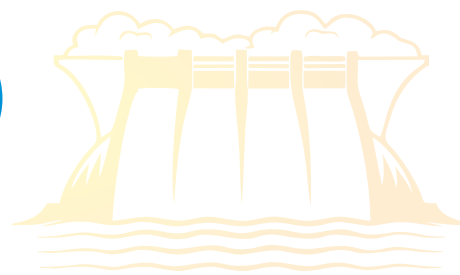


Funding India's Ambitions
POWERING A GREENER FUTURE





Contents



Our Story	02
Board of Directors	20
Directors' Profile	21
Leadership Team	24
Five Year Performance	25
Integrated Reporting	30
Message from Chairman and Managing Director	39
Notice of AGM	45
Board's Report	59
Management Discussion & Analysis Report	89
Report on Corporate Governance	100
Auditor's Certificate on Corporate Governance	130
Business Responsibility & Sustainability Reporting	131
Independent Reasonable Assurance Report	181
Secretarial Audit Report	184
Particulars of Contracts or Arrangements with Related Parties	187
Annual Report on CSR Activities	188
Details of Debenture Trustees	204
Independent Auditors' Report on Standalone Financial Statements	214
Non-Banking Financial Companies Auditor's Report	223
Comments of C&AG of India on Standalone Financial Statements	225
Standalone Financial Statements	226
Independent Auditor's Report on Consolidated Financial Statements	326
Comments of C&AG of India on Consolidated Financial Statements	333
Consolidated Financial Statements	334
Our Presence	439



Our Story



REC Limited is a leading 'Maharatna' Central Public Sector Enterprise and one of the India's largest Non-Banking Financial Company. Presently throughout the power sector value chain, REC has been a partner in every stage of India's transformation journey with its innovative financial solutions. Giving further impetus to the Country's growth, REC has also forayed into financing Non-Power infrastructure and logistics sectors. At REC, we are not just building sound infrastructure, we are enriching the quality of life of every citizen.



Year at a Glance



₹15,713 crore
Net Profit



₹5.67 lakh crore
Loan Book



₹77,638 crore
Net Worth



Illuminating **every**
4th bulb in India



Highest ever disbursements
in a financial year
₹1,91,185 crore



Loan Book has grown at a
robust rate of **~11% YoY**

Landmark REC MOMENTS



Our journey at glance

Journey began to
develop power infrastructure
in rural areas

1969

Conferred Miniratna
(Category-1) Status

2002

1998

Registered as
NBFC with RBI

Mandate broadened
to finance all power
segments

2003

Conferred IFC
status by RBI

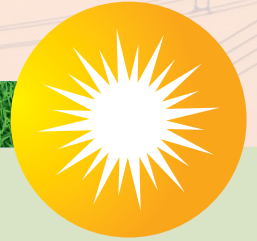
2010

Conferred Navratna Status,
Floated IPO subscribed 27 times

2008



Appointed as National programme implementing agency for PM Surya Ghar Muft Bijli Yojana, Maiden Yen Bond issuance of JPY 61.1 billion



2024

Conferred 'Maharatna', highest Status for CPSEs. Forayed into Infrastructure & logistics sector

2022

As Nodal Agency, achieved 100% Household Electrification

2025

REC becomes first public sector NBFC to achieve ISO 31000 : 2018 Independent Opinion Statement from BSI

2019

2023

Issuer of largest Green Bond of USD 750 million in South & South-East Asia, the first post India's G20 Presidency

2021

Appointed as Nodal Agency for RDSS

2017

First Indian PSU to issue USD Green Bonds on London Stock Exchange



What We Do

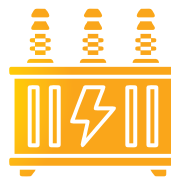


REC provides long terms loans and other financial products to State, Centre and Private Sector Companies for creation of assets and other requirements in the Country. REC finances the following sectors:

Power Sector Infrastructure



GENERATION



DISTRIBUTION

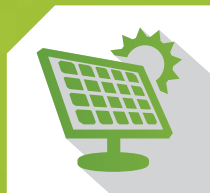


TRANSMISSION



COAL MINES

Renewable Energy and New Technology



Solar



Wind



Pumped Storage



Green Hydrogen



BESS



Smart Meter



E-Mobility

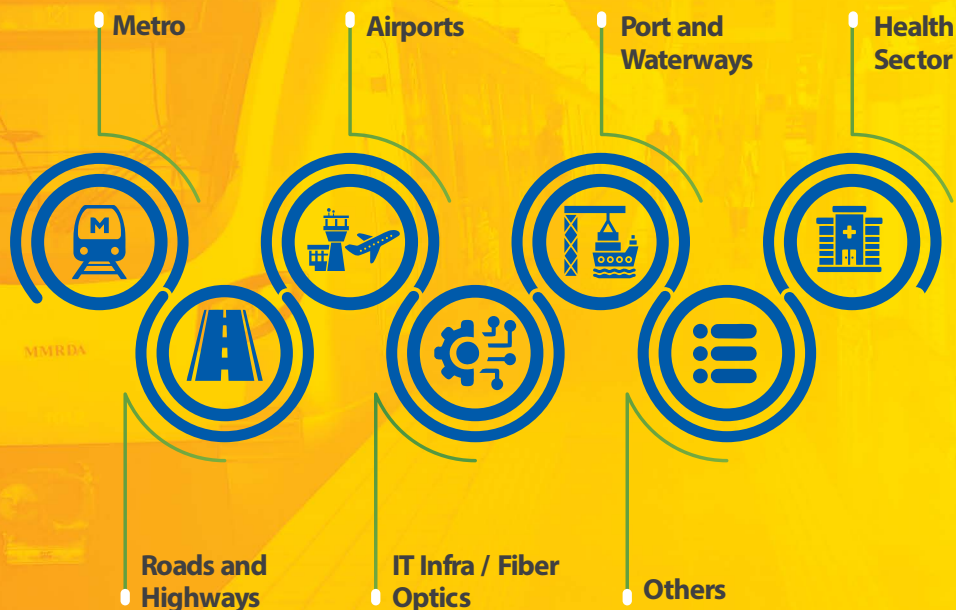


Bio Mass



Others

Infrastructure & Logistics Sector (Non-Power)



Partner to the
Government of India



REC has been instrumental in fulfilling the Government of India's targets in strengthening the power sector and taking the light of development and prosperity to every corner of the nation.

From electrifying every village and every household to revamp the power distribution sector and implementing the PM Surya Ghar Muft Bijli Yojana, REC is the Government's trusted arm in implementation of wide range of schemes and policies.

Government's Trusted Arm





Mission & Vision



To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.

To act as a competitive, client-friendly and development-oriented organisation for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the Country.



Our Products



LONG TERM LOANS

Long-term loans to State, Centre and Private Sector Companies for Power and Infrastructure projects.



DEBT- REFINANCING

Debt refinancing scheme for borrowers to reduce their interest costs. This facility is available generally for commissioned projects.



FINANCING OF EQUIPMENT MANUFACTURING

Term loans to manufacturers of equipment or materials used in the power sector.



SHORT TERM /MEDIUM TERM LOANS

Loans are offered to borrowers to power utilities to meet their immediate working capital requirements, including purchase of fuel for power plants, system, and network maintenance, etc. for a tenure of 1 to 3 years.



REVOLVING BILLS PAYMENT FACILITY (RBPF)

Available for DISCOMs for payment of power purchase dues and transmission charges of GENCOs & TRANSCOs, Private Sector TRANSCOs, IPPs and RE Generators.



OTHERS

Non-fund based products like Letter of Undertaking (LOU), in lieu of Bank Guarantee, etc.



Corporate Objectives



At REC, the corporate objectives are deeply focused on promoting the socio-economic development of our nation.

With advanced financial solutions & streamlined operations, we are committed towards advancing the sustainable development goals of our nation while building sound infrastructure that supports the aspirations of every Indian.



An Integrated Approach

To promote and finance projects aimed at integrated system improvement, power generation, promotion of decentralized and non-conventional energy sources, energy conservation renovation and maintenance, power distribution with focus on pump-set energization, implementation of Revamped Distribution Sector Scheme, a Government of India's scheme and to also finance infrastructure and logistics sector projects.



Diversification into other related areas

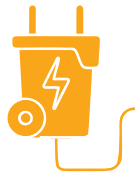
To expand and diversify into other related areas and activities like financing of decentralized power generation projects, use of new and renewable energy sources, consultancy services, transmission, sub-transmission and distribution systems, renovation, modernization & maintenance etc. for optimization of reliability of power supply to rural and urban areas including remote, hill, desert, tribal, riverine and other difficult/remote areas.





Scaling up Power Sector Growth

To mobilize funds from various sources including raising of funds from domestic and international agencies and sanction loans to the State Electricity Boards, Power Utilities, State Governments, Rural Electric Cooperatives, Non-Government Organizations (NGOs) and private power developers.



Advanced Fiscal Solutions

To optimize the rate of economic and financial returns for its operations while fulfilling the corporate goals viz. (i) laying of power infrastructure; (ii) power load development; (iii) rapid socio-economic development of rural and urban areas; and (iv) technology up-gradation.



Streamlined Operations

To ensure client satisfaction and safeguard customers' interests through mutual trust and self-respect within the organization as well as with business partners by effecting continuous improvement in operations and providing the requisite services.



Environment of Confidence

To assist State Electricity Boards/Power Utilities/State Governments, Rural Electric Cooperative and other loanes by providing technical guidance, consultancy services and training facilities for formulation of economically and financially viable schemes and for accelerating the growth of rural and urban India.

ESG at REC



**2023
JAN**

REC ESG Policy
REC adopted Board approved ESG policy

**2023
JUNE**

ESG Targets

Assigned Company wide ESG targets for quarterly compliance

**2024
FEB**

ESG Gap Assessment

New ESG related policies introduced, human rights and well being trainings were organized

**2024
APR**

Baselining of GHG Emissions

Assessment of GHG emissions of all REC offices

**2024
AUG**

ESG Report

Published 1st ever ESG report referenced to GRI format

**2024
OCT**

REC Net Zero Plan

REC committed to Net Zero in Scope 1 & 2 emissions

**2025
JAN**

Stakeholders ESG Assessment

ESG Assessment of Private Borrowers and Suppliers started

Highlights of ESG Performance during FY 2024-25



ENVIRONMENT

Avoided Emissions of RE Projects funded for FY25 (PCAF Method)

6.1 million t CO₂ (17.4%↑)

Total RE Capacity Sanctioned by REC

52 GW

RE Projects supported by REC

₹82,275 crore

RE Loan Book Growth

49%

REC Corporate office has STP that treats 100% waste water

Zero Discharge

Conversion of Conventional office fleet to EV

76%

In house Roof top solar contribution in office electricity consumption

34.7%

Waste Management

Onboarded Authorized Vendor



SOCIAL

Complaints on Human Rights & POSH

Zero

Community Expenditure

₹289 crore (17%↑)

Lost Time Injury Frequency Rate (LTIFR)

Zero

Instances of Data Breaches

Zero

Employee Turnover Ratio

6.08%

Women Employee Ratio

15%

Gender Pay Gap at Grade Level

Zero

Graduate Apprentice supported (Nos.)

