loans repayable on demand from Banks	3,687.59	1,410.93	Running facility	Running facility
	Sub-total (B)	**3,687.59**	**1,410.93**		
	Total (A+B)	**7,671.42**	**1,410.93**		

23.9 In case of PFC Ltd. Borrowings as at 31.03.2023 in above Note 23.6 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. 23.6 and 23.7 have been raised at interest rates ranging from 5.38% to 8.29% payable on monthly/ quarterly/ semi annual rests.

23.10 None of the borrowings have been guaranteed by Directors.

23.11 There has been no default in repayment of borrowings and interest during periods presented above.

23.12 In case of PFC ,Secured rupee term loans are secured by first *pari passu* charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document 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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

23.13 The Companies in the Group have not received any fund which are material either individually or in the aggregate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23.14 The Companies in the Group have not borrowed any funds on the specific security of current assets, where there is any requirement of filing of quarterly returns or statements.

24. SUBORDINATED LIABILITIES

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	Subordinated Liabilities (Unsecured)		
(i)	Subordinated Bonds (Principal Outstanding) (Refer Note 24.1)	15,862.20	15,862.20
(ii)	Interest accrued but not due on above	399.25	399.27
(iii)	Unamortised Transaction Cost on above	(176.31)	(133.73)
	Total Subordinated Liabilities	**16,085.14**	**16,127.74**
	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	16,085.14	16,127.74
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	**16,085.14**	**16,127.74**

24.1 Details of Subordinated Bonds (Unsecured) are as under :

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2023	As at 31.03.2022
1	8.06% Bond Series 115 -Redeemable at par on 31.05.2023 - REC Ltd.	2,500.00	2,500.00
2	8.19% Bond Series 105 - Redeemable at par on 14.06.2023 - PFC Ltd.	800.00	800.00
3	9.65% Bond Series 111 - Redeemable at par on 13.01.2024 - PFC Ltd.	1,000.00	1,000.00
4	9.70% Bond Series 114 - Redeemable at par on 21.02.2024 - PFC Ltd.	2,000.00	2,000.00
5	9.25% Bond Series 184A -Redeemable at par on 25.09.2024 - PFC Ltd.	2,000.00	2,000.00
6	9.10% Bond Series 184 B -Redeemable at par on 25.03.2029 - PFC Ltd.	2,411.50	2,411.50
7	8.98% Bond Series 185 -Redeemable at par on 28.03.2029 - PFC Ltd.	1,000.00	1,000.00
8	8.97% Bond Series 175 - Redeemable at par on 28.03.2029 - REC Ltd.	2,151.20	2,151.20
9	7.96% Bond Series 199 - Redeemable at par on 15.06.2030 - REC Ltd.	1,999.50	1,999.50
	Total	**15,862.20**	**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 31.03.2023	As at 31.03.2022
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer Note 25.1)	29,356.50	29,356.50
(ii)	Advance received from Associates	177.16	176.19
(iii)	Unclaimed Dividends (Refer Note 25.2)	12.42	11.85
(iv)	Unpaid - Bonds and Interest Accrued thereon (Refer Note 25.2)		
	- Unclaimed Bonds	26.58	24.03

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	- Unclaimed Interest on Bonds	82.95	95.87
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.71	0.90
	- Interest Subsidy Fund and other GOI Funds for disbursement	161.35	1,391.23
	- Lease Liability (Refer Note 51.1)	17.01	19.07
	- Other liabilities	1,129.99	1,523.34
	Total Other Financial Liabilities	**30,964.67**	**32 ,598.98**

25.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2023	As at 31.03.2022
1	7.10% Bond Series 156 -Redeemable at par on 11.01.2027 - PFC Ltd.	200.00	200.00
2	7.18% Bond Series 158 - Redeemable at par on 20.01.2027 -PFC Ltd.	1,335.00	1,335.00
3	7.60% Bond Series 160 - Redeemable at par on 20.02.2027 - PFC Ltd.	1,465.00	1,465.00
4	7.75% Bond Series 164 - Redeemable at par on 22.03.2027 - PFC Ltd.	2,000.00	2,000.00
5	8.09 % GoI-I Series - Redeemable at par on 21.03.2028 - REC Ltd.	1,837.00	1,837.00
6	8.01% GoI-II Series - Redeemable at par on 24.03.2028 - REC Ltd.	1,410.00	1,410.00
7	8.06% GoI-III Series - Redeemable at par on 27.03.2028 - REC Ltd.	753.00	753.00
8	8.70% - GoI-IV Series -Redeemable at par on 28.09.2028 - REC Ltd.	3,000.00	3,000.00
9	8.54% GoI-V Series - Redeemable at par on 15.11.2028 - REC Ltd.	3,600.00	3,600.00
10	8.80% GoI-VI Series - Redeemable at par on 22.01.2029 - REC Ltd.	2,027.00	2,027.00
11	8.60% GoI-VII Series - Redeemable at par on 08.03.2029 - REC Ltd.	1,200.00	1,200.00
12	8.30% GoI-VIII Series -Redeemable at par on 25.03.2029 - REC Ltd.	4,000.00	4,000.00
13	7.14% GoI-IX Series - Redeemable at par on 02.03.2030 - REC Ltd.	1,500.00	1,500.00
14	8.25% GoI-X Series - Redeemable at par on 26.03.2030 - REC Ltd.	532.30	532.30
15	7.20% GoI-XI Series Redeemable at par on 31.03.2030 - REC Ltd.	1,750.00	1,750.00
16	6.45% GoI-XII Series - Redeemable at par on 07.01.2031 - REC Ltd.	1,000.00	1,000.00
17	6.63% GoI-XIII Series - Redeemable at par on 28.01.2031 - REC Ltd.	1,000.00	1,000.00
18	6.50% GoI-XIV Series - Redeemable at par on 26.03.2031 - REC Ltd.	500.00	500.00
19	Interest accrued on above	247.20	247.20
	Total GoI Serviced Bonds (Unsecured Taxable Bonds)	**29,356.50**	**29,356.50**

25.2 Unclaimed dividends, unclaimed bonds and interest 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) PFC has been designated as Nodal Agency for operationalisation and implementation of RDSS Scheme and IPDS (R-APDRP subsumed in it). Role of Nodal Agency *inter alia* includes pass through of loans/grants to eligible utilities under schemes of GOI. The release of the funds under GoI schemes is ensured through Treasury Single Account (TSA) maintained with RBI, as per office memorandum issued by MoF, GoI dated 09th March 2022. This ensures that funds of these schemes are released 'Just in time' from the Consolidated Fund of India (CFI) to the beneficiaries refer Note 55.

(ii) 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 55.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(iii) 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 ₹ 0.75 crore as at March 31, 2023 (₹ 0.73 crore as at March 31, 2022) 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 2022-23	FY 2021-22
Opening Balance of Interest Subsidy Fund	0.73	0.71
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	0.75	0.73

(iv) The movement in Interest on Subsidy/ Grant of RECL is explained as under:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Opening Balance	20.87	37.84
Add: Interest earned/Adjustment during the year	16.65	25.40
Less: Amount refunded to Govt./Adjusted during the year	(13.35)	(42.37)
Closing Balance	**24.17**	**20.87**

26. PROVISIONS

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	For Employee Benefits (Refer Note 50):		
	- Gratuity	3.70	0.37
	- Leave Encashment	98.50	94.79
	- Economic Rehabilitation of Employees	11.99	10.91
	- Provision for Bonus / Incentive	79.54	73.71
	- Provision for Staff Welfare Expenses	28.20	23.04
(ii)	Impairment Loss Allowance - Letter of Comfort & Guarantee (Refer Note 26.1)	66.80	98.11
(iii)	Provision for Unspent CSR Expense	149.38	55.62
	Total Provisions	**438.11**	**356.55**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

26.1 Movement of Impairment loss allowance on Letter of Comfort & Guarantee

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
(i)	Opening balance	98.11	66.12
(ii)	Creation during the year	5.60	76.23
(iii)	Reversal during the year	(36.91)	(44.24)
	Closing balance	**66.80**	**98.11**

27. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Unamortised Fee - Undisbursed Loans Assets	201.60	187.66
(ii)	Sundry Liabilities (Interest Capitalisation)	29.07	32.45
(iii)	Statutory dues payable	67.45	93.15
(iv)	Advance received from Govt. towards Govt. Schemes	0.10	1.00
(v)	Others	86.57	53.75
	Total Other Non-Financial Liabilities	**384.79**	**368.01**

28. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2023		As at 31.03.2022	
		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)	2,64,00,81,408	2,640.08	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	-	-	-	-
	Closing Equity Share capital	**2,64,00,81,408**	**2,640.08**	**2,64,00,81,408**	**2,640.08**

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

	Particulars	As at 31.03.2023		As at 31.03.2022	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India (Promoters)	1,47,82,91,778	55.99%	1,47,82,91,778	55.99%
(ii)	HDFC Trustee Company Ltd.	16,38,70,959	6.21%	22,85,47,160	8.66%
(iii)	Life Insurance Corporation of India	12,37,62,976	4.69%	13,21,17,474	5.00%

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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 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

28.5 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

28.6 Forfeited shares (amount originally paid up) : Nil

28.7 Capital Management : Refer Note 45.

29. OTHER EQUITY*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Capital Reserve - Common Control (Refer Note 29.1 (i))	(13,114.50)	(13,461.00)
(ii)	Securities Premium (Refer Note 29.1 (ii))	3,606.87	3,953.74
(iii)	Foreign Currency Monetary Item Translation Difference Account (Refer Note 29.1 (iii))	(883.61)	(806.07)
(iv)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 (Refer Note 29.1 (iv))	12,783.26	9,298.33
(v)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961 (Refer Note 29.1 (v))	529.39	680.04
(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 (Refer Note 29.1 (vi))	39,658.38	35,878.11
(viii)	Interest Differential Reserve - KFW Loan (Refer Note 29.1 (vii))	64.97	64.07
(ix)	General Reserve (Refer Note 29.1 (viii))	21,026.85	20,346.81
(x)	Retained Earnings (Refer Note 29.1 (ix))	18,236.28	12,757.10
(xi)	Reserve for Equity Instruments through Other Comprehensive Income (Refer Note 29.1 (x))	2.12	(74.23)
(xii)	Reserve for Effective portion of Cash Flow Hedges (Refer Note 29.1 (xi))	808.03	302.56
(xiii)	Costs of Hedging Reserve (Refer Note 29.1 (xii))	(1,799.49)	(503.16)
	Total Other Equity	**81,518.41**	**69,036.16**

* For movements during the period refer Consolidated Statement of Changes in Equity.

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 ₹ 1039.50 and the consideration paid (including investment of ₹ 0.50 crore existing on the date of acquisition) of ₹ 14500.50 crore has been recognised as capital reserve-common control.

(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.

(iii) Foreign Currency Monetary Item Translation Difference Account:

It represents unamortised foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortised over the tenure of the respective borrowings.

(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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

(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.

(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.

(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.

(viii) General Reserve:

General Reserve includes the amounts appropriated from the profits of the Group before declaration of dividend (as was required under erstwhile Companies Act, 1956). It also includes the amount transferred from Statutory Reserves on utilisation/ reversal of such Reserves. Further the Group appropriates profit to General Reserve in order to avail full eligible deduction of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961.

(ix) 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.

(x) Reserve for Equity Instruments through Other Comprehensive Income :

The Companies in the Group elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognised, amounts in the reserve are subsequently transferred to retained earnings and not to consolidated statement of profit and loss. Dividends on such investments are recognised in statement of profit & loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(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.

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 2022-23			FY 2021-22		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	87.50%	8.75	2,310.07	107.50%	10.75	2,838.09
Final Dividend	45.00%	4.50	1,188.04	12.50%	1.25	330.01
Total Dividend	**132.50%**	**13.25**	**3,498.11**	**120.00%**	**12.00**	**3,168.10**

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 27.05.2023 has recommended final dividend @ 45% on the paid up equity share capital i.e. ₹ 4.50 per equity share of ₹ 10 each for the FY 2022-23 subject to approval of shareholders in ensuing Annual General Meeting.

(iii) The Dividend Paid/Proposed is in compliance with the provisions of Section 123 of Companies Act, 2013, as applicable.