44



GOVERNANCE

Total Board Meetings

15

Training on NGRBC and ESG to BoD & KMP

100%

Training man days to employees and stakeholders by RECIPMT

18,935

Training man days on ethics, code of conduct

437

Women ratio in the Board

16.67%

ESG Risk rating by Sustainalytics

17.1 (Low Risk)

ESG Score by CRISIL

62 (↑Strong)

ESG Score by SES

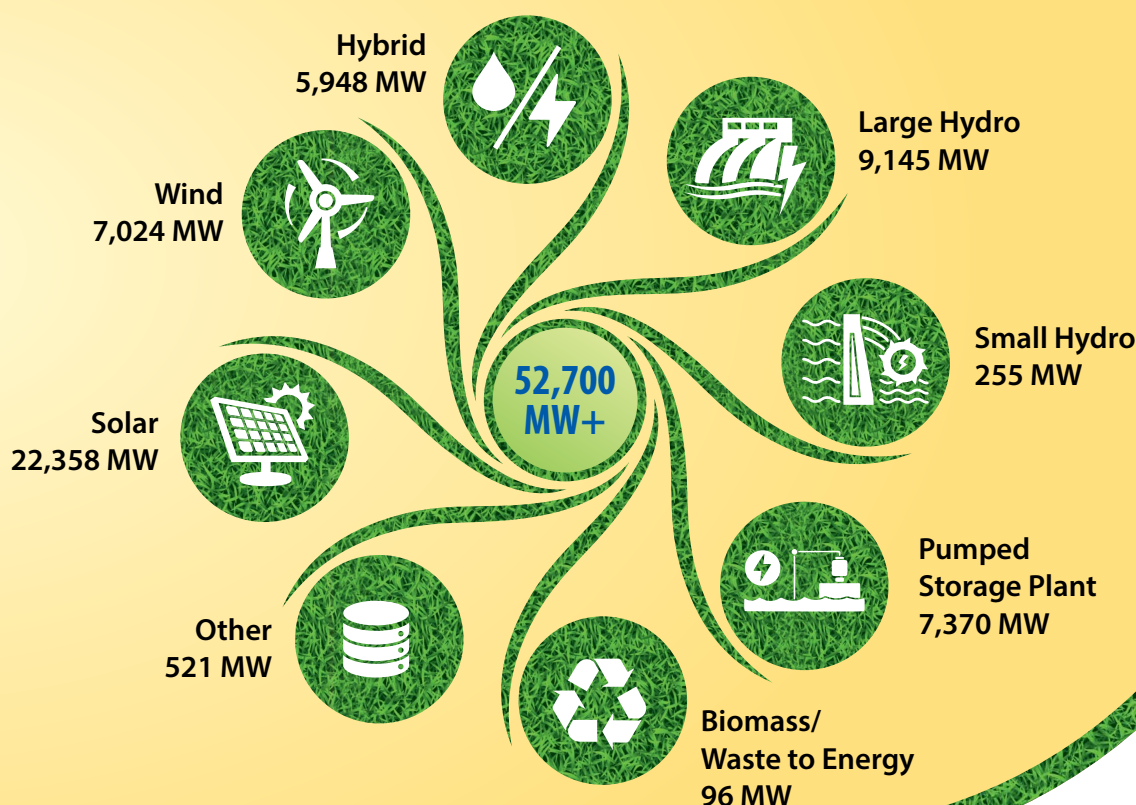
76.3 (↑B+)

REC's Contribution for Clean Energy Projects



For India's energy transition, REC, being the stepping stone, has tailored its lending strategies to align with nation's commitment towards harnessing clean and green energy sources.

Projects Supported



Renewable Loan Asset (₹ in crore)

Renewable Loan Book: ₹57,994 crore

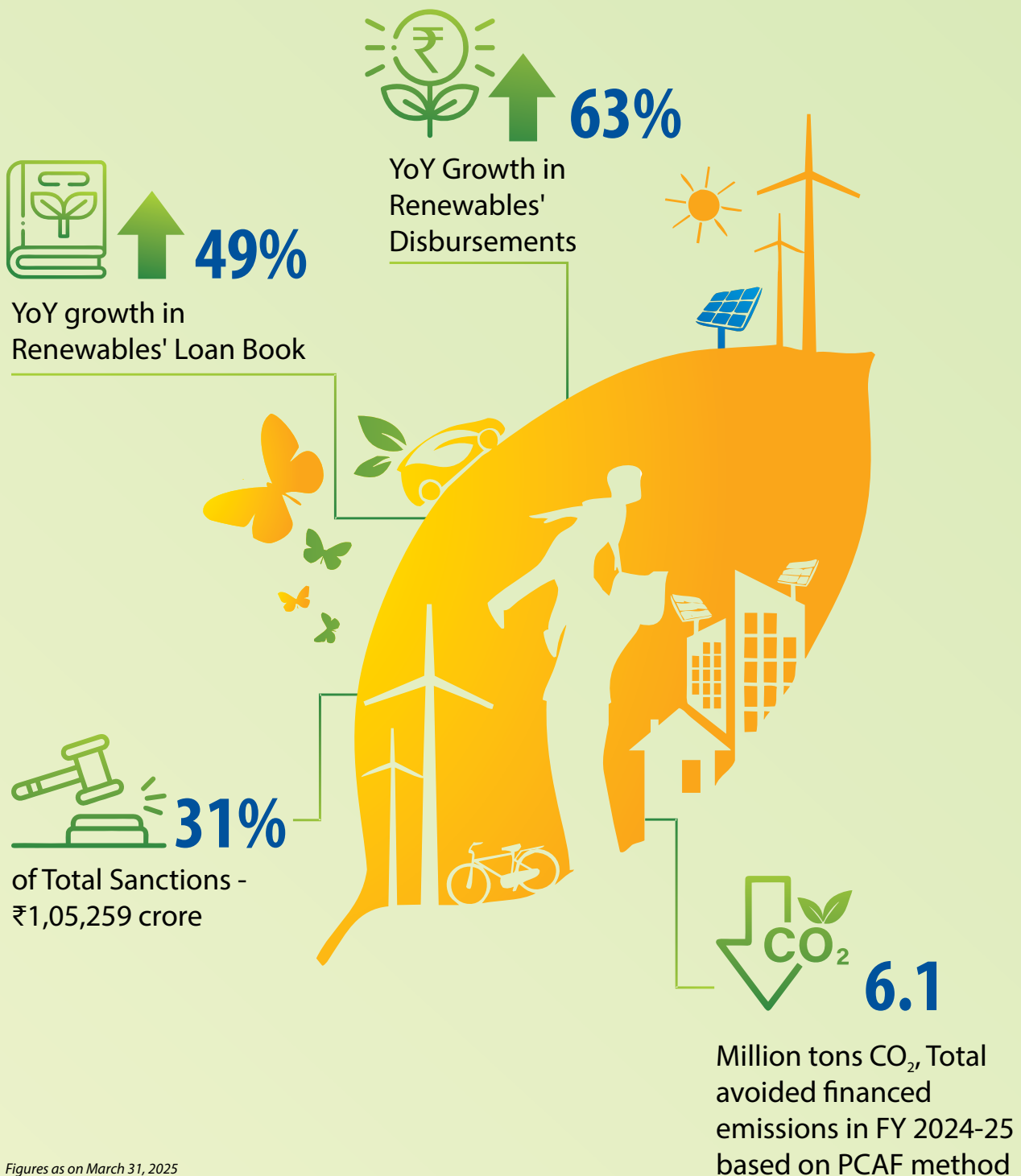


Figures as on March 31, 2025

Strategic Lending for a Sustainable Future



REC, through focusing on Green Infrastructure financing, demonstrates its unwavering commitment for '**Panchamrit**' goals & fostering environmental sustainability.



Figures as on March 31, 2025

'Panchamrit' strategy is a 5-point commitment towards mitigating climate change.

Company Information



Corporate Identification Number



L40101DL1969GOI005095

Registered Office



Core-4, SCOPE Complex, 7, Lodhi Road,
New Delhi – 110003
Tel: +91-11-4309 1500

Corporate Office



REC World Headquarters
Plot no. I-4, Sector 29, Gurugram,
Haryana-122001
Tel: +91-124-444 1300

Chief Vigilance Officer



Smt. Vinita Narera

Company Secretary



Shri J.S. Amitabh

Corporate website & Email



- www.recindia.nic.in
- contactus@recindia.com

Equity shares listed on



- National Stock Exchange of India Limited
- BSE Limited

Statutory Auditors



- M/s Kailash Chand Jain & Co.
Chartered Accountants
- M/s SCV & Co. LLP, Chartered Accountants

Secretarial Auditor



- M/s Agarwal S. & Associates
Company Secretaries

Bankers



Awards & Recognition



Board of Directors

as on July 1, 2025



Shri Jitendra Srivastava

Chairman & Managing Director and
Director (Projects) (Additional Charge)



Shri Harsh Baweja

Director (Finance) &
Chief Financial Officer



Shri Shashank Misra

Government Nominee Director



Shri Manoj Sharma

Nominee Director of
Power Finance Corporation Limited



Shri Narayanan Thirupathy

Independent Director



Dr. Gambheer Singh

Independent Director



Dr. Durgesh Nandini

Independent Director



Directors' Profile



Shri Jitendra Srivastava

(DIN: 06817799)

Chairman & Managing Director and
Director (Projects) (Additional Charge)

Shri Jitendra Srivastava is the Chairman & Managing Director of REC Limited since April 22, 2025. He is an IAS Officer from Bihar Cadre (2000 Batch) and is a seasoned civil servant with over 25 years of distinguished service. He holds a degree in B.A. (Hons) in Economics from Delhi University's Hansraj College and is also an MBA (Finance) from Cochin University of Science and Technology.

Shri Jitendra Srivastava has served as Joint Secretary in the Department of Drinking Water & Sanitation, Ministry of Jal Shakti from January 2023 onwards. Earlier, he served as Secretary to Government of Bihar in Home Department and Public Health Engineering Department (PHED). Over the years, he has held several key administrative and leadership roles across the Government of India and the Government of Bihar.

His postings have included important assignments in sectors such as finance, power, education, public health and infrastructure.

He is also the *ex-officio* Chairman on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC.

Shri Jitendra Srivastava holds Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Shri Harsh Baweja

(DIN: 09769272)

Director (Finance) & Chief Financial Officer (CFO)

Shri Harsh Baweja is Director (Finance) & CFO of REC Limited since May 14, 2024. He is a Chartered Accountant with an impressive 34-year tenure in steering financial operations across multiple institutions. As a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a holder of a Diploma in Information systems Audit from ICAI, his credentials reflect proven track record in navigating complex financial landscapes.

With a wealth of experience spanning over three decades, his previous role as Executive Director (Finance) at REC showcased his adeptness in leading both state and private sector financing, showcasing exceptional acumen in managing diverse business verticals and financial portfolios. His tenure at REC saw him steer the organization through diverse financial challenges, demonstrating a keen understanding of financing sector. His expertise includes organisational and financial planning, formulation of financial policies, financial accounting, management control systems, lending operations, cash and fund management, tax planning, optimisation of financial resources & its mobilisation and liaison with financial institutions, capital market players & State's top officials at the helm of affairs.

With extensive experience overseeing REC's business in key locations, he possesses an intimate understanding of the intricate financial dynamics within the energy sector. As Director (Finance), he is spearheading REC's financial strategies, ensuring the Company's continued financial resilience and facilitating its ongoing initiatives towards sustainable development. He is a Director on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC. He is also Nominee Director of REC on the Board of Jaipur Vidyut Vitran Nigam Limited and Southern Power Distribution Company of Andhra Pradesh Limited.

Shri Harsh Baweja holds 6,745 equity shares of ₹10/- each in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Shri Shashank Misra

(DIN: 08364288)

Government Nominee Director

Shri Shashank Misra is Government Nominee Director on the Board of REC Limited since August 21, 2023. He is an IAS Officer (Madhya Pradesh: 2007) and holds B. Tech in Electrical Engineering from IIT Delhi. Presently, he is posted as Joint Secretary in the Ministry of Power, Government of India. Prior to joining in Ministry of Power, he has served in Department of Revenue, Ministry of Finance, Government of India.

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

Shri Shashank Misra holds Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Shri Manoj Sharma

(DIN: 06822395)

Nominee Director of

Power Finance Corporation Limited

Shri Manoj Sharma has been appointed on the Board of REC Limited as the Nominee Director of Power Finance Corporation Limited, with effect from July 11, 2023. He is a Chartered Accountant with a degree in law (LLB) and currently working as Director (Commercial) in PFC.

He has more than 35 years of experience in power sector. In PFC, he has handled multiple areas & domains including institutional appraisal & development, entity appraisal, legal, 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 policy framework to guide appraisal, compliance with applicable regulatory and statutory frameworks, monitoring conditions, facilitating disbursement, resolution mechanism for stressed accounts. He is Chairman of PFC Projects Limited, a subsidiary of PFC, an SPV incorporated for submission of lenders' backed resolution plan by PFC for resolution of stressed assets and also Chairman of Jharkhand Infrapower Limited. Further, he's Director on the Board of Bihar Mega Power Limited, Deoghar Mega Power Limited, PFC Consulting Limited and PFC Infra Finance IFSC Limited.

Shri Manoj Sharma holds Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Shri Narayanan Thirupathy

(DIN: 10063245)

Independent Director

Shri Narayanan Thirupathy has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from March 6, 2023. He holds a Bachelor's degree in Economics from the University of Madras and is a popular Television debater and Social worker from Tamil Nadu. He has been working for the development of poor, downtrodden people for more than 37 years.

Shri Narayanan Thirupathy is the founder of a social forum called "Theervu" which means Justice, through which he has created awareness about the socio economic and industrial policies of the country and popularised the concept of good governance with the people of Tamil Nadu. He is well known for his immense contribution to create peace, communal harmony and social justice.

Shri Narayanan Thirupathy holds Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Dr. Gambheer Singh

(DIN: 02003319)

Independent Director

Professor Dr. Gambheer Singh has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from April 17, 2025. He was earlier holding the position of Part-time Non-Official (Independent) Director on the Board of REC from November 15, 2021 to November 14, 2024.

He is MBBS from Gandhi Medical College, Bhopal and Master of Surgery from G.R. Medical College, Gwalior. He also holds life membership of Association of Surgeons of India, Association of Breast Surgeons of India and Indian Medical Association.

He is presently the Dean of Raipur Institute of Medical Sciences in Chhattisgarh. He has more than 25 years of teaching experience, having served in G.R. Medical College, Gwalior and Pandit Jawahar Lal Nehru Memorial Medical College, Raipur. He is running a 50-bedded multi-specialty hospital in Raipur since 2008.

He is regularly educating the villagers of GPM district, for plantation of medicinal trees, having numerous health benefits.

He has also published more than 10 national and international papers in various index journals and has been an examiner of under-graduate and post graduate examinations.

Dr. Gambheer Singh holds Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Dr. Durgesh Nandini

(DIN: 09398540)

Independent Director

Dr. Durgesh Nandini has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from April 17, 2025. She was earlier holding the position of Part-time Non-Official (Independent) Director on the Board of REC from December 30, 2021 to December 26, 2024.

She holds a Master Degree in Arts from Gorakhpur University, Masters in Education from Maharshi Dayanand University, Rohtak and a doctorate degree in Political Science from Dr. B.R. Ambedkar University, Agra.

She has earlier served as Principal in a prestigious girls' inter-college and has been a key contributor in the field of education, through her involvement in editing of primary level textbooks and training modules in the Department of Elementary Education, Government of Haryana. She has rich and varied experience in addressing key social issues under the banner of national level volunteer organization "Jagriti".

She is actively contributing as a social worker in the fields of health, women empowerment, child development and environment preservation. She is working on a project for economic development of women and is cooperating with Aparajita Foundation for social justice issues.

Dr. Durgesh Nandini holds Nil equity shares in the Company. Further, she has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Leadership Team

as on July 1, 2025



Smt. Vinita Narera
Chief Vigilance Officer



Shri T. S. C. Bosh
Executive Director (Technical) &
CEO - RECPDCL



Shri J.S. Amitabh
Executive Director (Law) &
Company Secretary



Smt. Valli Natarajan
Executive Director (Technical)



Shri Rajesh Kumar
Executive Director (Finance)



Shri N. Venkatesan
Executive Director (Technical)



Shri Arun Kumar Tyagi
Executive Director (Finance) & HR



Shri Kuldeep Rai
Executive Director (Technical)



Shri Saurabh Rastogi
Executive Director (Technical)



Shri Dharmendra Nagpal
Executive Director (Technical)



Shri Prabhat Kumar Singh
Executive Director (Technical)



Shri J. K. Nayak
Executive Director (Finance)



Shri Pradeep Fellows
Executive Director (CSR)



Shri D. B. Londhe
Executive Director (Technical)



Shri M. L. Kumawat
Executive Director (Finance)



Shri Subrata Aich
Executive Director (Finance) & CRO



Shri Narendra Kumar Maurya
Executive Director (Finance)



Shri Chandra Sekhar Sakhamuri
Executive Director (PMSGMBY)



Smt. Saraswathi
Executive Director (Technical)



Shri V. Lakshmana Charyulu
Executive Director (Finance)



Five Year Performance



(₹ in crore)

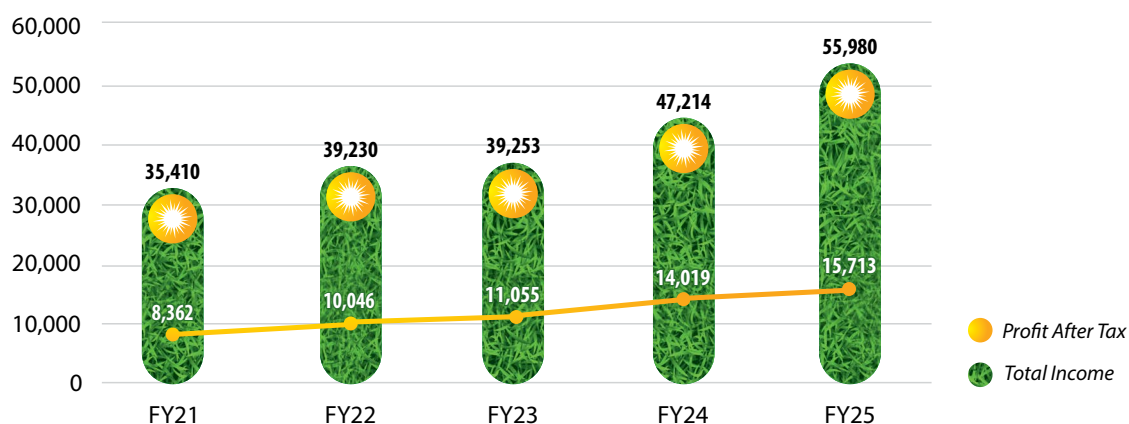
Particulars	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
SHAREHOLDERS' FUND (at the end of the year)					
Equity Share Capital	2,633.22	2,633.22	2,633.22	1,974.92	1,974.92
Instruments entirely Equity in nature	558.40	558.40	558.40	558.40	558.40
Other Equity/Reserves & Surplus	74,446.35	65,591.53	54,448.05	48,452.28	40,893.05
Net Worth	77,637.97	68,783.15	57,679.67	50,985.60	43,426.37
BORROWINGS (at the end of the year)					
From Government of India/NSSF	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bonds/Debentures	2,56,433.17	2,25,589.17	1,98,115.65	1,83,291.97	2,04,119.67
From Financial Institutions	2,500.00	8,050.00	6,000.00	6,800.00	5,800.00
Foreign Currency Borrowings	1,22,857.44	1,00,169.39	78,440.04	65,957.45	47,486.43
Term Loans from Banks	41,879.47	50,612.28	56,298.20	42,878.32	29,938.58
Commercial Papers	-	-	-	-	-
Short-Term/Demand Loans/Others	54,588.43	43,522.75	25,762.53	17,916.55	25,166.32
Total	4,88,258.51	4,37,943.59	3,74,616.42	3,26,844.29	3,22,511.00
FUND MOBILIZATION (during the year)	1,42,203.99	1,46,747.00	86,984.00	73,962.93	99,244.53
FINANCING OPERATIONS (during the year)					
Projects approved (in nos.)	713	782	562	370	441
Financial assistance sanctioned	3,37,179.37	3,58,816.34	2,68,460.54	54,421.76	1,54,820.87
Disbursements*	1,91,184.67	1,61,462.28	97,911.86	69,467.87	97,928.11
Repayments of Principal by borrowers	1,30,942.58	86,414.33	46,294.55	56,197.10	37,994.03
Outstanding at the end of the year	5,66,883.29	5,09,370.95	4,35,011.79	3,85,371.26	3,77,418.15
WORKING RESULTS (during the year)					
Total Income	55,979.62	47,214.15	39,252.73	39,230.45	35,410.44
Finance Costs including Net Exchange Loss, Fees & Commission Expenses	34,356.79	30,140.10	24,867.99	22,868.69	21,829.29
Provisions and Contingencies/ Impairment on financial instruments	1,019.41	(1,358.39)	114.91	3,473.31	2,419.62
Other Expenses	719.25	628.08	506.97	445.59	395.87
Depreciation	24.39	23.72	24.09	17.96	9.53
Profit Before Tax	19,859.78	17,780.64	13,738.77	12,424.90	10,756.13
Provision for Taxation/Tax Expenses	4,146.57	3,761.43	2,684.13	2,378.98	2,394.35
Profit After Tax	15,713.21	14,019.21	11,054.64	10,045.92	8,361.78
Other Comprehensive Income for the period	(1,516.80)	1,044.27	(971.04)	(59.07)	456.52
Total Comprehensive Income	14,196.41	15,063.48	10,083.60	9,986.85	8,818.30
Dividend on Equity	4,739.80	4,213.16	3,317.86	3,021.62	2,510.12

* includes disbursement of loans as well as disbursement of grant/subsidy received from the Government under various schemes

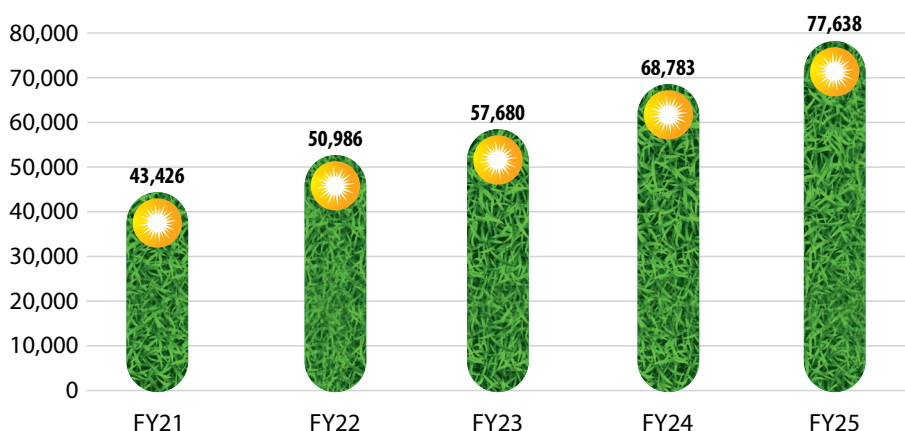
Five Year Performance



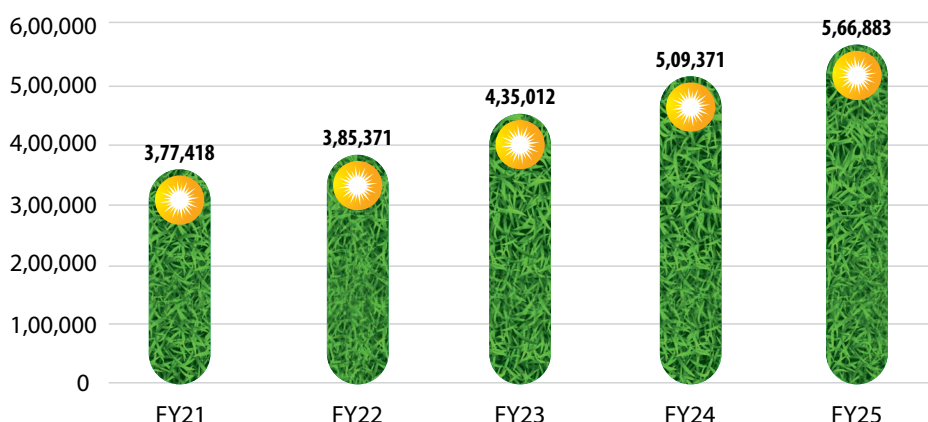
Total Income and Profit After Tax (₹ in crore)