30. NON-CONTROLLING INTEREST

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
	Balance at the beginning of the year	24,040.51	20,464.36
(i)	Share of Net Profit for the period	5,289.26	4,753.42
(ii)	Re-measurement of Defined Benefit Plans	(2.12)	(2.95)
(iii)	Share of Other Comprehensive Income/(Expense)	(457.81)	(24.47)
	Share of Total Comprehensive Income	**4,829.33**	**4,726.00**
(i)	Dividend Declared/ Proposed to Non-Controlling Interest	(1,477.97)	(1,142.15)
(ii)	Others	(127.49)	(7.70)
	Balance at the end of the period - towards Equity Share Holders	**27,264.39**	**24,040.51**
	towards Instruments Entirely Equity in Nature (Refer Note 30.2)	558.40	558.40
	Total Non - Controlling Interest	**27,822.79**	**24,598.91**

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	Coupon Rate	Number of Bonds	Date of allotment	As at 31.03.2023	As at 31.03.2022
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	7.97%	5,584.00	22-Jan-2021	558.40	558.40

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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 31.03.2023		As at 31.03.2022	
	Number	Percentage	Number	Percentage
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

31. INTEREST INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	76,195.15	74,731.09
	Less: Rebate for Timely Payment to Borrowers	(282.32)	(386.75)
(ii)	Interest on Deposits with Banks	292.69	339.15
(iii)	Interest on Investment	207.26	118.96
(iv)	Other Interest Income	36.22	31.47
B	**On Financial Assets classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	40.76	47.82
(ii)	Other Income	6.17	5.38
	Total Interest Income (A+B)	**76,495.93**	**74,887.12**

32. DIVIDEND INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(A)	**Dividend on equity investments designated at FVTOCI**		
(i)	Investments held at the end of the year	102.00	67.56
(ii)	Investments derecognised during the year	0.98	1.30
	Sub-total (i+ii)	**102.98**	**68.86**
(B)	**Dividend on preference shares**	0.02	0.00
	Total Dividend Income (A+B)	**103.00**	**68.86**

33. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Prepayment Premium on Loans	114.19	816.97
(ii)	Fee based Income on Loans	240.81	228.78
(iii)	Fee for implementation of GoI Schemes (Refer Note 55)	193.79	23.83
	Total Fees and Commission Income	**548.79**	**1,069.58**

34. OTHER OPERATING INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Sale of Services (Refer Note 6.10)	420.58	233.29
(ii)	Other	-	2.81
	Total Other Operating Income	**420.58**	**236.10**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

35. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Excess Liabilities written back	1.72	12.49
(ii)	Miscellaneous Income	55.17	70.77
	Total Other Income	**56.89**	**83.26**

36. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings**		
	- Term Loans and others	11,864.45	8,438.29
	- Interest on Lease Liability (Refer Note 51.1)	1.65	1.75
(ii)	**Interest on Debt Securities**		
	- Bonds/Debentures	31,125.65	32,761.10
	- Commercial Paper	-	54.73
(iii)	**Interest on Subordinated Liabilities**	1,402.49	1,374.10
(iv)	**Other Interest Expense**		
	- Interest on Interest Subsidy Fund	-	1.13
	- Interest on Application Money - Bonds	0.01	0.29
	- Interest on advances received from Subsidiaries	4.66	2.87
	- Interest under Income Tax Act, 1961	0.88	2.66
	- Other	3.62	5.34
	Less: Finance Cost Capitalised	(0.03)	(5.10)
	On Financial Liabilities Classified at Fair Value Through Profit or Loss		
(v)	**Swap Premium (Net)**	2,613.40	2,071.62
	Total Finance Costs	**47,016.78**	**44,708.78**

37. NET TRANSLATION / TRANSACTION EXCHANGE LOSS /(GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	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	2,221.75	1,078.42
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	867.52	626.21
	Total Net Translation/Transaction Exchange Loss /(Gain)	**3,089.27**	**1,704.63**

37.1 The Group's foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2023	As at 31.03.2022
USD / INR	82.2169	75.8071
Euro / INR	89.6076	84.6599
JPY / INR	0.6180	0.6223
SGD / INR	61.8074	55.9438

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

38. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Agency Fees	3.21	3.64
(ii)	Guarantee, Listing and Trusteeship fees	5.37	7.54
(iii)	Credit Rating Fees	10.73	12.41
(iv)	Other Finance Charges	9.04	3.32
	Total Fees and Commission Expense	**28.35**	**26.91**

39. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	On financial instruments at Fair value through Profit or Loss:		
(i)	- Change in Fair Value of Derivatives	(192.57)	(391.14)
(ii)	- Change in Fair Value of Investments	81.88	43.13
(iii)	- Change in Fair Value of Short-Term Investment of Surplus Funds in Mutual Funds	(5.18)	(7.99)
	Total Net Loss / (Gain) on Fair Value changes	**(115.87)**	**(356.00)**
	Fair value changes:		
(i)	- Realised	(238.88)	(151.88)
(ii)	- Unrealised	123.01	(204.12)
	Total Net Loss / (Gain) on Fair Value changes	**(115.87)**	**(356.00)**

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 31.03.2023	Year ended 31.03.2022
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans	(219.87)	5,651.97
(ii)	Other Financial Assets and Trade Receivables	30.91	11.11
(iii)	Letter of Comfort	(21.25)	31.99
B	**On Financial Assets measured through P&L**		
(i)	Write Offs - investments	56.66	-
	Total Impairment on Financial Instruments	**(153.55)**	**5,695.07**

40.1 Refer Note 46.1 for details of impairment on financial assets.

41. EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Salaries and Wages	321.84	296.13
(ii)	Contribution to Provident and other Funds/ Schemes	28.72	30.95
(iii)	Staff Welfare Expenses	74.39	70.01
(iv)	Rent for Residential Accommodation of Employees	13.93	10.23
	Total Employee Benefit Expenses	**438.88**	**407.32**

41.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 50.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

42. OTHER EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i)	Rent, Taxes and Energy Cost	9.23	11.66
(ii)	Repairs and Maintenance	28.58	38.11
(iii)	Communication Costs	5.08	5.48
(iv)	Printing and Stationery	2.90	2.12
(v)	Advertisement and Publicity	24.65	13.67
(vi)	Directors Fees, Allowance & Expenses	0.83	0.40
(vii)	Auditor's fees and expenses	2.99	3.10
(viii)	Legal & Professional charges	35.30	21.48
(ix)	Insurance	0.50	0.32
(x)	Travelling and Conveyance	39.52	25.37
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	9.66	3.88
(xii)	Govt. scheme monitoring expense*	19.04	18.49
(xiii)	Conference And Meeting Expenses	18.12	9.40
(xiv)	Security Expenses	3.63	3.69
(xv)	Other Expenditure	69.41	96.06
	Total Other Expenses	**269.44**	**253.23**

* Includes unreconciled balance from one subsidiary amounting to 3 crore (Previous year nil).

43. DISCLOSURE RELATED TO INCOME TAXES

43.1 Income tax expense recognised in Consolidated Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Current Tax expense:		
Current Year	5,119.10	5,501.89
Earlier Years	(198.44)	(40.01)
(A) Total Current Tax Expense	4,920.66	5,461.88
Deferred Tax Expense /(Income)		
Origination and reversal of temporary differences	396.82	(847.87)
(B) Total Deferred Tax Expense/(Income)	**396.82**	**(847.87)**
Total Income Tax Expense (A+B)	**5,317.48**	**4,614.01**

43.2 Income tax expense recognised in Consolidated Other Comprehensive Income:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Current Tax Expense/(Income)		
Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(1.45)	(1.75)
(A) Total Current Tax Expense/(Income)	**(1.45)**	**(1.75)**
Deferred Tax Expense/(Income)		
(B) Items that will not be reclassified to Profit or Loss		
Re-measurement of Defined Benefit Plans	(1.00)	(1.72)
Net Gain/(Loss) on Fair Value of Equity Instruments	(9.84)	7.03
(C) Items that will be reclassified to Profit or Loss		
Effective portion of Gains and (Loss) on hedging instruments in Cash Flow Hedge	234.65	226.52
Cost of Hedging Reserve	(645.29)	(238.42)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
(D) Total Deferred Tax Expense/(Income) (B+C)	**(421.48)**	**(6.59)**
Total Tax Expense/(Income) recognised in OCI (A+D)	**(422.93)**	**(8.34)**

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 2022-23	FY 2021-22
Profit before Tax	26,499.14	23,382.22
Applicable Tax Rate	25.168%	25.168%
Tax using the applicable tax rate	**6,669.30**	**5,884.83**
Tax effect of:		
Non-deductible tax expenses	107.46	139.88
Tax exempt income	(3.00)	(2.62)
Deduction u/s 80M of Income Tax Act, 1961	(439.13)	(609.93)
Deduction u/s 36(1)(viii) of Income Tax Act, 1961	(1,268.07)	(1,114.48)
Others	32.93	26.31
Tax expense pertaining to earlier years	(198.44)	(40.00)
Impact of change in tax rate	-	(3.98)
Effect of eliminations	416.43	334.00
Total tax expenses in the Consolidated Statement of Profit and Loss	**5,317.48**	**4,614.01**

43.4 Deductible temporary differences/ unused tax losses/ unused tax credits carried forward in respect of PFC

Particulars	As at 31.03.2023 (₹ in crore)	Expiry date	As at 31.03.2022 (₹ in crore)	Expiry date
Deductible temporary differences/ unused tax losses/ unused tax credits for which no deferred tax asset has been recognised	-	-	1.25	31.03.2024
	-	-	2.54	31.03.2025
	-	-	0.03	31.03.2028
	-	-	0.07	31.03.2029

44. DISCLOSURE AS PER IND AS 33 "EARNINGS PER SHARE"

Sr. No.	Description	FY 2022-23	FY 2021-22
(A)	Profit for the period used as numerator (basic & diluted) (₹ in crore):		
	(i) from continuing operations	15,889.33	14,014.79
	(ii) from discontinued operations	-	-
	(iii) from continuing and discontinued operations	15,889.33	14,014.79
(B)	Weighted average number of equity shares used as denominator (basic & diluted)	2,64,00,81,408	2,64,00,81,408
(C)	Earning per equity share (basic & diluted), face value ₹ 10 each (₹):		
	(i) for continuing operations	60.19	53.08
	(ii) for discontinued operations	-	-
	(iii) for continuing and discontinued operations	60.19	53.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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%. The Company and its subsidiary RECL are registered with RBI as Non Deposit Systematically Important (NDSI) NBFCs. Both the companies regularly monitor the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company and its subsidiary RECL is also guided, *inter alia*, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital to Risk Weighted Assets Ratio (CRAR) is as under:

Particulars	As at 31.03.2023		As at 31.03.2022	
	PFC	RECL	PFC	RECL
CRAR – Tier I Capital	21.61%	22.84%	20.00%	19.58%
CRAR – Tier II Capital	2.76%	2.94%	3.48%	4.03%
Total CRAR	**24.37%**	**25.78%**	**23.48%**	**23.61%**

* Computed as per applicable RBI guidelines.

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.

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).

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

The following table broadly explains the sources of risks which the Group is exposed to and how it manages the same and related impact in the consolidated financial statements:

Note	Risk	Exposure arising from	Measurement	Risk Management
46.1	Credit Risk	Loans, financial assets, investments, 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	Interest rate gap analysis, 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	As at 31.03.2023	As at 31.03.2022
Low Credit Risk		
Cash and cash equivalents[(a)]	127.59	914.24
Bank balances other than included in cash and cash equivalents[(a)]	3,973.43	5,770.26
Loans (Principal outstanding)[(c)]	7,98,755.96	6,57,482.61
Trade Receivables[(b)]	185.69	123.02
Investments (Excluding equity investments)[(a)]	3,772.30	2,138.59
Other financial assets[(b)]	29,835.07	29,820.35
Moderate Credit Risk		
Loans (Principal outstanding)[(c)]	27,350.31	62,938.57
Trade receivables[(b)]	37.62	30.97
High Credit Risk		
Investments (Excluding equity investments)[(a)]	101.67	101.67
Loans (Principal outstanding)[(c)]	31,393.73	38,075.17
Other financial assets[(b)]	113.59	115.97
Trade receivables[(b)]	66.81	63.32

[(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.

[(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).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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.

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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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 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.

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 utilisation 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 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 PFC on a regular basis.

PFC continuously monitors delays and/or default of borrowers and their recoverability. On occurrence of default in the borrower's account, PFC initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularisation of the account by recovering all 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.

B. In respect of RECL

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. RECL has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, RECL follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorised as High/Moderate/Low based on ECL Methodology. The process for Credit Risk Management is as under:

(i) RECL has "Integrated Rating Guidelines" covering credit assessment, risk grading, collateral requirements, reporting, monitoring of end utilisation of funds etc. Further, independent Lender legal counsels are appointed to ensure effective documentation and mitigation of legal risk.

(ii) For all existing private sector projects, where RECL is Lead Financial Institution, RECL engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA), which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/review of relevant documents. LFA submit the statements of fund flow and utilisation of funds in the project periodically. In cases where RECL is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

RECL also endeavours to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE/Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilisation and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/ Agencies for Specialised monitoring/ Cash Flow monitoring agencies are being appointed by REC/ Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

(iii) RECL has an authorisation structure for the approval and renewal of credit facilities. Authorisation limits have been established commensurating with the size of business proposal at CMD/ Executive Committee/ Loan Committee/ Board of Directors based on the recommendation of Screening Committee, as appropriate.