Net Worth (₹ in crore)

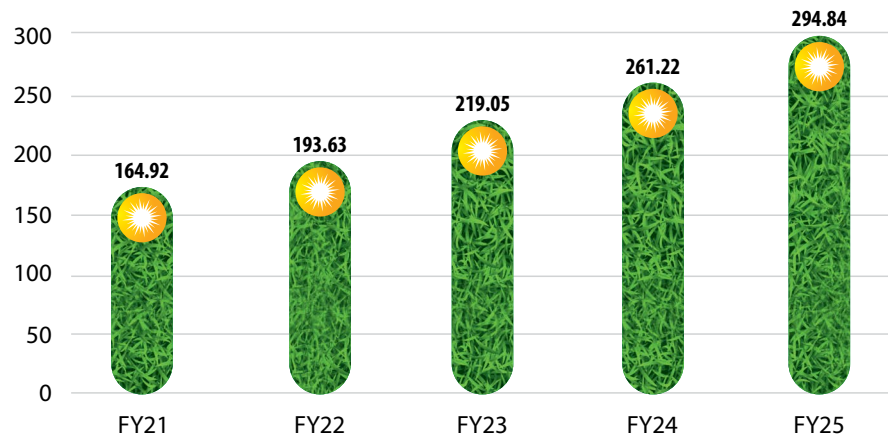


Loan Book (₹ in crore)

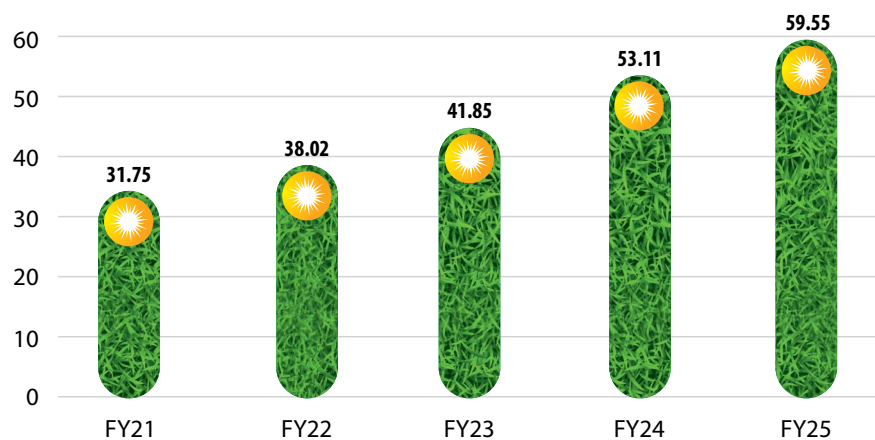




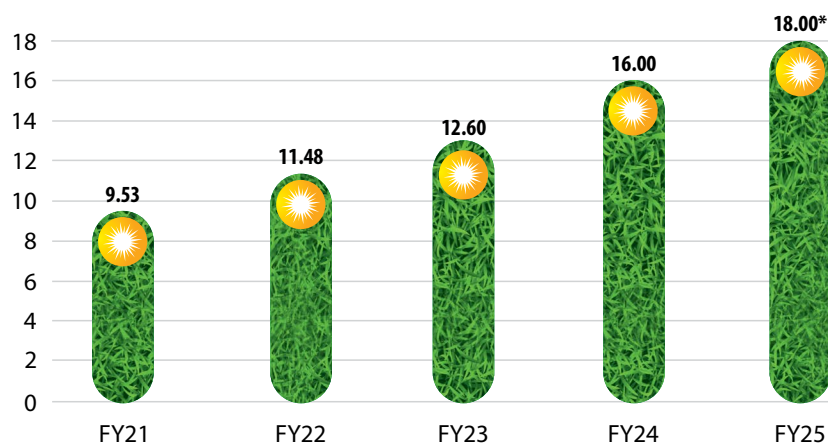
Book Value Per Share (₹)



Earning Per Share (₹)



Dividend Per Share (₹)



*Includes final dividend of ₹2.60/- per share subject to approval of shareholders.

Note: Figures of previous years of book value, EPS and dividend in above graphs are adjusted on account of issue of bonus shares in the ratio of 1:3 during the financial year 2022-23.

Pan India Presence

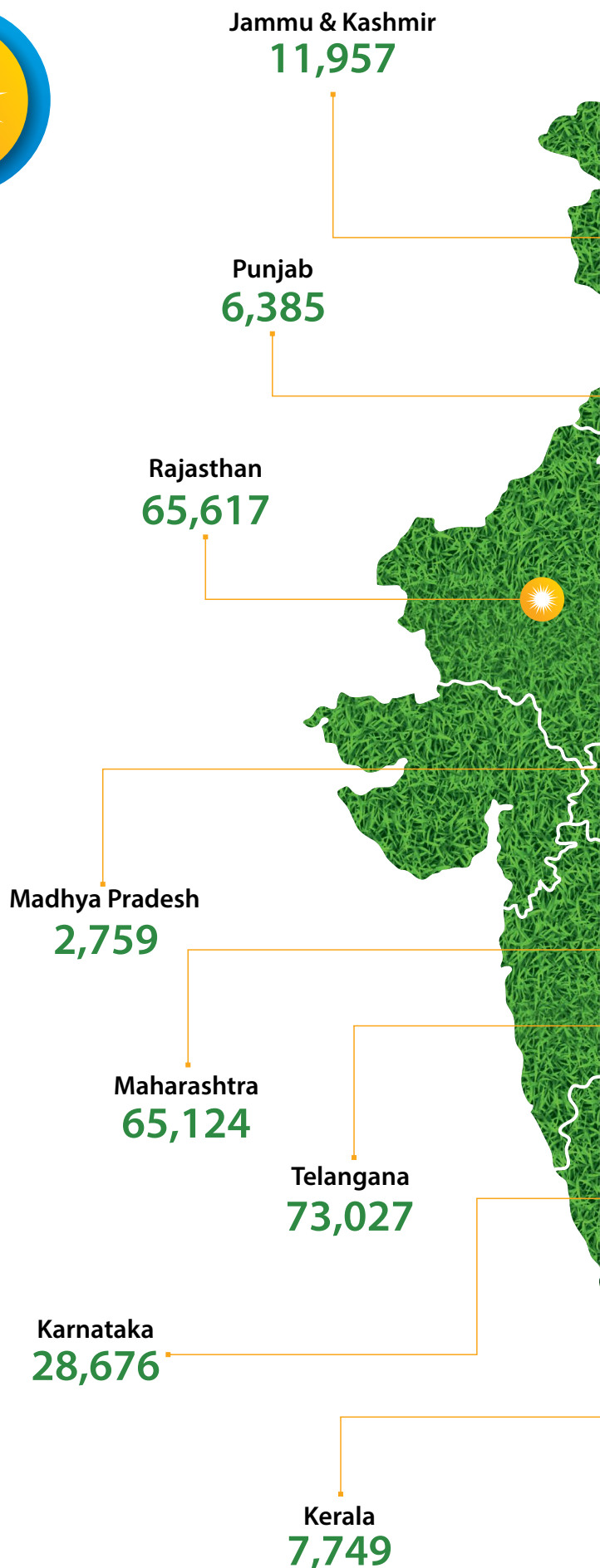


Loan Book

State/ Joint Sector Borrowers
₹4,94,578 crore

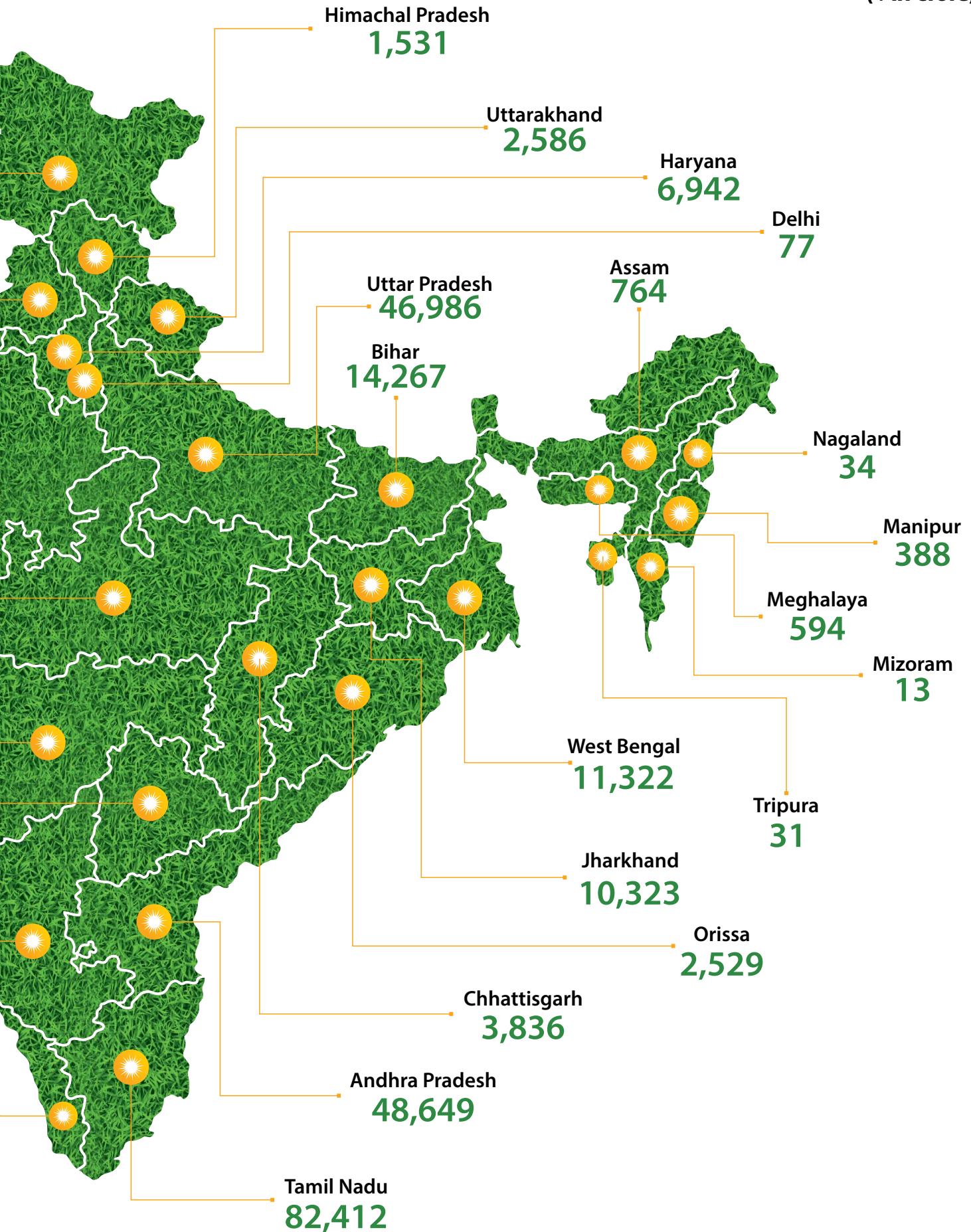
Private Sector Borrowers
₹72,305 crore

Total Loan Outstanding
₹5,66,883 crore





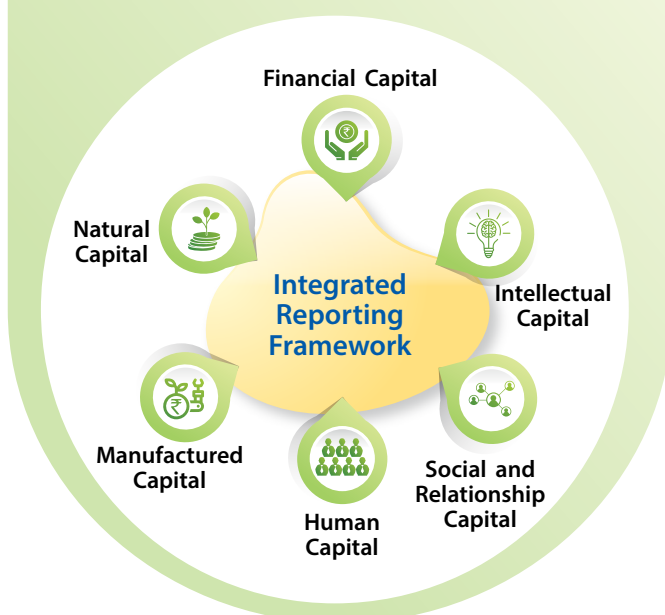
(₹ in crore)



Note: Map not to scale and is for illustration purposes only

Integrated Reporting

Integrated Reporting (IR) offers a concise and holistic overview of an organization's strategy, governance, performance and future outlook, all within the context of its external environment. The IR framework is designed to demonstrate how an organization creates value over the short, medium and long term by highlighting the resources and relationships it relies upon. By encompassing financial and non-financial aspects including economic, social and environmental contributions - IR promotes greater transparency and accountability. The Company has voluntarily adopted the International Integrated Reporting Council (IIRC) framework in preparing this report. This globally recognized framework encourages disclosure across six forms of capital, supporting informed decision-making and long-term strategic planning.



REC Limited is a Non-Banking Financial Company (NBFC), classified as an Infrastructure Finance Company (IFC). The Company offers a comprehensive suite of financial services across the power sector covering generation, transmission and distribution for both renewable and conventional energy sources, catering to public and private sector clients. In addition, REC has diversified its lending portfolio to include the non-power infrastructure and logistics sectors as under:



REC also plays a pivotal role as a nodal agency and project implementation/management partner for several Government of India initiatives of national significance.

As a Government Company, REC operates under the administrative control of the Ministry of Power (MoP), Government of India. Since the financial year 2018-19, the majority equity stake in REC has been held by Power Finance Corporation Limited (PFC), a Maharatna Central Public Sector Enterprise (CPSE) under the MoP. REC's annual performance targets are formalized through a Memorandum of Understanding (MoU) with PFC (previously with MoP) and are assessed under a framework established by the Department of Public Enterprises (DPE) and the administrative ministry. For the financial year 2024-25, REC's performance under the MoU is expected to be rated "Excellent," subject to final evaluation by DPE. The Company received an "Excellent" rating for the financial year 2023-24.

REC's governance framework complies with all applicable statutory laws and regulations, with the exception of a shortfall in the number of Independent Directors on its Board, details of which are provided in the Report on Corporate Governance. As an NBFC, REC also adheres to directives issued by the Reserve Bank of India (RBI). The Company's governance philosophy is codified in its Internal Guidelines on Corporate Governance, accessible at <https://recindia.nic.in/policies>.

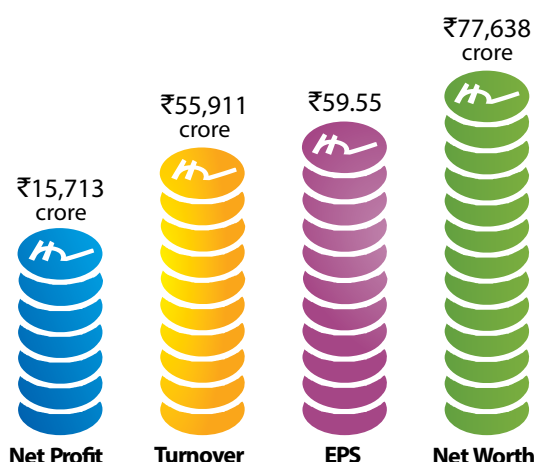
REC is committed to expanding its clean energy portfolio to approximately 30% of its total loan book by March 2030. This strategic goal will be pursued through targeted investments across the six capitals i.e. Financial Capital, Manufactured Capital, Intellectual Capital, Social & Relationship Capital, Human Capital and Natural Capital. Each of these capitals plays a vital role in enabling REC to drive sustainable growth and create long-term value, as detailed in the sections below:

Financial Capital



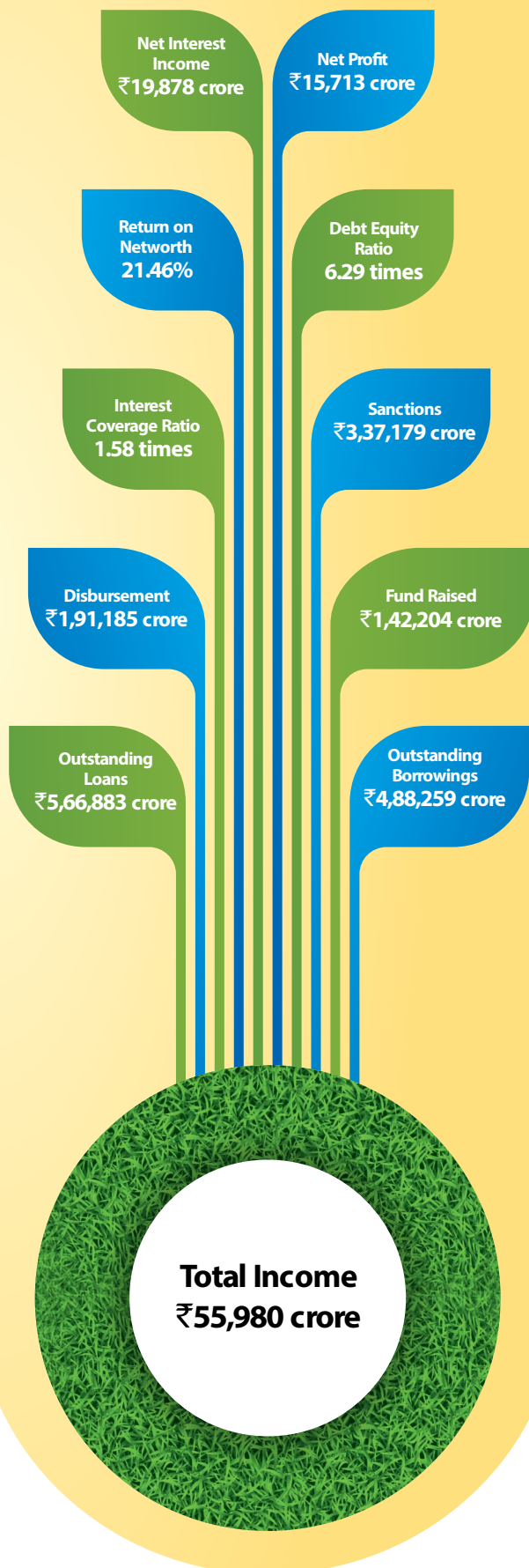
Financial Capital, in the context of REC, represents the pool of funds available for lending to the power, Infrastructure and Logistics sectors. This capital enables REC to remain responsive to customer needs while continuing to generate value for all stakeholders.

REC has posted an impressive performance during the financial year 2024-25, as detailed below:





The financial highlights for the financial year 2024-25 are as under:

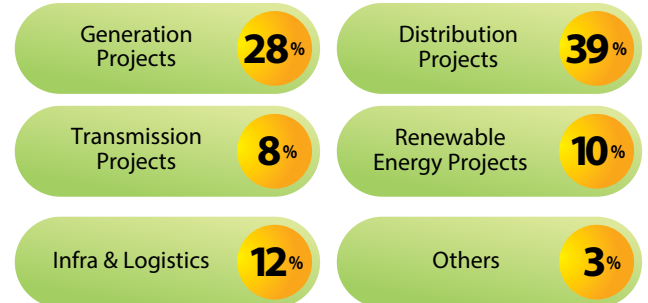


Given the nature of REC's business, borrowings serve as the primary source of funding. It includes a diverse mix of instruments such as Institutional Bonds, Foreign Currency Borrowings, FCNR (B) Loans, Capital Gain Bonds, Tax-Free Bonds, Infrastructure Bonds, Commercial Paper and loans from banks, financial institutions and multilateral agencies. Securing funds at competitive rates is essential to maintaining profitability in the financing sector. REC has consistently demonstrated its ability to raise capital efficiently. The overall annualized cost of funds during the financial year 2024-25 was 7.11%.

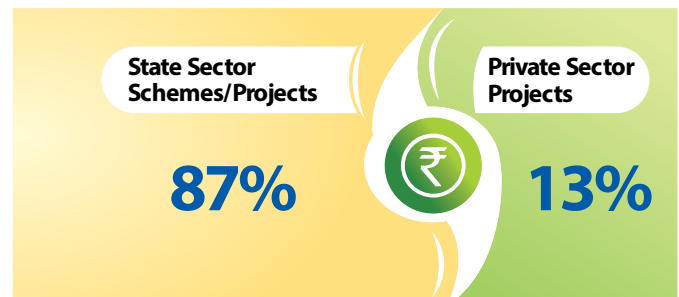
The credit rating of REC are as follows:

Particulars	Credit Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short term Borrowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)

As on March 31, 2025, REC's loan portfolio was categorized as under:



REC's Loan Portfolio



REC's Non-Performing Assets (NPAs) remain among the lowest in the industry, reflecting the Company's robust credit appraisal and risk management practices. Through effective deployment of its financial capital, REC has consistently delivered value not only to its shareholders and investors but also towards the broader economic development of the country. The Company has maintained strong profitability and has a track record of regular dividend payments, reinforcing its commitment to shareholder returns and financial discipline.

Green Finance

REC's Commitment to Green Finance

At REC, we recognize the critical role that financial institutions play in addressing global environmental challenges. Our commitment to sustainable finance reflects our dedication to fostering economic development while ensuring the health of our planet for future generations. We are dedicated to integrating environmental, social, and governance (ESG) considerations into our lending practices, investment strategies and corporate policies.



Green Finance Framework

As a part of sustainable financing initiative, REC has established Green Finance Framework as the basis to issue green bonds, loans and any other financial instruments ("Green Financing Instruments") which are used to finance and/ or refinance Eligible Green Projects. The purpose of this Framework is to have a single methodology in place for all future Green Financing, that is consistent with REC's sustainable values. The Framework is aligned with the Climate

Bonds Standard version 3.0; The Green Bond Principles 2021 published by ICMA and the Green Loan Principles 2021 published by the LMA, APLMA and LSTA. The Green Bond Framework of REC is drafted aligning with the GBP's/ GLP's four core components: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds and Reporting.

Eligibility Criteria for Green Projects



Renewable Energy Projects

Solar (>85% electricity from solar resources), wind, hydro power, biomass geothermal, sea & ocean-derived energy sources, energy distribution & management, energy storage, financial assistance for Power Utilities, etc.

01



Energy Efficiency Projects

Projects aiming to promote energy efficiency and reducing electricity grid losses, thermal heat storage, communal heating systems (excluding coal-fires resources).

02



Sustainable Water Management

Investment in water collection, treatment, recycling, re-use, technologies and infrastructure and sewage treatment facilities using recycled water.

03



Sustainable Waste Management

Financing of waste minimization, collection, management, transportation, disposal, re-use and recycling, including waste-to-energy power plants.

04



Pollution Prevention and Control

Waste-to-energy facilities for generation of electricity and/ or heat.

05



Clean Transport

Low energy consuming/ low emission transportation, including electric and hybrid vehicles and charging infrastructure for electric vehicles.