(iv) RECL has developed risk grading structure to categorise its exposures according to the degree of risk of default by charging appropriate interest rates and security package.

(v) Regular reports on the credit quality of loan portfolios are provided to Risk Management Committee and Board, which may require appropriate corrective action to be taken.

(vi) External agencies are appointed from time to time to review the guidelines, policy and existing practices being followed by business units along with providing the specialist skills to promote best practice throughout RECL for management of credit risk.

(vii) Individual and Group Credit Exposures are assessed against designated limits, before facilities are committed to borrowers by the business unit concerned. Sanction of additional facilities is also subject to the same review process.

(viii) RECL continuously monitors delays and/or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, RECL initiates necessary steps to cure the default which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC), etc., monitoring of the TRA account, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms including invocation of guarantees/ securities to recover the dues.

46.1.2 Credit Risk Measurement - Impairment Assessment for Lending Operations

Ind AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 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..

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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 assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as IIP (index of industrial production) electricity y-o-y growth rate, Money supply y-o-y growth rate to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

B. In respect of RECL

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board- approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

I. RECL has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for State Distribution Companies (DISCOMs), RECL adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, RECL uses the external rating as published by various credit rating agencies or proxy risk scores in case such rating is not available. The proxy risk score model considers following parameters:

Quantitative factors

- Debt/ EBITDA (30% weightage)
- Return on Capital Employed (15% weightage)
- Interest Coverage (25% weightage)
- Gearing (Debt/Equity) (30% weightage)

Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, 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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- 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 realisable 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. Alignment of LGD in case of Stage 3 Assets

Stage 3 Assets, where RECL and PFC (Group Companies) are in Consortium for Stage-3 Loan accounts, RECL considers LGD on the following basis:

a) In cases where either RECL or PFC is lead lender, LGD % calculated by the lead lender is adopted

b) In cases where neither RECL nor PFC is lead lender, higher of the LGD% worked out by RECL and PFC is adopted.

VIII. Key assumptions used in measurement of ECL

a) RECL considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

b) EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.

IX. 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

Exposure to credit risk

For loans recognised in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 12 'Loans' for Group's exposure to credit risk arising from loans.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 31.03.2023				As at 31.03.2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	3,89,559.28	674.51#	-	3,90,233.79	3,20,384.30	594.09*	-	3,20,978.39
1-30 days	0.07		-	0.07	5,320.69	-	-	5,320.69
31-60 days	-	-	-	-	-	2,190.12	-	2,190.12
61-90 days	-	15,111.70	-	15,111.70	-	21,477.77	-	21,477.77
More than 90 days	-	650.51@	16,501.65	17,152.16	-	2,252.36@	20,915.28	23,167.64
Total	**3,89,559.35**	**16,436.72**	**16,501.65**	**4,22,497.73**	**3,25,704.99**	**26,514.34**	**20,915.28**	**3,73,134.61**

#Pending transfer of ownership, the account has been classified as Stage 2.

*Since the borrower is in Stage 2 in other loans, these loans (which otherwise would have been categorised in Stage 1) have also been categorised in stage 2.

@Refer Note 46.1.10

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 31.03.2023				As at 31.03.2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	1,92,836.82	276.33	-	1,93,113.15	1,81,968.90	11,661.35	-	1,93,630.25
Good (BBB | BB |B)	1,47,389.05	9,128.03	-	1,56,517.08	96,631.68	24,762.88	-	1,21,394.57
Average (C)	70,282.47	1,345.98	-	71,628.45	54,755.07	-	-	54,755.07
Fair (D)	1,796.13	157.74	-	1,953.87	2,521.34	-	-	2,521.34
Non-Performing (D)	-	5.50	14,892.08	14,897.58	-	-	17,159.89	17,159.89
Gross Exposure	**4,12,304.47**	**10,913.58**	**14,892.08**	**4,38,110.13**	**3,35,876.99**	**36,424.23**	**17,159.89**	**3,89,461.12**
Less: Loss allowance	**3,521.81**	**238.30**	**10,519.51**	**14,279.61**	**2,790.22**	**369.61**	**11,565.73**	**14,725.57**
Net Exposure	**4,08,782.66**	**10,675.28**	**4,372.57**	**4,23,830.51**	**3,33,086.77**	**36,054.62**	**5,594.16**	**3,74,735.55**

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 31.03.2023		As at 31.03.2022	
	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)	7,42,981.50	5,828.25	6,64,451.23	4,210.05
Loans to private sector	1,14,518.50	24,526.97	94,045.12	27,864.03
Total	**8,57,500.00**	**30,355.22**	**7,58,496.35**	**32,074.08**

*including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 66.80 crore. (As at 31.03.2022 ₹ 98.11 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 31.03.2023		As at 31.03.2022	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes –				
Generation	3,42,425.28	22,913.72	3,28,159.85	24,617.30
Renewable	77,270.92	3,426.45	48,626.18	3,059.17
Transmission	79,173.24	404.07	95,379.62	2,072.49
Distribution	3,40,947.29	3,492.22	2,80,113.01	2,304.13
Others	17,683.27	118.76	6,217.69	20.98
Total	**8,57,500.00**	**30,355.22**	**7,58,496.35**	**32,074.08**

*including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 66.80 crore. (As at 31.03.2022 ₹ 98.11 crore.)

The exposure to various projects and borrowers is constantly monitored in line with the Credit Concentration Norms applicable to the Companies in the Group.

46.1.5 Details of Stage wise Principal outstanding and Impairment loss Allowance in respect of PFC & RECL:

(₹ in crore)

Particulars	As at 31.03.2023			As at 31.03.2022		
	Principal Outstanding	Impairment loss allowance*	%	Principal Outstanding	Impairment loss allowance*	%
Stage 1	7,98,755.96	6,415.49	0.80	6,57,482.61	4,849.04	0.74
Stage 2	27,350.31	1,420.84	5.19	62,938.57	1,314.93	2.09
Stage 3	31,393.73	22,518.89	71.73	38,075.17	25,910.11	68.05
Total	**8,57,500.00**	**30,355.22**	**3.54**	**7,58,496.35**	**32,074.08**	**4.23**

*including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 66.80 crore. (As at 31.03.2022 ₹ 98.11 crore.)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 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	(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 derecognised (loans repaid/pre-payment)	(48,882.31)	(584.51)	(576.43)	(13.52)	(4,443.25)	(1,564.15)	(53,901.99)	(2,162.18)
Financial Assets derecognised (Write Off)	-	-	-	-	(1,452.33)	(1,452.33)	(1,452.33)	(1,452.33)
Financial Assets derecognised 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**

(₹ in crore)

FY 2021-22	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	**6,55,373.44**	**2,517.58**	**50,408.61**	**2,086.67**	**39,407.09**	**25,207.67**	**7,48,189.14**	**29,812.99**
Transfer to Stage 1	21,109.54	1,250.50	(19,103.75)	(514.18)	(2,005.79)	(736.33)	-	-
Transfer to Stage 2	(36,173.14)	(44.11)	36,189.77	48.20	(16.63)	(4.09)	-	-
Transfer to Stage 3	(2,657.15)	(329.49)	(1,120.58)	(852.23)	3,777.73	1,181.73	-	-
Net change in Principal/ECL during the year	13,582.41	1,681.06	(1,394.26)	516.66	5.91	2,760.71	12,194.05	4,958.53
New financial assets originated	74,969.67	690.62	3,957.10	40.29	-	-	78,926.77	730.91
Financial Assets derecognised (loans repaid/pre-payment)	(68,722.16)	(917.12)	(5,535.67)	537.45	(235.65)	295.65	(77,493.48)	(85.19)
Financial Assets derecognised (Write Off)	-	-	(462.65)	(547.93)	(2,857.49)	(2,795.23)	(3,320.14)	(3,343.16)
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-
Closing 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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 31.03.2023	As at 31.03.2022
(i)	Net Credit Impaired accounts to Gross Loans (%)		1.03%	1.60%
(ii)	Net Credit Impaired accounts to Net Loans (%)		1.06%	1.66%
			FY 2022-23	FY 2021-22
(iii)	Movement of Gross Credit Impaired accounts			
	(a)	Opening balance	38,075.17	39,407.09
	(b)	Additions during the year	45.80	3,003.41
	(c)	Reductions/write offs during the year	(6,727.24)	(4,335.33)
	(d)	**Closing balance**	**31,393.73**	**38,075.17**
(iv)	Movement of Net Credit Impaired accounts			
	(a)	Opening balance	12,165.06	14,199.42
	(b)	Additions during the year	399.06	593.80
	(c)	Reductions/write offs during the year	(3,689.28)	(2,628.16)
	(d)	**Closing balance**	**8,874.84**	**12,165.06**
(v)	Movement of impairment loss allowance on Credit Impaired accounts			
	(a)	Opening balance	25,910.11	25,207.67
	(b)	Provisions made during the year	55.06	3,646.63
	(c)	Write-off/write-back of excess provisions	(3,446.28)	(2,944.19)
	(d)	**Closing balance**	**22,518.89**	**25,910.11**

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 31.03.2023	As at 31.03.2022
Number of Borrowers	1	4
Amount of loan outstanding (₹ in crore)	650.51	2,252.36
Amount overdue* (₹ in crore)	160.91	188.18
Amount of Impairment Loss allowance (₹ in crore)	422.68	815.87

*excluding overdue interest of ₹ 186.06 crore as at 31.03.2023 (As at 31.03.2022 ₹ 242.87 crore).

Pursuant to Ad-interim order from Hon'ble High Court(s), these borrower(s) accounts have not been classified as Credit Impaired. The Group holds adequate impairment loss allowance with respect to these loan accounts and has categorised them into Stage 2. The interest income is also not been recognised on these loan accounts on accrual basis since these loans are more than 90 days past due.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

46.1.11 In accordance with RBI's Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time, NPA ratios are 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Gross NPA to Gross Loans	4.72%	6.58%	4.77%	4.45%
Net NPA to Net Loans	1.87%	2.76%	2.41%	1.51%

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 31.03.2023

(₹ 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)						
Sub-standard	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 Sub-standard		**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 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		**16,440.47**	**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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

As at 31.03.2022

(₹ 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	3,26,133.66	1,676.69	3,24,456.96	1,331.16	345.54
	Stage 2	27,458.63	944.20	26,514.44	637.72	306.48
	Stage 3	-	-	-	-	-
Sub-total		**3,53,592.29**	**2,620.89**	**3,50,971.40**	**1,968.88**	**652.01**
Non-Performing Assets (NPA)						
Sub-standard	Stage 1	296.48	1.33	295.15	29.62	(28.29)
	Stage 2	151.37	1.12	150.25	14.83	(13.70)
	Stage 3	1,142.64	332.93	809.71	114.26	218.66
Sub-total for Sub-standard		**1,590.49**	**335.38**	**1,255.11**	**158.71**	**176.68**
Doubtful - up to 1 year	Stage 1	32.80	0.01	32.78	6.44	(6.42)
1 to 3 years	Stage 1	107.00	0.10	106.91	31.40	(31.30)
More than 3 years	Stage 1	3,105.80	310.93	2,794.87	1,522.95	(1,212.02)
Doubtful - up to 1 year	Stage 3	170.10	133.43	36.67	78.22	55.21
1 to 3 years	Stage 3	3,743.76	1,770.31	1,973.45	1,189.36	580.95
More than 3 years	Stage 3	12,779.39	9,181.94	3,597.46	9,120.21	61.73
Sub-total for doubtful		**19,938.85**	**11,396.72**	**8,542.14**	**11,948.57**	**(551.85)**
Loss	Stage 3	3,079.39	2,918.31	161.08	3,079.39	(161.08)
Sub-total for NPA		**24,608.74**	**14,650.41**	**9,958.33**	**15,186.66**	**(536.25)**
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	Stage 1	-	69.75	(69.75)	-	69.75
	Stage 2	-	-	-	-	-
	Stage 3	-	7.47	(7.47)	-	7.47
IRACP norms						
Sub-total		**-**	**77.21**	**(77.21)**	**-**	**77.21**
Total	**Stage 1**	**3,29,675.75**	**2,058.82**	**3,27,616.93**	**2,921.55**	**(862.74)**
	Stage 2	**27,610.01**	**945.32**	**26,664.69**	**652.55**	**292.77**
	Stage 3	**20,915.28**	**14,344.38**	**6,570.90**	**13,581.44**	**762.95**
	Total	**3,78,201.04**	**17,348.52**	**3,60,852.51**	**17,155.54**	**192.98**

B. In respect of RECL

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	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)						