06



Exclusion List

Under Green Finance Framework, REC affirms that it will explicitly exclude funding towards any projects associated with:

Coal or gas fired power generation assets.
Landfill operations and any incineration of any unsorted waste assets.
Exploration and development of new oil and gas fields.
Coal mining and transportation.
Fossil fuel related activities including refining and transportation of fossil fuel as well as underlying investments in research and development.
Heat or Power facilities with emissions intensity above 100g CO ₂ e/kWh.
Nuclear power generation assets.

The financial year 2024-25 has marked significant progress in Cyber Security with the establishment of a robust cybersecurity framework. The REC holds ISO 27001:2013 certification and a Surveillance Audit has been successfully conducted by BSI. It is currently being upgraded to ISO 27001:2022 version.

Multiple awareness sessions have been organized for employees, both internally and with external cybersecurity experts, focussing on emerging cyber threats and prevention techniques to maintain data security. REC successfully concluded the National Cyber Security Awareness Month during October, 2024 by organizing various events and activities for all employees with a theme of "SecureOurWorld."

Vulnerability Assessment and Penetration Testing were conducted on a half-yearly basis to improve the organization's cybersecurity by identifying and mitigating security vulnerabilities. REC successfully conducted DR drills on a half-yearly basis to ensure that the operations can be restored efficiently and effectively.

Social engineering exercises were conducted for all employees simulating real-world scenarios, aiming to enhance employee awareness and to safeguard from cyber risks.

Manufactured Capital



As a Non-Banking Financial Company, REC does not operate any manufacturing facilities. However, it stands as a pioneering institution in power sector financing, playing a vital role in the development of energy infrastructure across India. Recently, REC expanded its scope by entering the infrastructure and logistics sectors, sanctioning a total of ₹43,239.44 crore towards various projects in these domains. Given that power is a critical enabler for industrial activity, the services sector and everyday life, REC's contributions are instrumental in strengthening the nation's infrastructure backbone and supporting inclusive growth.

REC has significantly enhanced its IT infrastructure to support operational efficiency, security and digital transformation. The ERP system has been upgraded from Oracle e-Biz Suite 11i to R12 and migrated to a private cloud at REC's Data Centre and it supports GST, Ind-AS and advanced automation features, with continuous improvements to meet evolving needs.

The NIC e-office solution has streamlined workflows and document management, fostering efficiency, transparency and a paperless environment, in the Company. A new Microsoft 365 email solution, integrated with AI assistant Copilot, Teams, SharePoint and OneDrive, ensures secure, reliable communication with 99.9% uptime. Network infrastructure has been revamped with MPLS VPN and modern security devices, enabling seamless remote access to critical applications like ERP and e-office. Both the Primary Data Centre and Disaster Recovery Centre are ISO/IEC 27001:2013 certified and comply with India's National Cyber Security Policy.

REC adheres to RBI's IT Framework for NBFCs, ensuring robust IT security. In-house digital initiatives, including Single-Sign-On for portals and centralized scanning for digitization, aligned with e-governance and green goals. Advanced cybersecurity solutions enable real-time threat monitoring and response, while comprehensive IT training and a 100% computer-to-employee ratio empower the workforce. These initiatives collectively position REC as a leader in leveraging technology for operational excellence and compliance.

Intellectual Capital



Intellectual capital consists of organisation driven knowledge-based intangibles and is linked with the brand and goodwill of the Company. This covers patents, copyrights, organisational frameworks, operational procedures developed by the organisation and other intellectual property. It serves as a foundation for innovation, long-term competitiveness and institutional learning. Intellectual capital supports businesses in upgrading processes, launching new products, and strengthening their position in the market.

Your Company holds a pivotal role in supporting the initiatives of the Government of India aimed at the growth of the power & infra sector and closely works with central government authorities, state administrations, power utilities, sector intermediaries and private players in formulating and executing policies, as well as in operational and structural reforms in India's power sector. The Company actively participates in various Central Government Schemes for the power sector, such as acting as the nodal agency for the PM Surya Ghar Muft Bijli Yojna, Revamped Distribution Sector Scheme (RDSS), National Electricity Fund (NEF) and Late Payment Surcharge (LPS) Rules, 2022.

In line with its significant role in the sector's growth, REC has built efficient internal systems, procedures and protocols that are giving it a strategic advantage and contributing to its brand value in the marketplace. Since, intellectual capital is primarily linked to the human resource base, REC has adopted a modern, efficient human resource acquisition and retention system, benchmarked against top corporate practices, carefully designed to serve its operational needs. Through these systems, procedures and internal frameworks, which together make up its intellectual capital, REC has acquired the required know-how and skills essential for its functioning and organisational processes. To maintain relevance in a fast-evolving business landscape, REC continues to develop its workforce and build intellectual capital capable of adapting to disruptions, fostering innovation and responding to the changes arising from emerging business models.

Social & Relationship Capital



Social and relationship capital refers to an organization's engagement and collaboration with external stakeholders, including clients, investors, suppliers, communities, Government bodies and Regulatory authorities.

REC is more than just a financial institution and it is dedicated to the comprehensive development of India's power sector and the nation as a whole. REC has now expanded its footprint into the Infrastructure and Logistics sectors as well. Being a nodal agency of the Government of India's Revamped Distribution Sector Scheme and other schemes, the Company shall continue to be a reliable partner of the Government of India in achieving national goals of the power sector.

REC is also supporting various social causes through its CSR arm, REC Foundation. During the financial year 2024-25, REC spent ₹294.01 crore (including excess spent of ₹5.15 crore carried forward from previous year) towards various CSR projects, including procurement & installation of Medical Equipment, Mobile Medical Units; provided free of cost medical support to 2,100 children with congenital heart disease; Construction of 500 toilets blocks at workplace of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar Districts in Punjab; Procurement of Linear Accelerator machine in Trauma

Centre established by Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti in Firozabad District of Uttar Pradesh; CSR assistance for project 'Eye care for all' - an initiative to provide support to 8,000 beneficiaries for Cataract surgery; CSR assistance for the project '5,000 nos. of PHACO Phacoemulsification surgery' at Bhaktivedanta Hospital, Barsana, Mathura, Establishment of biodiversity and wildlife conservation laboratory and training centre in Kashmir and Ladakh, Construction of Pedestrian Bridge in Badrinath town over Alaknanda river, part of Master Plan for Smart Hill Town, Badrinath, Uttarakhand and Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas of Sikkim, etc.

REC is dedicated to promoting sports such as boxing, women's hockey, athletics and others by providing athletes with access to world-class training under internationally acclaimed coaches. This support includes technical, scientific and psychological guidance, along with opportunities to participate in global competitions.

In addition, REC actively supports the establishment of Integrity Clubs in schools to in still strong moral values in young minds. These clubs aim to nurture socially and ethically responsible citizens and empower students to stand against corruption, contributing to a more transparent and accountable society.



On the occasion of World Blood Donation Day, the blood donation camp at REC was led by Shri Jitendra Srivastava, CMD, promoting the spirit of saving life through voluntary donation.



The Rajbhasha Deepti Shield was presented by Shri Manohar Lal, Hon'ble Union Minister (Power and Housing & Urban Affairs) to Shri Jitendra Srivastava, Chairman and Managing Director, REC Limited.

Human Capital



Human capital represents the skills, capabilities and expertise of an organization's workforce, along with their dedication and drive all of which play a crucial role in enabling employees to perform their responsibilities effectively.

Human Resources (HR) plays a pivotal role in fostering an engaged and high-performing workforce, which is fundamental to the sustained growth and success of the Company. At the core of a thriving organization lies the ability to attract, develop and retain top talent across diverse disciplines.

During the financial year 2024-25, the Company strengthened its professional base by appointing 94 executives through Direct Recruitment drives drawing talent from across the Country. As of March 31, 2025, the total manpower of the Company stood at 575 employees, comprising of 556 executives and 19 non-executives.

In alignment with evolving employment dynamics, the HR department continues to play a strategic role in proactive manpower planning, workforce development and organizational growth. Our HR team remains committed to adding value through targeted recruitment initiatives, comprehensive induction programs and strategic planning processes. These efforts are central to building a future-ready workforce and ensuring that the Company remains a preferred employer in the Renewable energy, Power and infrastructure sectors.

Enhancing human capital significantly hinges on improving the quality of life at various work locations, which is achieved through the provision of top-notch infrastructure for employees and their families. REC prioritizes this aspect and ensures that employees have access to premier facilities. Additionally, construction of the proposed township in Gurugram was inaugurated during the financial year 2023-24.

Upholding human rights is integral to our identity as a responsible corporate. Through our comprehensive human rights policies and

practices, we aim to create a positive impact on our employees, customers, suppliers and the broader community. Our commitment to human rights reflects our dedication to ethical conduct, social responsibility and sustainable business practices. REC prohibits all forms of human trafficking, forced labour and child labour within its operations and value chain. REC is committed to providing equal remuneration for work of equal value and ensuring non discrimination in all aspects of employment, including recruitment, hiring, promotion, compensation and termination. We prohibit discrimination based on gender, age, religion, disability, sexual orientation, or any other protected characteristic.

Employee well-being is another area of focus. REC promotes work-life balance through welfare-oriented policies, including regular health check-ups, wellness seminars and access to a well-equipped gymnasium at the corporate office. The Company also encourages participation in sports, cultural, and literary activities, fostering holistic development and employee engagement. Through these strategic initiatives, REC continues to build and nurture a capable, diverse and resilient workforce that contributes meaningfully to the Company's sustained performance and growth.

REC Institute of Power Management and Training (RECIPMT) is a premier power sector training institute under the aegis of REC. Established in 1979 at Hyderabad, the institute caters to the training and development needs of engineers and managers of power sector organizations. During the last four decades, RECIPMT has trained 80,424 engineers/managers from power utilities, including generation, transmission & distribution companies, electricity departments, rural electric cooperatives, electricity regulatory commissions, etc. RECIPMT has also been a partner training institute with Ministry of External Affairs, Government of India (MEA) for organizing training programmes for the executives of International power sector organizations. Since 2005 until now, RECIPMT has organized 113 such training programmes and trained 1,936 executives from 102 countries.

During the financial year 2024-25, RECIPMT trained 6,168 participants, with an achievement of 18,935 training man-days in total.

Policy Framework and Governance

REC has a human rights policy which is extended to all stakeholders involved with the Company, including all employees (permanent or contractual), contractors/suppliers, partners, and consultants. REC's human rights policy framework is embedded in the overall Corporate Governance structure. Key components include:



Human Rights Policy

A comprehensive policy outlining our commitment to respect, protect and promote human rights across all aspects of our business.



Board Oversight

REC's Board of Directors oversees the implementation and effectiveness of our human rights policies, ensuring alignment with international standards.



Internal Audit Processes

Regular audit processes to identify, prevent and mitigate any potential human rights risks associated with our operations and business relationships.

Employee Rights and Workplace Practices

We are committed to creating a workplace that respects and promotes the rights of all employees.

Fair Employment Practices

Ensuring non-discriminatory hiring practices, equitable pay, and opportunities for all employees regardless of race, gender, age, religion, or other protected characteristics.



Safe Working Conditions

Maintaining a safe and healthy work environment, adhering to occupational health and safety standards.



Human Rights in Our Supply Chain

We recognize the importance of promoting human rights throughout our supply chain. Our actions include:



Supplier Code of Conduct

A code of conduct that outlines our expectations regarding human rights, labour practices and environmental standards for all suppliers.



Supplier Audits

Regular audits and assessments of our suppliers to ensure compliance with our human rights standards.



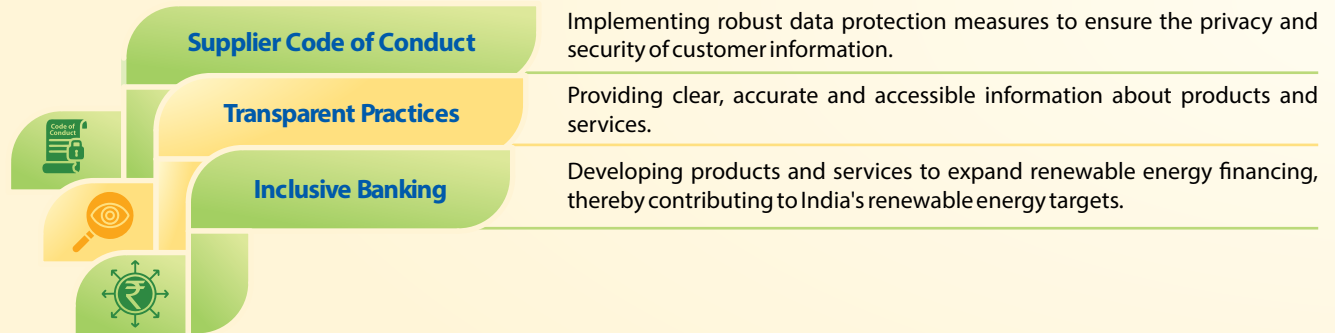
Capacity Building

Working with suppliers to improve their human rights practices through training and support initiatives.



Customer Rights and Financial Inclusion

At REC, we are dedicated to protect the rights of our customers and promote financial inclusion. Our initiatives include:



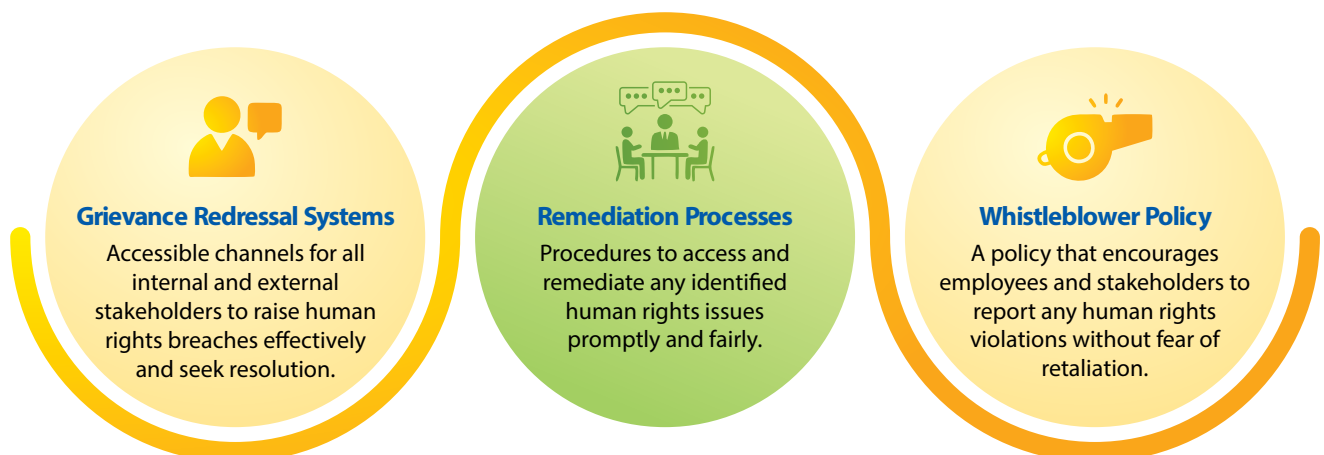
Community Engagement and Social Impact

Our commitment to human rights extends beyond our immediate operations to the communities we serve.



Grievance Mechanisms and Remediation

We have established mechanisms to address human rights concerns and grievances effectively. These include:



Continuous Improvement and Reporting

We are committed to the continuous improvement of our human rights practices.



Natural Capital



Natural capital encompasses the natural resources that REC utilizes in its operations and those affected by them.

REC is deeply committed to environmental stewardship, striving to minimize resource consumption and waste. As a leading financial institution in the power sector, REC has consistently expanded its renewable energy portfolio. During the financial year 2024-25, *inter-alia* the Company sanctioned loans aggregating to ₹1,05,258.87 crore towards 92 renewable energy projects, with total installed generation capacity of 16,743.20 MW.

As part of its commitment to responsible financing, REC prepared an Environmental and Social Impact Analysis (ESIA) report under the Official Development Assistance KfW-III framework. This report serves as a strategic guide for addressing environmental and social considerations in renewable energy financing.

In alignment with Government directives, REC also supports the installation of pollution control technologies in thermal power plants. This includes financing for Flue Gas Desulphurization (FGD), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which help reduce harmful emissions and particulate matter. During the financial year 2024-25, REC sanctioned 72 nos. of loans towards Generation Projects (other than Hydro Projects) including implementation of pollution control equipment, coal mining projects, procurement of coal etc. and sanctioned total loan assistance of ₹89,631.59 crore.

REC's ESG policy framework integrates environmental impact assessments into its operational, financial and risk management decision-making processes. To further support clean energy

financing, the organization incorporates specific Environmental, Health, Safety and Social (EHSS) requirements into loan agreements and sanction terms.

REC Corporate Office Building located in Gurugram is designed and constructed by using energy efficient façade and radiant cooling slabs to lower about 30% HVAC load requirement in the building in order to conserve energy. The energy efficient equipment's and LED lights are being used in the building to conserve energy. Light Management System has also been implemented to enhance the energy conservation.

In order to utilize alternate source of energy, 979 kWp solar plant has been installed at top of the building (supported by solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy. The solar plant has generated 13.37 lakh units of electricity during the financial year 2024-25.

REC has procured Electric vehicles as part of its continued commitment towards sustainable and clean energy adoption. This aligns with the vision of reducing carbon emissions and contribution in greener environment. These EVs have significantly lower operational costs and enhanced energy efficiency.

REC routinely conducts tree plantation drives and has partnered with agencies for recycling and disposing of all wastes. Board room has been furnished with glass bottles to adopt zero plastic usage. Women's health and hygiene has always been priority at REC. In a move towards improving the well-being of REC's women staff, 3 Sanitary Pad Vending Machines have been installed in our corporate office.



Hon'ble Governor of Punjab Shri Gulab Chand Kataria flags off Mobile Medical Unit Project under CSR funding of REC.



Message from CMD



Record disbursements of ₹1,91,185 crore in FY 2024-25 highlight our capacity to meet new capital demands in power and infrastructure landscape.



Jitendra Srivastava

Chairman & Managing Director and
Director (Projects) (Additional Charge)



Dear Esteemed Stakeholders,

It is with great privilege, I present to you the 56th Annual Report of your Company, a testament to a year that has been both strategically significant and operationally resilient.

As we look back in the financial year 2024-25, it is the period which witnessed profound global transitions. Economies around the world continued to recalibrate in response to shifting geopolitical dynamics, technological disruptions and an increasingly urgent drive toward sustainability. Within this evolving global context, institutions were called upon to demonstrate resilience, agility and purpose. The year was not only a test of economic strength but also of institutional resolve and strategic foresight.

I am proud to report that REC not merely navigate these difficulties but advanced decisively, delivering record financial performance, expanding its strategic footprint and reinforcing its pivotal role as one of India's foremost power and infrastructure sector financier.

During the financial year 2024-25, your Company achieved record breaking milestones, with the Highest ever disbursements in a financial year amounting to ₹1,91,185 crore and the Highest ever Annual Net Profit after Tax of ₹15,713 crore.

Our journey this year is not just one of numbers and ratios, it is one of impact, resilience, innovation and above all, unwavering commitment to nation-building. In alignment with the Government of India's vision for a self-reliant, energy-secure and sustainable Bharat, REC has taken confident strides to catalyse development outcomes across the energy value chain.

Let me reiterate that we remain committed to maintaining the highest standards of corporate governance, transparency and accountability, ensuring that the interests of our stakeholders are safeguarded at every step. We remain steadfast in our commitment for enhancing financial performance, delivering consistent returns for our shareholders and maintaining our reputation as a trusted

and responsible leader in the power sector. This commitment is also reflected in the payment of dividend for consecutive years with a declaration of a total dividend of ₹18/- per equity share for the financial year 2024-25 including final dividend @ ₹2.60 per equity share, subject to shareholders' approval in the ensuing Annual General Meeting.

Economic Overview: Navigating Shifting Global Winds

The global economy stands at a pivotal moment. After enduring several years of exceptional turbulence marked by the COVID-19 pandemic, supply chain disruptions and geopolitical shocks the financial year 2024-25 brought early signs of stabilization. Inflationary pressures, which had surged to multidecade highs, have begun to ease.

Despite these improvements, the global economic outlook remains clouded by mounting uncertainties. Policy priorities are being reordered across major economies, often in response to shifting geopolitical alliances, emerging national security concerns and an evolving climate agenda. These changes are not only reshaping global trade relationships but are also contributing to a resurgence in economic volatility and unpredictability.

One of the most prominent features of the current landscape is the realignment of global trade and industrial policy. Governments are increasingly adopting protectionist measures, reconfiguring supply chains and introducing incentives for domestic manufacturing. While these policy shifts may strengthen internal resilience, they have also heightened global uncertainty particularly for economies heavily integrated into international trade and finance systems.

The scale and pace of these transformations are placing new strains on global economic resilience. The rapid escalation of trade tensions and persistent policy ambiguity are expected to weigh heavily on investment sentiment and international economic activity.

According to the International Monetary Fund's World Economic Outlook Report (April 2025), global growth is forecast to slow from an estimated 3.3% in 2024 to 2.8% in 2025, before rebounding modestly to 3% in 2026. In emerging markets and developing economies, growth is expected to moderate to 3.7% in 2025 from 4.3% in 2024, before ticking up to 3.9% in 2026.

The global electricity sector is undergoing a period of rapid transformation, shaped by accelerating demand and the continued shift toward low-carbon energy sources. This momentum is driving some of the fastest electricity consumption growth seen in years. Global electricity demand rose by 4.3% in 2024 and is projected to increase by nearly 4% annually through 2027 amounting to an additional 3,500 TWh of electricity consumption over three years. Several key trends are fueling this surge in demand includes the continued growth of industrial output in emerging economies, rising global temperatures & increased use of air conditioning, deepening electrification across transport, heating and industrial sectors and soaring energy requirements from digital infrastructure, including AI workloads and data centers.

In response to this demand, renewable energy is assuming an increasingly dominant role in the global electricity mix. By 2025, renewables are expected to supply over one-third of global electricity overtaking coal for the first time in history. Solar PV and wind power are leading this expansion, together accounting for the majority of new generation capacity. Renewables are forecast to meet approximately 95% of the additional electricity demand through 2027. This shift is not only displacing fossil fuel-based generation but also contributing to energy security and climate goals. Nuclear power, too, is seeing a revival, global nuclear output is projected to reach a record high in 2025, with continued growth anticipated in subsequent years.

Despite this progress, the electricity sector faces significant challenges, particularly from climate-related disruptions.

India's Powerful Growth Energy Trajectory

From financial year 2024–25, India emerged with its economic momentum firmly intact, reaffirming its position as a key engine of global growth. According to the International Monetary Fund's World Economic Outlook Report (April 2025), India is projected to remain the fastest-growing major economy through 2026, with growth forecast at 6.2% in 2025 and 6.3% in 2026. This sustained performance comes at a time when global growth is slowing, underscoring the strength of India's domestic fundamentals and the efficacy of targeted policy measures.

Structural reforms, continued emphasis on infrastructure development, digital innovation and a strong focus on financial inclusion have collectively positioned India as a standout performer among both emerging and advanced economies. In the face of external uncertainties from global trade disruptions to financial volatility, India's economic trajectory reflects both resilience and strategic adaptability.

India's power sector experienced a strong resurgence during the financial year 2024–25, driven by rising domestic demand and a clear national commitment to decarbonization. Total power generation rose by 5% during the year, reaching 1,830 Billion Units (BU). Notably, the generation mix is undergoing a decisive shift, with non-fossil fuel sources gaining increasing prominence. Generation from these sources grew by 12% year-on-year, raising their share in total generation to 25%.