Notes to the Consolidated Financial Statements

for the year ended March 31, 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)
Sub-standard	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
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)
Sub-total 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	-
Sub-total 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**

As at 31.03.2022

(₹ 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 I RACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,32,586.36	2,769.32	3,29,817.04	1,771.72	997.60
	Stage 2	36,888.95	369.61	36,519.34	391.52	(21.91)
Sub-total		**3,69,475.31**	**3,138.93**	**3,66,336.38**	**2,163.24**	**975.69**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	1,512.49	437.16	1,075.33	190.83	246.33
Doubtful - up to 1 year	Stage 3	33.28	3.33	29.95	7.25	(3.92)
1 to 3 years	Stage 3	4,534.01	2,981.99	1,552.01	1,952.89	1029.10
More than 3 years	Stage 3	11,062.89	8,126.03	2,936.86	8,108.58	17.45
Sub-total for doubtful		**15,630.18**	**11,111.35**	**4,518.82**	**10,068.72**	**1,042.63**
		17.22	17.22	-	17.22	-
Loss	Stage 3	17,159.89	11,565.73	5,594.15	10,276.77	1,288.96
Sub-total for NPA		**3,86,635.20**	**14,704.66**	**3,71,930.53**	**12,440.01**	**2,264.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 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 I RACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
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	4,089.85	20.90	4,068.95	-	20.90
Sub-total		**4,089.85**	**20.90**	**4,068.95**	**-**	**20.90**
Total	**Stage 1**	**3,36,676.21**	**2,790.22**	**3,33,885.99**	**1,771.72**	**1,018.50**
	Stage 2	**36,888.95**	**369.61**	**36,519.34**	**391.52**	**(21.91)**
	Stage 3	**17,159.89**	**11,565.73**	**5,594.15**	**10,276.77**	**1,288.96**
	Total	**3,90,725.05**	**14,725.56**	**3,75,999.48**	**12,440.01**	**2,285.55**

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 31.03.2023					
Gross carrying value	127.15	21.32	16.31	56.35	221.13
Expected loss rate	20.19%	62.85%	89.94%	99.31%	49.61%
Expected credit loss (provision)	25.67	13.40	14.67	55.96	109.70
Carrying amount (net of impairment)	101.48	7.92	1.64	0.39	111.43
As at 31.03.2022					
Gross carrying value	88.93	19.35	14.56	54.43	177.27
Expected loss rate	14.03%	6.82%	99.52%	100.00%	46.66%
Expected credit loss (provision)	12.48	1.32	14.49	54.43	82.72
Carrying amount (net of impairment)	76.45	18.03	0.07	-	94.55

B. In respect of PFCCL

The trade receivables of PFCCL comprises mainly amount recoverable from the State Government entities. RECL 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Ageing analysis of Trade receivables is as follows:

(₹ in crore)

Particulars	0 to 1 year	1 to 2 year	More than 2 years	Total
Gross carrying amount as at 31.03.2023	43.50	2.87	21.06	67.43
Gross carrying amount as at 31.03.2022	16.88	5.29	17.86	40.04

Movement in the expected credit loss allowance

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	8.96	7.46
Impairment allowance reversal	-	-
Impairment losses recognised	0.29	1.50
Closing Balance	**9.25**	**8.96**

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*	Up to 1 year	1 – 5 years	More than 5 years	Total
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**
As at 31.03.2022				
Domestic borrowings				
Principal	61,140.51	2,56,738.15	1,96,977.66	5,14,856.32
Interest	35,470.38	98,125.96	59,474.65	1,93,070.99
Foreign Currency borrowings				
Principal	22,025.66	72,280.41	37,794.67	1,32,100.74
Interest	3,850.14	10,465.79	3,686.87	18,002.80
Total	**1,22,486.69**	**4,37,610.31**	**2,97,933.85**	**8,58,030.85**

*In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

46.2.2 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 31.03.2023				
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**
As at 31.03.2022				
Forward	-	-	-	-
Option/ swaps	75.64	125.49	455.25	656.38
Total	**75.64**	**125.49**	**455.25**	**656.38**

* 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*	Up to 1 year	1 – 5 years	More than 5 years	Total
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**
As at 31.03.2022				
Loan Assets				
Principal	66,026.51	2,77,929.73	3,88,637.47	7,32,593.71
Interest	70,190.29	2,11,553.57	1,72,778.27	4,54,522.13
Total	**1,36,216.80**	**4,89,483.30**	**5,61,415.74**	**11,87,115.84**

* 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

46.2.5 Financing arrangements

A. In respect of PFC

PFC has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, PFC has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilise funds from the domestic market within a short span of time. PFC has access to the following undrawn borrowing facilities:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
CC/ OD/ LoC/ WCDL limits	8,116.17	5,398.00

B. In respect of RECL

RECL had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Expiring within one year (cash credit and other facilities)-Floating Rate	13,364.88	8,803.05
Expiring beyond one year (loans/ borrowings)-Floating Rate	1,393.58	1,245.90

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 31.03.2023		As at 31.03.2022	
	Crore in respective currency	₹ in crore	Crore in respective currency	₹ in crore
USD Loans	1,585.32	130,340.51	1,621.87	1,22,949.09
- Hedged	1,304.70	107,268.39	1,169.50	88,656.40
- Unhedged	280.62	23,072.12	452.37	34,292.69
Euro Loans	162.13	14,527.63	33.46	2,832.49
- Hedged	123.99	11,110.66	0.09	7.37
- Unhedged	38.14	3,416.97	33.38	2,825.12
JPY Loans	19,073.36	11,787.34	9,506.59	5,915.95
- Hedged	9,925.81	6,134.16	2,084.61	1,297.25
- Unhedged#	9,147.55	5,653.18	7,421.98	4,618.70
SGD Loans	28.53	1,763.27	7.21	403.21
- Hedged	28.53	1,763.27	7.21	403.21
- Unhedged	-	-	-	-
Total		**158,418.75**		**1,32,100.74**
- Hedged		126,276.48		90,364.23
- Unhedged		32,142.27		41,736.51

#includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at 31.03.2023 (As at 31.03.2022 - Nil)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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 Liabilities	As at 31.03.2023		As at 31.03.2022	
	Decrease	Increase	Decrease	Increase
USD	1,050.14	(1,050.14)	1,541.40	(1,541.40)
Euro	169.06	(169.06)	138.54	(138.54)
JPY	282.66	(282.66)	201.27	(201.27)
SGD	-	-	-	-
Total	**1,501.86**	**(1,501.86)**	**1,881.21**	**(1,881.21)**

46.4 Market Risk - Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. Interest rates are dynamic and dependent on various internal and external factors including but not limited to RBI policy changes, liquidity in the market, movement of external benchmarks such as AAA bond/ G-Sec yields/ LIBOR etc. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

A. In respect of PFC

(i) Interest rate risk is managed with the objective to control market risk exposure while optimising the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, 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 (+/-) ₹ 194.52 crore. (As at 31.03.2022 (+/-) ₹ 118.77 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

(iii) Disclosures in respect of Interest Rate Benchmark Reform

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. Significant interest rate benchmark used in PFC's borrowings is 6 month USD /JPY LIBOR (London Interbank Offered 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 656.24 million (Amount in INR ₹ 5,395.44 crore) as on 31.03.2023. Out of this, the amount of the Derivative exposure linked with such liabilities and accounted for under hedge accounting is USD 650 million (Amount in INR ₹ 5,344.10 crore).

Following is the detail of the foreign currency borrowings which will be impacted based on LIBOR transition from 6 month USD LIBOR as planned after June 2023:-

Benchmark	As at 31.03.2023				As at 31.03.2022			
	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	657.67	4,985.66	650.00	4,927.46
Derivatives								
6 month USD LIBOR	650.00	5,344.10	650.00	5,344.10	650.00	4,927.46	650.00	4,927.46

(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 shall undertake all transition activities as per the process/ guidelines detailed in the policy. The process of transition from 6 month USD LIBOR to Alternative Reference Rate has been initiated & shall be 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 minimise the risk of fluctuation in interest rates. RECL

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

also uses cross-currency interest rate swaps as a cost-reduction strategy to benefit from the interest differentials in different currencies.

The table below shows the overall exposure of RECL to the liabilities linked with floating interest rates as at 31.03.2023 is as under:

(Foreign Currency & INR Equivalent in ₹ crore)

Currency	As at 31.03.2023			As at 31.03.2022		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	**62,798.20**	**-**	**62,798.20**	**50,178.32**	**-**	**50,178.32**
USD $	506.20	189.20	317.00	463.60	132.50	331.10
INR Equivalent	**41,618.19**	**15,555.43**	**26,062.76**	**35,144.17**	**10,044.44**	**25,099.73**
JPY ¥	5,835.28	1,032.72	4,802.56	5,835.27	1,032.72	4,802.56
INR Equivalent	**3,606.20**	**638.22**	**2,967.98**	3,631.29	642.66	2,988.63
EURO €	60.40	-	60.40	-	-	-
INR Equivalent	**5,412.51**	**-**	**5,412.51**	**-**	**-**	**-**
SGD $	28.53	7.21	21.32	7.21	7.21	-
INR Equivalent	**1,763.27**	**445.47**	**1,317.80**	403.21	403.21	-
Total INR Equivalent	**1,15,198.37**	**16,639.12**	**98,559.25**	**89,356.99**	**11,090.31**	**78,266.68**

RECL also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹ 15,950.70 crore as on March 31, 2023 (Previous year ₹ 11,850.70) 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 1/3/10 year 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 31.03.2023	As at 31.03.2022
Rupee Loans	4,31,992.47	3,75,805.76

(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 31.03.2023		As at 31.03.2022	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(368.77)	368.77	(292.84)	292.84
Interest Rate Swaps	(59.68)	59.68	(44.34)	44.34
Floating/ semi-fixed Rate Loan Assets	1,616.34	(1,616.34)	1,406.11	(1406.11)

*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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(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, 2023 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31-03-2023		As at 31-03-2022	
	Amount (₹ in crore)	Amount (USD million Equivalent)	Amount (₹ in crore)	Amount (USD million Equivalent)
3M USD LIBOR	1,233.26	150.00	7,201.67	950.00
6M USD LIBOR	29,080.13	3,537.00	27,373.94	3,611.00
3M Term SOFR	6,988.44	850.00	-	-
6M Term SOFR	822.17	100.00	-	-
O/N SOFR	3,494.22	425.00	568.55	75.00
3M EURIBOR	3,595.53	437.32	-	-
6M EURIBOR	3,134.74	381.28	-	-
O/N TONA	3,606.20	438.62	3,631.29	479.02
O/N SORA	445.48	54.18	403.21	53.19
Total	**52,400.17**	**6,373.40**	**39,178.67**	**5,168.21**

As announced by the UK Financial Conduct Authority (FCA) on 5 March 2021, 3 Month and 6 Month USD LIBOR will cease to be published after June 30, 2023.

(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 will also get repaid before the cessation date of the respective interest rates, i.e. 3M USD LIBOR and 6M USD LIBOR. Accordingly, the total amount of exposure that is directly affected by the Interest Rate Benchmark Reform (IBOR) is ₹ 28,159.29 crore (USD 3.425 billion) as on March 31, 2023 (₹ 25,963.93 crore (USD 3.425 billion) as on March 31, 2022). Out of this, the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting is ₹ 4,110.85 crore (USD 0.500 billion) (Previous year ₹ 3,790.36 crore (USD 0.500 billion)].

(b) Managing the process to transition to alternative benchmark rates

Pursuant to the Interest Rate Benchmark Reform, LIBOR will be replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) will be the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) will replace JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognised statutory body governing the global derivative deals, has 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 has adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks will automatically become applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has been actively engaging with the lenders to initiate the transition exercise at an early stage. During the year 2022-23, lenders for 10 USD loans amounting to USD 3,275 million (INR equivalent as on March 31, 2023 ₹ 26,926.04 crore) have agreed for transition of the benchmarks from USD LIBOR to Overnight SOFR/ Term SOFR.

During previous year, the Company has completed the transition documentation for two JPY loans amounting to JPY 20,846.12 billion (INR equivalent as on March 31, 2022 ₹ 1,297.25 crore) with the benchmark changed from JPY LIBOR to TONA. Additionally, an active transition for one SGD loan amounting to SGD 72.08 million (INR equivalent as on March 31, 2022 ₹ 403.21 crore) has also been concluded during the previous year with the benchmark changed from 6M SOR (Singapore Swap Offer Rate) to SORA (Singapore Overnight Rate Average).

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(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.

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 31.03.2023		As at 31.03.2022	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	4.84	(4.84)	8.77	(8.77)
Impact on OCI	59.86	(59.86)	50.16	(50.16)

47. HEDGE ACCOUNTING

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

The table below provides Movement in Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve for PFC and subsidiary RECL:

(₹ in crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
	Effective Portion of Cash flow Hedges		
(a)	**Opening balance of Reserves (net of tax)**	**394.55**	**(278.95)**
(b)	Changes in intrinsic value of options contracts	7,502.40	1,537.09
(c)	Changes in fair value of PoS/Forwards/IRS contracts	674.18	665.14
(d)	Amount reclassified from OCI to P&L	(7,244.23)	(1,302.21)
(e)	**Net amount recognised in OCI during the year (b + c + d)**	**932.35**	**900.02**
(f)	Deferred Tax on (e) above	(234.65)	(226.52)
(g)	**Net amount recognised in OCI during the year (Net of Tax) (e + f)**	**697.70**	**673.50**
(h)	**Closing balance of Reserves (net of Tax) (a + g)**	**1,092.25**	**394.55**
	Cost of Hedging Reserve		
(a)	**Opening balance of Reserves (net of tax)**	**(690.70)**	**18.21**
(b)	Changes in deferred time value of options/PoS/IRS contracts/Forwards	(5,453.45)	(2,792.42)
(c)	Amortisation of time value	2,889.49	1,845.09
(d)	**Net amount recognised in OCI during the year (b + c)**	**(2,563.96)**	**(947.33)**
(e)	Deferred Tax on (d) above	645.29	238.42
(f)	**Net amount recognised in OCI during the year (Net of Tax) (d + e)**	**(1,918.67)**	**(708.91)**
(g)	**Closing balance of Reserves (net of Tax) (a + f)**	**(2,609.37)**	**(690.70)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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) Assets (₹ in crore)	Carrying Amount(1) Liabilities (₹ in crore)	Date of maturity	Weighted Average Rate / Strike Price
As at 31.03.2023							
1.	Currency Derivatives	Forwards	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**		
As at 31.03.2022							
1.	Currency Derivatives	Forward	-	-	-	-	-
		Principal Only Swaps	6,064.57	277.61	-	Jun 2022 - Sep 2024	71.09
		Call Spread Option	7,959.75	70.55	21.55	Oct-2023 - Dec-2024	73.90
		Seagull option	10,802.51	1,453.26	-	May 2026 - Nov-2026	73.96
	Sub-total		**24,826.83**	**1,801.42**	**21.55**		
2.	Interest rate Derivatives	Interest Rate Swap	8,717.82	198.86	39.15	Jun 2022 - Jun 2024	1.38%
	Sub-total		**8,717.82**	**198.86**	**39.15**		
3.	**Total (1+2)**		**33,544.65**	**2,000.28**	**60.70**		

(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 31.03.2023	As at 31.03.2022
Currency derivatives		
Up to 1 year	16,901.55	1,895.18
1 – 5 years	31,002.74	22,931.65
More than 5 years	-	-
Sub-total (A)	**47,904.29**	**24,826.83**
Interest rate Derivatives		
Up to 1 year	2,055.42	1,895.18
1 – 5 years	5,344.10	6,822.64
More than 5 years	-	-
Sub-total (B)	**7,399.52**	**8,717.82**
Total (A+B)	**55,303.81**	**33,544.65**

*Maturity buckets in the above table are as per the remaining tenor of the respective derivative instrument.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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 ineffectivenes s 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 31.03.2023					
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
As at 31.03.2022					
1.	Currency Derivatives	(451.84)	-	702.18	Finance Costs
				(532.79)	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest rate Derivatives	238.72	-	100.10	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.

(i) Effects of hedge accounting on Consolidated Balance Sheet

(₹ in crore)

Type of hedge and risks	Notional Amount (in million)	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 31.03.2023								
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)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Type of hedge and risks	Notional Amount (in million)	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					
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)
As at 31.03.2022								
Cash flow hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 7,045	4,744.05	-	May 2022 - Jan 2027	1:1	74.31	(399.81)	399.81
	USD 20,846.12	102.15	-	Aug 2023 - Sep 2025	1:1	0.66	(96.08)	96.08
Call Spread	USD 250	76.73	-	March 2024	1:1	57.523	(74.08)	74.08
Cross Currency swaps	USD 1,300	22.69	43.78	May 2022 - Mar 2025	1:1	2.99% and 72.94	112.67	(112.67)
	JPY 10,327.12	-	1.50	Aug 2023	1:1	0.42% and 0.62	0.82	(0.82)
	SGD 72.08	23.86	-	Mar 2025	1:1	1.44%	21.54	(21.54)
Principal only swaps	USD 375	-	48.37	Mar 2025 - Jun 2030	1:1	75.41	(49.08)	49.08
Interest rate swaps	USD 425	92.42	-	Mar 2024 - Oct 2026	1:1	2.23%	130.27	(130.27)

(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	Line item affected on reclassification
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
As at 31.03.2022					
1.	Currency risk and interest rate risk	(377.06)	-	(995.95)	Net Translation/ Transaction Exchange Loss/ (Gain)
				126.43	Finance Costs

(iii) Fair Value Hedges

At March 31, 2023, Company has outstanding interest rate swap agreements of ₹ 15,950.70 crore (Previous year ₹ 11,850.70 crore) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 31-03-2023	- Interest rate swap	15,950.70	(279.02)	Derivative financial instruments	(167.10)
As at 31-03-2022	- Interest rate swap	11,850.70	(111.92)	Derivative financial instruments	(111.92)

* 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 31-03-2023	- Subordinated Liabilities	4,748.24	(178.16)	Subordinated Liabilities	(49.83)
	- Institutional bonds	7,773.47	(100.86)	Debt Securities- Institutional Bonds	(117.27)
As at 31-03-2022	- Subordinated Liabilities	4,148.36	(128.33)	Subordinated Liabilities	(128.33)
	- Institutional bonds	7,881.97	16.41	Debt Securities- Institutional Bonds	16.41

The decrease in fair value of the interest rate swap of ₹ 167.10 crore (Previous year ₹ 111.92 crore) 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 31.03.2023	Fair Value as at 31.03.2022	Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
1	**Quoted Equity investments**				
	- PTC India Limited	102.06	98.70	Level 1	Quoted market price
	- Coal India Limited	298.35	255.62		
	- NHPC Limited	690.13	570.26		
	- Suzlon Energy Limited	105.15	77.42		
	-Housing & Urban Development Corporation. Ltd	1.50	1.14		
	- RattanIndia Power Limited	96.67	175.31		
2	**Un-Quoted Equity investments**				
	- Power Exchange India Limited	3.59	0.00	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
	- Universal Commodity Exchange Limited (UCX)	-	-		Fair value has been calculated as Nil as UCX was shut down and ceases to exist as a going concern.
	- Energy Efficiency Services Ltd. (EESL)	298.51	456.47		Fair value has been determined using the Ind AS financials of the investee company.
	Jhabua Power Limited	602.82	-		
	Ind Barath Energy Utkal Limited	1.81	-		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Financial asset/Financial Liability - Recurring fair value	Fair Value as at 31.03.2023	Fair Value as at 31.03.2022	Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
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 realised from the Investment.
	- Suzlon Global Services Limited - CCPS	-	0.00		Converted into equity shares pursuant to resolution.
4	**Investment in debentures**				
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	122.49	129.83	Level 3	Fair valued using discounted future cash flow as per terms of agreement
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	52.59	55.75		
	- Suzlon Energy Limited – OCD	-	102.69		During FY 2022-23, OCD of the Company was converted into Equity Shares of the Company.
	- 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 cashflows 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		
	7.99% Perpetual bonds - Canara Bank	208.47	-		Fair valued by discounting future cash flows at coupon rate.
	9.50% Perpetual Bonds of UCO Bank	228.79	-		
5	**Derivative Financial Instruments**				
	- Assets	13,785.01	8,590.73	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	1,001.27	656.39		

48.2 There were no transfers between Level 1 and Level 2 during the year.

48.3 Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following table shows the reconciliation of the opening and closing amounts of financial assets and liabilities of the Group measured at fair value through Level 3 inputs:

(₹ in crore)

Particulars	FVTPL			FVTOCI	
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in Debentures	Investment in Units of SIB fund of KSK	Investment in Un-quoted Equity Shares
FY 2022-23					
Opening Balance	-	-	288.27	-	456.47
Investment made during the year	428.00	-	-	-	633.53
Settlement	-	-	(26.66)		-
Transfer in Level3	-	-	-	-	-
Transfer from Level3	-	-	-	-	-
Interest income(1)	9.26	3.24	28.26	-	-
Fair Value gain/(loss)	-	(3.24)(3)	(114.79)(3)	-	(183.27)(2)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Particulars	FVTPL			FVTOCI	
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in Debentures	Investment in Units of SIB fund of KSK	Investment in Un-quoted Equity Shares
Closing Balance	**437.26**	**-**	**175.08**	**-**	**906.73**
Unrealised gains on balances held at the end of the year	9.26	-	15.70	-	(199.27)
FY 2021-22					
Opening Balance	-	139.18	294.69	-	-
Investment made during the year	-	-	-	-	-
Settlement	-	-	(58.53)	(0.95)	-
Transfer in Level3	-	-	-	-	496.26
Transfer from Level3	-	-	-	-	-
Interest income(1)	-	6.02	41.80	-	-
Fair Value gain/ (loss)	-	(145.20)(3)	10.31(3)	0.95(2)	(39.79)(2)
Closing Balance	**-**	**-**	**288.27**	**-**	**456.47**
Unrealised gains/(loss) on assets held at the end of the year	-	(128.61)	29.41	-	(55.79)

(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 31.03.2023		As at 31.03.2022	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	Level 3	832,903.36	840,976.30	7,32,850.76	7,39,774.58
Investments(a)	Level 1/3	3,159.96	3,176.94	1,850.32	1,888.89
Other financial assets	Level 2	29,835.15	29,841.80	29,820.35	29,829.30
Debt securities(a)	Level 1/2	496,729.38	485,766.39	4,49,731.56	4,58,028.81
Borrowings other than debt securities(b)	Level 2	238,343.00	234,437.30	1,94,616.98	1,91,511.59
Subordinated liabilities	Level 2	16,085.14	16,589.24	16,127.74	17,091.64

(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 LIBOR/Alternative reference rate and multilateral agencies loans being valued at par.

(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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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	Coastal Karnataka Power Limited (up to 30.06.2022)	12	Tatiya Andhra Mega Power Limited (Struck off from the records of Registrar of Companies on 27.09.2022)
13	Chhattisgarh Surguja Power Limited (Struck off from the records of Registrar of Companies on 11.01.2023)	14	Coastal Maharashtra Mega Power Limited (Struck off from the records of Registrar of Companies on 29.09.2022)
15	Deoghar Infra Limited	16	Chhatarpur Transmission Limited
17	Mohanlalganj Transmission Limited (Transferred on 30.05.2022)	18	Bijawar-Vidarbha Transmission Limited (Under process of striking off the name from the records of Registrar of Companies)
19	Shongtong Karcham-Wangtoo Transmission Limited (Struck off from the records of Registrar of Companies on 13.01.2023)	20	Tanda Transmission Company Limited (Struck off from the records of Registrar of Companies on 13.01.2023)
21	Bhadla Sikar Transmission Limited (Transferred on 28.03.2023)	22	Ananthpuram Kurnool Transmission Limited
23	Fatehgarh III Beawar Transmission Limited (Incorporated on 05.05.2022)	24	Khetri-Narela Transmission Limited (Transferred on 11.05.2022)
25	Siot Transmission Limited (Incorporated on 27.04.2022)	26	Kishtwar Transmission Limited (Transferred on 06.12.2022)
27	Bhadla III Transmission Limited (Incorporated on 27.05.2022)	28	Beawar Dausa Transmission Limited (Incorporated on 06.05.2022)
29	Dharamjaigarh Transmission Limited (Incorporated on 18.11.2022 and transferred on 28.03.2023)	30	Fatehgarh III Transmission Limited (Incorporated on 18.05.2022)
31	Khandukhal Rampura Transmission Limited (Incorporated on 13.05.2022 and transferred on 07.10.2022)	32	Fatehgarh IV Transmission Limited (Incorporated on 08.06.2022)
33	Raipur Pool Dhamtari Transmission Limited (Incorporated on 18.11.2022 and transferred on 28.03.2023)	34	Chandil Transmission Limited
35	Dumka Transmission Limited	36	Bidar Transmission Limited
37	Koderma Transmission Limited	38	Beawar Transmission Limited (Incorporated on 27.04.2022)
39	Mandar Transmission Limited	40	Luhri Power Transmission Limited (Incorporated on 28.10.2022)
41	Ramgarh II Transmission Limited (Incorporated on 20.04.2022)	42	NERES XVI Power Transmission Limited (Incorporated on 10.01.2023)
43	Sikar Khetri Transmission Limited (Incorporated on 06.05.2022)	44	Rajgarh Transmission Limited (Transferred on 30.05.2022)
45	Meerut Shamli Power Transmission Limited (Incorporated on 14.12.2022)	46	ER NER Transmission Limited (Transferred on 10.10. 2022)
47	Khavda II-D Transmission Limited (Incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies)	48	MP Power Transmission Package-I Limited (Transferred on 21.01 2023)
49	Neemuch Transmission Limited (Incorporated on 12.04.2022 and transferred on 24.08.2022)	50	Khavda II-C Transmission Limited (Incorporated on 22.04.2022 and transferred on 21.03.2023)
51	WRSR Power Transmission Ltd. (Incorporated on 22.09.2022 and transferred on 17.01.2023)	52	Khavda RE Transmission Limited (Incorporated on 02.05.2022 and transferred on 21.03,2023)
53	Khavda II-B Transmission Limited (Incorporated on 21.04.2022 and transferred on 21.03.2023)	54	ERWR Power Transmission Ltd. (Incorporated on 27.09.2022 and transferred on 21.03. 2023)
55	KPS3 Transmission Limited (Incorporated on 29.04.2022 and transferred on 21.03.2023)	56	KPS1 Transmission Limited (Incorporated on 06.05.2022 and transferred on 20.04.2023)
57	KPS2 Transmission Limited (Incorporated on 04.05.2022 and transferred on 21.03.2023)	58	GADAG II-A Transmission Limited (Transferred on 18.11.2022)
59	Khavda II-A Transmission Limited (Incorporated on 19.04.2022 and transferred on 28.03.2023)		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Associates:			
Key Managerial Personnel (KMP) of the Company & their relatives:		**Designation**	
In respect of PFC			
1	Shri Ravinder Singh Dhillon	Chairman and Managing Director	
2	Smt Parminder Chopra	Director (Finance)	
3	Shri Rajiv Ranjan Jha	Director (Projects)	
4	Shri Manoj Sharma (w.e.f 29.08.2022)	Director (Commercial)	
5	Shri Ajay Tewari (w.e.f 09.06.2022)	Government Nominee Director	
6	Shri Vishal Kapoor (up to 08.06.2022)	Government Nominee Director	
7	Shri Ram Chandra Mishra (up to 11.07.2022)	Part Time Non-Official Independent 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	
In respect of subsidiary RECL			
1	Shri S.K.G Rahate Director (up to 10.05.2022)	Chairman & Managing Director	
2	Shri Ravinder Singh Dhillon (w.e.f. 10.05.2022 & up to 16.05.2022)	Chairman & Managing Director	
3	Shri Vivek Kumar Dewangan (w.e.f. 17.05.2022)	Chairman & Managing Director	
4	Shri Ajoy Choudhury	Director (Finance)	
5	Shri V.K. Singh (w.e.f. 15.07.2022)	Director (Technical) (w.e.f. July 15, 2022)	
6	Smt. Parminder Chopra	PFC Nominee Director (Non-executive Director)	
7	Shri Vishal Kapoor (up to 14.09.2022)	Govt. Nominee Director (ceased w.e.f. September 14, 2022)	
8	Shri Piyush Singh (w.e.f. 14.09.2022)	Govt. Nominee Director (w.e.f. September 14, 2022)	
9	Dr. Gambheer Singh	Part Time Non-Official Independent Director	
10	Dr. Manoj M. Pande	Part Time Non-Official Independent Director	
11	Dr. Durgesh Nandini	Part Time Non-Official Independent Director	
12	Shri Narayanan Thirupathy (w.e.f. 06.03.2023)	Part Time Non-Official Independent Director (w.e.f. March 6, 2023)	
13	Shri J.S. Amitabh	Executive Director & Company Secretary	
In respect of subsidiary PFCCL			
1	Shri Ravinder Singh Dhillon	Chairman	
2	Smt. Parminder Chopra	Director	
3	Shri Rajiv Ranjan Jha	Director	
4	Shri Manoj Kumar Rana	Chief Executive Officer	
5	Shri Milind M. Dafade (w.e.f. 03.12.2022)	Chief Financial Officer	
6	Shri Manish Kumar Agrawal (up to 16.02.2023)	Company Secretary	
7	Shri Sachin Arora (w.e.f. 16.02.2023)	Company Secretary	
Trusts/Funds under control of PFC			
1	PFC Employees Provident Fund	2	PFC Employees Gratuity Fund
3	PFC Defined Contribution Pension Scheme 2007	4	PFC Superannuation Medical Fund
Trusts/ Funds/ Society of subsidiary RECL			
1	REC Retired Employees' Medical Trust	2	REC Employees' Superannuation Trust
3	REC Gratuity Fund	4	REC Limited Contributory Provident Fund Trust
5	REC Employees' Benevolent Fund	6	REC Foundation
Companies in which Key Managerial Personnel are Directors			
1	PTC India Limited	2	Energy Efficiency Services Limited (EESL) (w.e.f. 29.09.2022 for PFC & w.e.f. 28.07.2022 for REC)
3	SJVN Limited (w.e.f. 01.12.2022)	4	Samarpan Hospitals Private Limited
5	NTPC Limited (w.e.f. 14.09.2022)	6	Nellore Transmission Limited (w.e.f. 15.07.2022)
7	Jammu and Kashmir State Power Trading Company Limited (w.e.f. 18.01.2023)		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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 2022-23	During FY 2021-22
Joint Venture		
Lease Rentals on Vehicles*	-	0.09
Associates		
Recoveries of advances (including interest) from associates	1.83	5.04
Interest income on advances to associates	19.23	18.15
Repayment of advance taken from Associate	2.27	1.12
Interest expenses on advances from associates	4.66	2.87
Income on transfer of associate	58.89	39.93
Others	9.77	6.11
Trusts/ Funds/ Foundations of the Group		
Contributions made during the year	48.64	25.66
Finance cost on bonds	3.54	4.00
Redemption of bonds	5.10	4.80
Others	151.95	112.80
Key managerial personnel		
Short-term employee benefits (i)	8.36	7.08
Post-employment benefits (ii)	0.96	0.60
Other long-term benefits (iii)	0.14	0.41
Sub-total (i+ii+iii)	**9.46**	**8.09**
Repayment/ recovery of loans and advances including Interest Income	0.66	0.47
Subscription of bonds	-	0.17
Redemption of bonds	0.10	-
Directors' sitting fee paid	0.80	0.41
Finance cost on bonds paid	0.08	0.04
Companies in which Key Managerial Personnel are Directors		
Dividend received	6.96	13.13
Directors' Sitting Fee received	0.08	0.05
Finance Cost	-	0.35
Others	15.34	-

* Transactions up to the date of cessation of joint control in EESL have been disclosed.

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 31.03.2023	As at 31.03.2022
Amount recoverable towards loans, advances and others(including interest)		
Associates	223.51	209.26
Key managerial personnel	0.53	0.66
Trusts/Funds under control of the Group	15.11	1.20
Companies in which Key Managerial Personnel are Directors	5.60	-
Amount payable towards loans, advances and others (including interest)		
Associates	177.12	177.14

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Debt Securities		
Key managerial personnel	0.35	0.54
Trusts/ Funds under control of the Company	35.90	41.00
Provisions made w.r.t. Trusts/Funds under control of the Company	17.95	1.05
Investments made in		
Associates	0.55	0.75
Companies in which Key Managerial Personnel are Directors	400.57	313.44

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:

Bhartiya Rail Bijlee Company Ltd.	Damodar Valley Corporation
Tehri Hydro Development Corporation	Mumbai Metro Rail Corporation Limited
Neyveli UP Power Ltd.	Bihar Grid Company Ltd.
Meja Urja Nigam Pvt. Ltd.	Coal India Ltd.
Raichur Power Corporation Ltd.	NHPC Ltd.
NLC Tamil Nadu Power Ltd.	Sardar Sarovar Narmada Nigam 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.
Broadcast Engineering Consultants India Ltd.	India Tourism Development Corporation Ltd.
Balmer Lawrie & Co. Ltd.	Mahanagar Telphone Nigam Ltd.
National Informatic Centre Services Inc. (NICSI)	MSTC Ltd.
WAPCOS Ltd.	

Significant transactions with entities under the control of same government:

(₹ in crore)

Particulars	During FY 2022-23	During FY 2021-22
Disbursement of loans	9,220.07	2,832.23
Interest received	4,144.59	4,805.82
Membership fees paid	13.40	5.00

Refer Note 14, 23, 25.1, 25.3 and 55 in respect of material transactions with the Central Govt.

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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

50.1Defined 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

The Companies in the Group 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 Companies in the Group. 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.

The Group has recognised an expense in the Consolidated Statement of Profit and Loss of ₹ 30.87 crore (Previous year ₹ 26.47 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 31.03.2023	As at 31.03.2022
a)	Present value of Defined benefit obligation	58.77	57.96
b)	Fair Value of Plan Assets	54.97	57.59
c)	Net Defined Benefit (Asset)/Liability (a-b)	3.80	0.37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
I. Opening Balance	57.96	61.11	57.59	57.13	0.37	3.98
Included in profit or loss						
Current service cost	2.90	3.44	-	-	2.90	3.44
Past service cost	2.16	-	-	-	2.16	-
Interest cost/income	4.11	4.20	4.27	4.01	(0.16)	0.19
II. Total amount recognised in profit or loss	**9.17**	**7.64**	**4.27**	**4.01**	**4.90**	**3.63**
Included in OCI						
Re-measurement loss/(gain)	-	-	-	-	-	-
Actuarial loss (gain) arising from changes in financial assumptions	0.40	(1.54)	-	-	0.40	(1.54)
Actuarial loss (gain) arising from experience adjustment	(1.30)	(1.69)	-	-	(1.30)	(1.69)
Effect of change in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	0.15	(0.72)	(0.15)	0.72
III. Total amount recognised in OCI	**(0.90)**	**(3.23)**	**0.15**	**(0.72)**	**(1.05)**	**(2.51)**
IV. Contribution by participants	-	-	-	-	-	-
V. Contribution by employer	-	-	0.42	4.73	(0.42)	(4.73)
VI. Benefits paid	(7.46)	(7.56)	(7.46)	(7.56)	-	-
VII. Closing Balance (I+II+III+IV+V+VI)	**58.77**	**57.96**	**54.97**	**57.59**	**3.80**	**0.37**

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 31.03.2023	As at 31.03.2022
a) Present value of Defined benefit obligation	228.98	221.90
b) Fair Value of Plan Assets	238.58	214.92
c) Net Defined Benefit (Asset)/ Liability (a-b)	(9.60)	6.98

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
I. Opening Balance	**221.90**	**200.06**	**214.92**	**187.46**	**6.98**	**12.60**
Included in profit or loss						
Current service cost	6.74	5.88	-	-	6.74	5.88
Past service cost	-	2.50	-	-	-	2.50
Interest cost/income	16.07	13.77	15.89	13.14	0.18	0.63
II. Total amount recognised in profit or loss	**22.81**	**22.15**	**15.89**	**13.14**	**6.92**	**9.01**
Included in OCI						
Re-measurement loss/(gain)	-	-	-	-	-	-
Actuarial loss (gain) arising from changes in financial assumptions	2.74	(5.34)	-	-	2.74	(5.34)
Actuarial loss (gain) arising from experience adjustment	(4.07)	10.92	-	-	(4.07)	10.92
Effect of change in demographic assumptions	-	9.30	-	-	-	9.30
Return on plan assets excluding interest income	-	-	2.14	3.23	(2.14)	(3.23)
III. Total amount recognised in OCI	**(1.33)**	**14.88**	**2.14**	**3.23**	**(3.46)**	**11.65**
IV. Contribution by participants	0.44	0.15	0.14	0.10	0.30	0.05
V. Contribution by employer	-	-	8.23	13.30	(8.23)	(13.30)
VI. Benefits paid	(14.84)	(15.34)	(2.74)	(2.31)	(12.10)	(13.03)
VII. Closing Balance (I+II+III+IV+V+VI)	**228.98**	**221.90**	**238.58**	**214.92**	**(9.60)**	**6.98**

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 31.03.2023	As at 31.03.2022
Present value of Defined benefit obligation	11.99	10.92

Movement in Defined Benefit Obligation

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2023	31.03.2022
I. Opening Balance	10.92	8.66
Included in profit or loss		
Current service cost	0.67	0.58
Past service cost	-	-
Interest cost/income	0.77	0.58
II. Total amount recognised in profit or loss	**1.44**	**1.16**
Included in OCI		
Actuarial loss (gain) arising from changes in financial assumptions	0.27	(0.30)
Actuarial loss (gain) arising from experience adjustment	1.28	3.64
Effect of change in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
III. Total amount recognised in OCI	**1.55**	**3.34**
IV. Contribution by participants	-	-
V. Contribution by employers	-	-
VI. Benefits paid	(1.92)	(2.24)
VII. Closing Balance (I+II+III+IV+V+VI)	**11.99**	**10.92**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

50.2.4 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.

50.2.5 Plan Assets

The value of plan assets for each category, are as follows:

(₹ in crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Gratuity	PRMS	Gratuity	PRMS
Cash & Cash Equivalents	0.27	1.16	0.40	0.20
State/Central Government Debt Securities	25.71	76.40	14.15	52.68
Corporate Bonds/Debentures	20.69	161.02	12.08	162.04
Others	8.30	-	30.96	-
Total	**54.97**	**238.58**	**57.59**	**214.92**

- Actual return on plan assets is ₹ 22.44 crore (Previous year ₹ 19.67 crore).

50.2.6 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 31.03.2023 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:-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

A. In respect of PFC

Particulars	Gratuity		PRMS		ERS	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Discount rate & expected return on plan assets, if funded	7.33%	7.45%	7.33%	7.45%	7. 33%	7.45%
Salary escalation rate/ Medical inflation rate	6.00%	6.00%	6.00%	6.00%	6.00%	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

Particulars	Gratuity		PRMS		ERS	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Method used	PUCM					
Discount rate & expected return on plan assets	7.31%	7.37%	7.31%	7.37%	7.31%	7.37%
Future salary escalation/medical inflation	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	17.72	17.35	17.72	17.35	17.72	17.35

50.2.7 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 31.03.2023		As at 31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(2.05)	2.21	(1.92)	2.06
- PRMS	(16.72)	17.93	(16.44)	17.48
- ERS	(0.43)	0.48	(0.39)	0.44
Salary Escalation/ Medical inflation rate (0.50% movement)				
- Gratuity	0.40	(0.32)	0.33	(0.40)
- PRMS	14.34	(13.03)	16.28	(14.80)
- ERS	0.44	(0.39)	0.40	(0.36)
Medical Cost (10% movement)				
- PRMS	22.68	(21.28)	23.15	(21.43)

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

50.2.8 Expected maturity analysis of the defined benefit plans in future years

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Up to 1 year	8.28	6.43	16.24	16.03	2.11	1.93
1 to 5 years	26.89	28.25	93.89	97.02	5.50	6.90
Over 5 years	88.11	82.46	379.01	392.00	11.83	12.44
Total	**123.28**	**117.14**	**489.14**	**505.05**	**19.44**	**21.27**

The table above is drawn on the basis of expected cash flows.

50.2.9 Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Gratuity		PRMS	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Expected contribution	**6.26**	**3.27**	**8.61**	**13.71**

50.2.10 The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.14 years (as at 31.03.2022: 13.98 years) for PFC and 11.18 years (as at 31.03.2022: 12.20 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 ₹ 11.88 crore (previous year ₹ 20.99 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 ₹ 5.04 crore for the year (Previous year ₹ 1.14 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 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 employees working in its wholly-owned subsidiary PFCCL 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 31.03.2023	As at 31.03.2022
Opening balance	**19.07**	**9.43**
Additions during the year	-	11.95
Finance cost accrued during the period	1.65	1.75
Payment of lease liabilities	(3.71)	(3.72)
Reassessment of lease liabilities	-	(0.34)
Closing balance	**17.01**	**19.07**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

51.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Up to 1 year	3.72	3.72
1-5 years	9.65	12.60
More than 5 years	54.74	55.51

51.3 During the year 2022-23, the expenses relating to short-term/low value leases amounting to ₹ 16.88 crore (Previous year ₹ 13.50 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 ₹ 20.12 crore. (Previous year ₹ 17.35 crore)

52. CONTINGENT LIABILITIES AND COMMITMENTS:

(₹ in crore)

Sr. No	Description	As at 31.03.2023	As at 31.03.2022
Contingent Liabilities			
(i)	Guarantees[(a)&(b)]	7.50	8.29
(ii)	Claims against the Group not acknowledged as debts	27.67	30.39
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned[(b)]	5,510.43	11,101.40
(iv)	Additional demands raised by the Income Tax Department of earlier years which are being contested	307.15	262.13
	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	43.87	42.42
	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	50.90	53.40
(vi)	Bank Guarantees	32.63	33.37
(vii)	Others	315.30	-
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for	264.85	328.85
(ii)	Other Commitments – unspent CSR	306.53	499.68
Total		**6,867.73**	**12,360.84**

[(a)]Default payment guarantee given by PFC in favour of a borrower company. The amount paid/payable against this guarantee is reimbursable by Government of Madhya Pradesh.

[(b)]Necessary impairment loss allowance has been made. Refer note 26

53. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTEREST (NCI):

Name of Subsidiary	Proportion of ownership interests held by NCI		TCI allocated to non-controlling interests (₹ in crore)		Accumulated non-controlling interests (₹ in crore)	
	As at 31.03.2023	As at 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022	As at 31.03.2023	As at 31.03.2022
RECL	47.37%	47.37%	4,829.33	4,726.00	27,822.74	24,598.91

* Includes Instruments in nature of equity of ₹ 558.40 crore issued by PFC's subsidiary RECL.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

54. SUMMARISED FINANCIAL INFORMATION FOR GROUP'S SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (BEFORE INTRA GROUP ELIMINATIONS):

(₹ in crore)

Particulars (RECL)	As at 31.03.2023	As at 31.03.2022
Financial assets	4,61,166.67	4,06,800.96
Non-financial assets	4,331.43	4,054.75
Assets classified as held for sale	4.65	4.38
Financial liabilities	4,07,153.50	3,59,341.02
Non-financial liabilities	228.72	204.96
Liabilities directly associated with assets classified as held for sale	0.02	0.01
Equity attributable to the owners of the Company	30,297.72	26,715.19
Non-Controlling interests towards Instruments Entirely Equity in Nature	558.40	558.40
Non-Controlling interests towards Equity Shareholders	27,264.39	24,040.51
Total Non-controlling interests	**27,822.79**	**24,598.91**

(₹ in crore)

Particulars (RECL)	FY 2022-23	FY 2021-22
Total Revenue	39,520.16	39,339.20
Total Expenses	25,622.49	26,896.86
Profit/(loss) for the year	**11,166.98**	**10,035.70**
Profit/(loss) attributable to owners of the Company	5,877.72	5,282.28
Profit/(loss) attributable to the non-controlling interests	5,289.26	4,753.42
Other comprehensive income for the year	**(971.04)**	**(57.90)**
Other comprehensive income attributable to owners of the Company	(511.11)	(30.48)
Other comprehensive income attributable to the non-controlling interests	(459.93)	(27.42)
Total comprehensive income for the year	**10,195.94**	**9,977.80**
Total comprehensive income attributable to owners of the Company	5,366.61	5,251.80
Total comprehensive income attributable to the non-controlling interests	4,829.33	4,726.00
Dividends paid to non-controlling interests	1,477.97	1,142.15
Net cash inflow(outflow) from operating activities	(37,359.77)	(818.53)
Net cash inflow(outflow) from investing activities	(942.95)	(287.44)
Net cash inflow(outflow) from financing activities	38,122.84	67.72
Net cash inflow(outflow)	(179.88)	(1,038.25)

55. THE GOVERNMENT OF INDIA (GOI) SCHEMES BEING IMPLEMENTED IN THE GROUP

A. In respect of PFC

PFC has been designated as Nodal Agency for operationalisation and implementation of RDSS Scheme and IPDS (R-APDRP subsumed in it). Role of Nodal Agency *inter alia* includes pass through of loans/grants to eligible utilities under schemes of GOI. The release of the funds under GoI schemes is ensured through Treasury Single Account (TSA) maintained with RBI, as per office memorandum issued by MoF, GoI dated 09th March 2022. This ensures that funds of these schemes are released 'Just in time' from the Consolidated Fund of India (CFI) to the beneficiaries

55.1 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 during FY 2022-23 is ₹ 1319.86 crore (Previous year ₹ 359 crore) and the cumulative grant administered till 31.03.2023 is ₹ 1,678.86 crore (till 31.03.2022 is ₹ 359 crore).

Further, No amount of grant remained undisbursed as on 31.03.2023 and 31.03.2022.

PFC 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 2022-23 stands at ₹.71.58 crore. (Previous year Nil).

55.2 Integrated Power Development Scheme (IPDS) (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) subsumed)

IPDS scheme was launched in December 2014 to extend financial assistance against capital expenditure for addressing the gaps in sub transmission & distribution network and metering in urban areas to supplement the resources of DISCOMs/ Power Departments. This scheme has the sunset date of 31.03.2022 and the ongoing approved projects have been subsumed as a separate component under the new RDSS scheme.

The estimated outlay of the scheme was ₹ 32,612 crore including a budgetary support of ₹ 25,354 crore from GoI. R-APDRP scheme cost of ₹ 44,011 crore including budgetary support of ₹ 22,727 crore have also been carried forward to IPDS scheme. The amount of fund received and administered to the eligible entities during FY 2022-23 is ₹ 474.46 crore (previous year ₹ 2125.01 crore) and the cumulative grant administered till 31.03.2023 is ₹ 18,381.91 crore (till 31.03.2022 ₹ 17,907.45 crore).

The amount of fund received under R-APDRP (subsumed with IPDS) and administered to the eligible entities during FY 2022-23 is ₹ 65.00 crore (Previous year ₹ 326.64 crore) and the cumulative grant administered till 31.03.2023 is ₹ 13,562.07 crore (till 31.03.2022 ₹ 13,497.07 crore).

Further, no fund remained undisbursed as on 31.03.2023 and 31.03.2022.

The total amount of nodal agency fee income from this scheme for FY 2022-23 stands at Nil (Previous year ₹ 8.60 crore). Additionally, PFC has also received Nil (Previous year ₹ 28.20 crore) as reimbursement of expenditure from MoP under the said scheme.

B. In respect of RECL

55.3 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India launched a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - Saubhagya to achieve universal household electrification in the country during Oct 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹ 16,320 crore including Gross Budgetary Support of ₹ 12,320 crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalisation of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

55.4 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:

(i) Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;

(ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(iii) Micro-grid and Off-grid distribution network;

(iv) 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.

55.5 National Electricity Fund (NEF)

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. RECL has been nominated as the Nodal Agency for operationalisation of NEF scheme across the country.

55.6 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.

55.7 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.

55.8 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

C. In respect of subsidiary PFCCL

55.9 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.

55.10 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.

56. 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.

56.1 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 agreements.

56.2 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.

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

56.2.1 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).

56.2.2 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.

56.2.3 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.

57. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

57.1 The Group does not have any geographical segments as its operations are mainly carried out within the country.

57.2 Revenue from major services

The following is an analysis of Group's revenue from operations from its major products/services:

(₹ in crore)

	FY 2022-23	FY 2021-22
Interest income		
- on loans	75,912.83	74,344.34
- others	583.10	542.78
Dividend income	103.00	68.86
Fees and commission income	548.79	1,069.58
Other operating income	420.58	236.10
Total Revenue from Operations	**77,568.30**	**76,261.66**

57.3 Information about major borrowers

No single borrower contributed 10% or more to respective companies' revenue for both FY 2022-23 and FY 2021-22.

58. AMOUNTS EXPECTED TO BE RECOVERED / SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES

(₹ in crore)

	Particulars	As at 31.03.2023			As at 31.03.2022		
		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	127.59	-	127.59	914.24	-	914.24
(b)	Bank Balance other than included in Cash & Cash Equivalents	3,902.57	70.86	3,973.43	5,705.25	65.01	5,770.26
(c)	Derivative Financial Instruments	2,937.48	10,847.53	13,785.01	1,324.01	7,266.72	8,590.73
(d)	Trade Receivable	171.17	-	171.17	125.63	-	125.63
(e)	Loans	1,33,824.78	6,99,078.58	8,32,903.36	87,291.13	6,45,559.63	7,32,850.76
(f)	Investments	1,272.39	4,700.50	5,972.89	1,146.91	2,626.60	3,773.51
(g)	Other Financial Assets	369.01	29,463.07	29,832.08	383.72	29,436.63	29,820.35
	Total Financial Assets (1)	**1,42,604.66**	**7,44,160.87**	**8,86,765.53**	**96,890.89**	**6,84,954.59**	**7,81,845.48**
2	**Non- Financial Assets**						
(a)	Current Tax Assets (Net)	26.91	516.17	543.08	29.79	465.46	495.25
(b)	Deferred Tax Assets (Net)	-	7,340.03	7,340.03	0	7,315.37	7,315.37
(c)	Property, Plant and Equipment	-	737.66	737.66	0	668.94	668.94
(d)	Capital Work-in-Progress	-	10.66	10.66	0	53.36	53.36
(e)	Intangible Assets under development	-	11.20	11.20	0	0	0
(f)	Other Intangible Assets	-	1.67	1.67	0	4.41	4.41
(g)	Right of use asset	-	42.97	42.97	0	45.83	45.83
(h)	Other Non-Financial Assets	207.61	433.53	641.14	169.12	382.56	551.68
(i)	Investments accounted for using equity method	-	0.51	0.51	0	0.5	0.5
	Total Non-Financial Assets (2)	**234.52**	**9,094.40**	**9,328.92**	**198.91**	**8,936.42**	**9,135.34**
3	**Assets classified as held for sale**	17.41	-	17.41	19.45	0	19.45
	Total Assets (1+2+3)	**1,42,856.59**	**7,53,255.27**	**8,96,111.86**	**97,109.25**	**6,93,891.01**	**7,91,000.27**
	LIABILITIES						

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

	Particulars	As at 31.03.2023			As at 31.03.2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	87.43	913.84	1,001.27	75.65	580.74	656.39
(b)	Trade Payables	50.86	-	50.86	49.75	-	49.75
(c)	Debt Securities	63,400.22	4,33,329.16	4,96,729.38	55,156.00	3,94,575.56	4,49,731.56
(d)	Borrowings (other than Debt Securities)	72,559.00	1,65,784.00	2,38,343.00	45,795.24	1,48,821.74	1,94,616.98
(e)	Subordinated Liabilities	6,699.20	9,385.94	16,085.14	399.28	15,728.46	16,127.74
(f)	Other Financial Liabilities	1,735.18	29,229.49	30,964.67	3,294.26	29,304.72	32,598.98
	Total Financial Liabilities (1)	**1,44,531.89**	**6,38,642.43**	**7,83,174.32**	**1,04,770.18**	**5,89,011.22**	**6,93,781.40**
2	**Non- Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	28.32	105.02	133.34	23.98	195.17	219.15
(b)	Provisions	336.47	101.64	438.11	168.05	188.5	356.55
(c)	Other Non-Financial Liabilities	311.25	73.54	384.79	312.24	55.77	368.01
	Total Non-Financial Liabilities (2)	**676.04**	**280.20**	**956.24**	**504.27**	**439.44**	**943.71**
3	Liabilities directly associated with assets classified as held for sale	0.02	-	0.02	0.01	0	0.01
	Total Liabilities (1+2+3)	**1,45,207.95**	**6,38,922.63**	**7,84,130.58**	**1,05,274.46**	**5,89,450.66**	**6,94,725.12**

59. DETAILS IN AGGREGATE, FOR INTERESTS IN ALL INDIVIDUALLY IMMATERIAL ASSOCIATES THAT ARE ACCOUNTED FOR USING THE EQUITY METHOD:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Profit or loss from continuing operations	0.01	0.00
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	**0.01**	**0.00**

60. DISCLOSURES IN RESPECT OF ENTITIES CONSOLIDATED AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013

60.1 Share in net assets i.e. total assets minus total liabilities

(₹ in crore)

Name of entity	As at 31.03.2023		As at 31.03.2022	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
PFC Ltd.	60.91%	68,202.23	61.65%	59,350.28
Subsidiaries - Indian				
RECL	51.90%	58,120.51	53.30%	51,314.10
PFC Consulting Limited (PFCCL)	0.15%	163.08	0.12%	111.41
PFC Projects Limited*	0.00%	-	-	-
Associates - Indian				
Chhattisgarh Surguja Power Limited**	-	-	0.00%	-
Coastal Karnataka Power Limited*	-	-	0.00%	-
Coastal Maharashtra Mega PowerLimited**	-	-	0.00%	-
Orissa Integrated Power Limited	0.00%	-	0.00%	-
Coastal Tamil Nadu Power Limited	0.00%	0.08	0.00%	0.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crore)

Name of entity	As at 31.03.2023		As at 31.03.2022	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
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
Tatiya Andhra Mega Power Limited**	-	-	0.00%	-
Deoghar Mega Power Limited	0.00%	0.05	0.00%	0.05
Cheyyur Infra Limited	0.00%	0.05	0.00%	0.05
Odisha Infrapower Limited	0.00%	0.04	0.00%	0.05
Deoghar Infra Limited	0.00%	0.05	0.00%	0.05
Bihar Infrapower Limited	0.00%	0.05	0.00%	0.05
Bihar Mega Power Limited	0.00%	0.05	0.00%	0.05
Jharkhand Infrapower Limited	0.00%	0.04	0.00%	0.05
Adjustments or eliminations effect	(12.95%)	(14,505.05)	(15.06%)	(14,501.17)
Total	**100.00%**	**1,11,981.28**	**100.00%**	**96,275.15**

* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f. 01.07.2022.

** Associates struck off during the year by the Registrar of Companie.s

60.2 Share in profit and loss

(₹ in crore)

Name of entity	As at 31.03.2023		As at 31.03.2022	
	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount
Parent				
PFC Ltd.	54.80%	11,605.47	53.40%	10,021.90
Subsidiaries - Indian				
REC Limited	52.73%	11,166.98	53.47%	10,035.70
PFC Consulting Limited (PFCCL)	0.30%	63.81	0.20%	37.68
PFC Projects Limited*	0.00%	(0.11)		
Joint Venture - Indian**				
Energy Efficiency Services Limited (EESL)	-	-	(0.12)%	(22.40)
Associates - Indian	0.00%	0.01	0.00%	-
Adjustments or eliminations effect	(7.83)%	(1,657.57)	(6.95)%	(1,304.67)
Total	**100.00%**	**21,178.59**	**100.00%**	**18,768.21**

* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f. 01.07.2022.

**EESL ceases to be a Joint Venture w.e.f 01.09.2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

60.3 Share in other comprehensive income

(₹ in crore)

Name of entity	As at 31.03.2023		As at 31.03.2022	
	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Parent				
PFC Ltd.	14.12%	(159.67)	148.74%	180.83
Subsidiaries - Indian				
REC Limited	85.88%	(971.04)	(47.63)%	(57.90)
PFC Consulting Limited (PFCCL)	0.00%	-	0.00%	-
PFC Projects Limited *	0.00%	-		
Joint Venture - Indian**				
Energy Efficiency Services Limited (EESL)	-	-	(0.15)%	(0.19)
Associates - Indian	0.00%	-	0.00%	-
Adjustments or eliminations effect	0.00%	-	(0.96)%	(1.17)
Total	**100.00%**	**(1,130.71)**	**100.00%**	**121.57**

* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f. 01.07.2022.

**EESL ceases to be a Joint Venture w.e.f 01.09.2021.

60.4 Share in total comprehensive income

(₹ in crore)

Name of entity	As at 31.03.2023		As at 31.03.2022	
	As a % of consolidated total comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent				
PFC Ltd.	57.09%	11,445.80	54.01%	10,202.73
Subsidiaries - Indian				
REC Limited	50.86%	10,195.95	52.82%	9,977.80
PFC Consulting Limited (PFCCL)	0.32%	63.81	0.20%	37.68
PFC Projects Limited *	0.00%	(0.11)	-	-
Joint Venture - Indian**				
Energy Efficiency Services Limited	-	-	(0.12%)	(22.59)
Associates - Indian	0.00%	0.01	0.00%	-
Adjustments or eliminations effect	(8.27%)	(1,657.57)	(6.91)%	(1,305.84)
Total	**100.00%**	**20,047.88**	**100.00%**	**18,889.78**

* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f. 01.07.2022.

**EESL ceases to be a Joint Venture w.e.f. 01.09.2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

61. 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.

62. Figures of the previous year have been regrouped/ rearranged wherever necessary, in order to make them comparable.

63. Figures have been rounded off to the nearest crore of rupees with two decimals.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

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]
1	Information for the year ended as on[2]	31.03.2023	31.03.2023	31.03.2023	31.03.2023
2	Date of acquisition/incorporation	28.03.2019	25.03.2008	28.03.2019	06.02.2006
3	Share Capital	2,633.22	0.05	0.09	0.05
4	Reserves & Surplus	54,488.05	163.04	440.84	(0.17)
5	Instruments in the nature of Equity	558.40	-	-	-
6	Total Assets	4,64,877.13	276.97	680.50	1.31
7	Total Liabilities	4,07,197.46	113.88	239.57	1.43
8	Investments	3,137.98	-	78.77	-
9	Turnover[3]	39,208.06	133.03	307.27	-
10	Profit before Taxation	13,738.77	85.45	186.35	(0.11)
11	Provision for Taxation	2,684.13	21.64	46.56	-
12	Profit after taxation	11,054.64	63.81	139.79	(0.11)
13	Proposed Dividend	Nil	Nil	23.40	Nil
14	% of Shareholding	52.63%	100.00%	100.00%	100.00%

Notes:

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
Associates[1]										
1	Sakhigopal Integrated Power Company 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	0.05	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%		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)
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)

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
30	Luhri Power Transmission Limited	31-Mar-23	50,000	0.05	100%		NA	(0.46)	-	(0.51)
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)

Notes:

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 31.03.2023
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
Khetri-Narela Transmission Limited	11-May-22
Mohanlalganj Transmission Limited	30-May-22
Khandukhal Rampura Transmission Limited	7-Oct-22
Kishtwar Transmission Limited	6-Dec-22
Bhadla Sikar Transmission Limited	28-Mar-23
Dharamjaigarh Transmission Limited	28-Mar-23
Raipur Pool Dhamtari Transmission Limited	28-Mar-23
Rajgarh Transmission Limited	30-May-22
MP Power Transmission Package-I Limited	21-Jan-23
ER NER Transmission Limited	10-Oct-22
GADAG II-A Transmission Limited	8-Nov-22
WRSR Power Transmission Ltd.	18-Jan-23
Khavda II-A Transmission Limited	28-Mar-23
Khavda II-B Transmission Limited	21-Mar-23
Khavda II-C Transmission Limited	21-Mar-23
KPS3 Transmission Limited	21-Mar-23
KPS2 Transmission Limited	21-Mar-23
Khavda RE Transmission Limited	21-Mar-23
ERWR Power Transmission Ltd.	21-Mar-23
Neemuch Transmission Limited	24-Aug-22

5. 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 Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Parminder Chopra)
Director (Finance)
DIN: 08530587

Sd/-
(R. S. Dhillon)
Chairman and Managing Director
DIN: 00278074

Signed in terms of our report of even date attached

For Dass Gupta & Associates
Chartered Accountants
Firm's Registration No. 000112N

Sd/-
CA Naresh Kumar
Partner
Membership No. 082069

For Prem Gupta & Company
Chartered Accountants
Firm's Registration No. 000425N

Sd/-
CA Meenakshi Bansal
Partner
Membership No. 520318

Place: New Delhi
Date : May 27, 2023

Notes

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, 2022)
PFC Consulting Limited
REC Limited
PFC Projects Limited(erstwhile Coastal Karnataka Power 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
Bijawar-Vidarbha Transmission Limited[*]
Ananthapuram Kurnool Transmission Limited[*]
Chhatarpur Transmission Limited[*]
Fatehgarh IV Transmission Limited[*]
Fatehgarh III Transmission Limited[*]
Bhadla III Transmission Limited[*]
Fatehgarh III Beawar Transmission Limited[*]
Beawar Dausa Transmission Limited[*]
Siot Transmission Limited[*]
REC Power Development & Consultancy Limited[$]
Bidar Transmission Limited[$]
Chandil Transmission Limited[$]
Dumka Transmission Limited[$]
Koderma Transmission Limited[$]
Mandar Transmission Limited[$]
Sikar Khetri Transmission Limited[$]
Ramgarh II Transmission Limited[$]
Beawar Transmission Limited[$]
Meerut Shamli Power Transmission Limited[$]
Luhri Power Transmission Limited[$]
Neres XVI Power Transmission Limited[$]
Khavda II-D Transmission Limited[$]
KPSI Transmission Limited[$]

*Through PFC Consulting Limited.
[$]Through REC Limited.

Shares Listed at
National Stock Exchange of India Limited
BSE Limited (formerly known as Bombay Stock Exchange Limited)

Depositories
National Securities Depository Limited
Central Depository Services (India) Limited

Company Secretary
Shri Manish Kumar Agarwal

Auditors
Dass Gupta & Associates, Chartered Accountants
Prem Gupta & Company, Chartered Accountants

Secretarial Auditors
Mehta & Mehta, Company Secretaries

Registrar & Share Transfer Agent
KFin Technologies Private Limited
Selenium Building, Tower-B,
Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally,
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

(A Maharatna Company)

नई सोच,
नई राहें

POWER FINANCE CORPORATION LIMITED
(A Government of India Undertaking)

Regd. Office: "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001
Tel.: 011-23456000, **Fax:** 011-23412545, **Website:** www.pfcindia.com
CIN: L65910DL1986GOI024862

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