This transition was anchored by substantial capacity additions. Approximately 33 Gigawatts (GW) of new generation capacity were added during the financial year, of which a record-breaking 30 GW came from renewable sources. At the end of March 2025, India's total installed power capacity stood at 475 GW, with non-fossil fuel

sources contributing 48% of the total up from 45% a year earlier. These milestones highlight the accelerated pace of India's energy transformation. The country's clean energy drive not only supports its climate commitments but also enhances long-term energy security, promotes innovation and positions India as a global leader in the renewable energy space.

Expanding the Grid-Transmission & Distribution Infrastructure

Transmission infrastructure forms the backbone of India's power delivery system linking generation hubs, often in remote geographies, to dense consumption centres across the country. Financial Year 2024–25 saw continued expansion of transmission lines, substations and transformation capacity each step essential to ensuring equitable power distribution, especially from renewable-rich states to high-demand urban zones.

India's inter-regional transmission capacity, which currently stands at 119 GW, is expected to increase to 143 GW by 2027 and further to 168 GW by 2032. On the distribution front, the Ministry of Power has redoubled its focus on reforms, technology adoption and financial viability of DISCOMs. The Revamped Distribution Sector Scheme (RDSS) is at the core of this transformation-targeting the reduction of Aggregate Technical and Commercial (AT&C) losses and increasing billing efficiency.

Democratising Energy Access

In a bold move to decentralise energy access and make clean power a household commodity, the Government of India launched the PM Surya Ghar Muft Bijli Yojana on February 13, 2024. This ambitious rooftop solar scheme seeks to empower one crore Indian households with up to 300 units of free electricity per month, underpinned by strong capital subsidies.

REC has played a pivotal role in operationalising this national mission. By March 31, 2025, 11.05 lakh installations were completed (including RWA households covering 2.5 lakh houses). The total installed capacity reached 3.3 GW and Central Financial Assistance (CFA) amounting to ₹5,437.21 crore has been disbursed to streamline financing channels and enabling efficient deployment across both urban and semi-rural contexts. This programme is a landmark in India's clean energy transition. It also establishes REC's position not only as a power financier but a decentralised energy enabler.

Fuelling the Future

India's roadmap to energy self-reliance is being redefined through the National Green Hydrogen Mission a bold, future-forward initiative launched by the Government of India to position the country as a global hub for green hydrogen production, usage and export. Approved by the Union Cabinet with a total outlay of ₹19,744 crore, the Mission aims to establish 5 million tonnes of annual green hydrogen production capacity by 2030.

The allocations of funds reflect the comprehensive and multi-stakeholder approach being adopted spanning policy incentives, innovation support, infrastructure creation and global collaboration. During the financial year 2024–25, the sector saw decisive movement from planning to implementation.

Infra Backbone of Viksit Bharat

The foundation of a developed India by 2047, what we envision as "Viksit Bharat" rests on robust infrastructure. Roads, ports, energy corridors, airports and clean water systems are not mere developmental touchpoints; they are the conduits of prosperity. As such, infrastructure investment has become both a growth multiplier and a policy imperative.

The Union Budget 2025–26 amplifies this vision and lays out a dynamic blueprint for energising core sectors while fostering state-



led growth. Among the key announcements: ₹1 lakh crore Urban Challenge Fund to implement the proposals for 'Cities as Growth Hubs', Creative Redevelopment of Cities and 'Water and Sanitation', promote sustainable cities through redevelopment, a revamped Shipbuilding Financial Assistance Policy and a ₹25,000 crore Maritime Development Fund with up to 49% central government contribution.

This infrastructure thrust aligns perfectly with REC's expanded mandate. Over the past year, we have not only financed traditional power assets but have also become key enablers of critical infrastructure projects. Our institutional agility and sectoral understanding make your Company the financier of choice for long-gestation, capital-intensive and policy-critical infrastructure ventures. As Viksit Bharat unfolds, your Company is uniquely positioned to serve as the catalyst of capital, capability and confidence.

REC's Catalytic Role in India's Energy & Infrastructure Revolution

Against this macroeconomic and sectoral backdrop, your Company has stepped into a transformative leadership role amplifying its impact far beyond conventional lending. As India's apex public infrastructure financier with a specialised focus on power, renewables, logistics and clean energy systems, we are not just participating in national transformation; we are actively shaping it.

Our strategic posture is rooted in convergence with the Government of India's energy priorities, global ESG imperatives and emerging capital market trends. Through disciplined capital allocation, mission-driven project financing and pioneering digital adoption, your Company is championing a new archetype of a public financial institution one that is nimble, green-aligned and deeply embedded in India's development agenda.

We are leveraging our heritage of trust, strong credit standing and regulatory alignment to underwrite infrastructure that is not only

bankable, but also equitable, climate-resilient and future-ready. From rural rooftops to green hydrogen plants, from urban mobility corridors to smart substations, REC is where India's infrastructure aspirations find their first and most trusted financing partner.

Financial Performance - A Year of Milestones

The year under review witnessed REC surpassing multiple operational benchmarks, thereby reinforcing its position as a performance-driven public financial institution. The financial year culminated in record loan sanctions of ₹3,37,179 crore, a clear indicator of our ability to respond to emerging capital needs across the power and infrastructure landscape. Equally remarkable was the achievement of highest-ever disbursements amounting to ₹1,91,185 crore, underlining the effective translation of our pipeline into real economy investments.

These outcomes are a direct consequence of a forward-looking strategy, robust risk governance and our ability to maintain deep engagements with key stakeholders across the energy, logistics and infrastructure ecosystem. With an unwavering focus on responsible lending, we expanded our loan book to ₹5.67 lakh crore, registering an impressive 11% year-on-year growth, despite market volatilities and sectoral challenges. This growth was underpinned by prudent asset quality management and sharp capital allocation decisions.

Our net worth surged to ₹77,638 crore, reflecting 13% growth over the previous year, fortifying the balance sheet for future expansions and enabling us to undertake transformative capital deployment across renewable energy, transmission, logistics and state utility operations.

The strength of REC's financial engine is also visible in our profitability metrics. Our total income increased by 19% to ₹55,980 crore, driven by sustained growth in interest earnings and strong operational throughput. Net interest income rose sharply by 27%, reaching ₹19,878 crore, while our net profit after tax stood at ₹15,713 crore, recording a 12% year-on-year growth. These results



Shri Jitendra Srivastava, Chairman and Managing Director, REC called upon Shri Manohar Lal, Hon'ble Union Minister (Power and Housing & Urban Affairs) to deliberate on REC's contribution towards advancing India's Energy goals

are not merely financial, they reflect REC's capacity to generate sustained value across market cycles, while ensuring alignment with national economic priorities and sectoral reforms.

Furthermore, our Capital Adequacy Ratio stood at a strong 25.99%, with Tier-I capital at 23.76%, ensuring ample headroom for growth and offering a clear competitive advantage over peer institutions. In a sector where leverage ratios are closely watched by global investors and sovereign monitors, REC's capital structure continues to inspire confidence and stability.

These performance indicators are the product of our evolved business model, marked by diversification, digital innovation, strengthened monitoring frameworks and a deeper understanding of sectoral shifts. As a result, your Company has transitioned from being a conventional lender to a strategic capital partner, integral to India's power and infrastructure transformation.

Fund Mobilization: Strengthening Our Financial Arsenal

Our ability to consistently access cost-effective capital, both domestically and internationally, remains a cornerstone of our long-term strategic plan. In the financial year 2024–25, REC demonstrated unparalleled agility in the financial markets, successfully mobilising ₹1,42,204 crore (after adjustment of discount and premium) across multiple currency platforms. This not only ensured liquidity for critical projects but also highlighted our institutional credibility across geographies.

The year saw REC raise capital through a mix of External Commercial Borrowings (ECBs) in USD and JPY, Foreign Currency Non-Resident loans, long and short-term rupee loans and structured tax-saving bonds.

Our average cost of funds was effectively contained at 7.11%, which is a commendable achievement. What is more significant is that our listed bond issuances were priced at 7.31% p.a., which is 19 basis points lower than comparable instruments issued by other CPSEs. This pricing advantage not only reflects our credit strength but enhances REC's ability to offer competitive lending rates, particularly for critical and capital-intensive projects in the renewable and infrastructure sectors.

These outcomes are a direct result of our AAA ratings from all four major domestic rating agencies CRISIL, ICRA, CARE and India Ratings & Research. Our international credit profile is equally robust, with sovereign-aligned ratings of Baa3 (Moody's), BBB– (Fitch) and BBB+ (Japan Credit Rating Agency). These ratings serve as both endorsement and enabler validating our robust financial management and allowing us access to global institutional capital pools on favorable terms.

We remain committed to leveraging this financial strength to catalyse development across Tier-II and Tier-III energy corridors, urban renewal projects and energy infrastructure modernization supporting India's ambition of becoming a \$5 trillion economy.

Risk Management

REC has a strong & resilient risk management framework in place which not only meets the statutory requirements of various regulators but also upholds the confidence of various stakeholders. REC is committed to further enhancing its risk management culture, as evidenced by several key initiatives.

REC has reviewed its risk management framework to align it with evolving market dynamics and best industry practices in the revised Integrated Risk Management Policy. This ensures that REC's risk management practices meet global standards across all functional areas.

Renewables & Non-Fossil Push

The transformation of India's energy architecture is anchored in the expansion of non-fossil generation sources. As the designated year for intensified climate action, financial year 2024–25 witnessed India's most aggressive push yet into the renewable space-with REC standing as a cornerstone financial partner.

India added a record 30 GW of new renewable energy capacity, taking the total installed base of non-fossil capacity to approximately 220 GW. Leading this expansion was solar power, which saw the addition of 24 GW up from 15 GW in the previous year bringing the cumulative installed solar capacity to 106 GW. This figure includes 81 GW from ground-mounted utility-scale plants, 17 GW from rooftop installations 3 GW from hybrid projects and 5 GW from off-grid systems.

Wind energy capacity also witnessed a resurgence, adding 4 GW to reach a total of 50 GW driven by policy clarity, improved wind mapping and renewed investor interest in various states.

REC's role in this expansion has been multifaceted, as we financed end-to-end solar ecosystems. We supported innovative round-the-clock (RTC) renewable projects, combining solar, wind and storage into dispatchable green power solutions. Notably, REC has started to finance early-stage green hydrogen initiatives. These projects are harbingers of India's future energy strategy decentralised, diversified and digitally enabled. These emerging verticals, supported by robust financing frameworks and regulatory mechanisms, will be the building blocks of India's 21st Century energy economy.

Corporate Governance Excellence & ESG Leadership

Environment & Social

At REC, our commitment goes beyond merely financing projects, we are dedicated to enabling the creation of a green, inclusive and resilient energy ecosystem for India. ESG principles guide every decision we make, ensuring that sustainability is not an isolated objective but a core element of how we lead, invest and impact the nation. The Board-approved ESG Policy Framework now directs all our core functions, embedding sustainability at the heart of our operations. In financial year 2024–25, our ESG Awareness Week played a pivotal role in uniting employees, leadership and partners, establishing a shared "ESG-First" mindset. We are fostering a culture where every individual recognises ESG as integral to their role, thus building not just capabilities but a comprehensive organisational mindset.

Our efforts in environmental action are central to our mission and are closely aligned with our commitment to social responsibility. At the forefront of India's green energy transition REC stands as a significant player in driving the nation's transition toward renewable and clean energy solutions. The year-on-year renewable loan growth of 49% and the corresponding increase in disbursements of 63% demonstrate REC's proactive initiatives under green finance, positioning it as a key entity in reshaping India's energy landscape. Operationally, REC is making significant strides to decarbonize, with electricity now accounting for 85% of our Scope 1 & 2 emissions, we are doubling our on-site solar capacity and committing to source 100% green power for our headquarters starting from financial year 2025–26. Additionally, 76% of our corporate fleet has been converted to electric vehicles and we are implementing innovative energy-management technology across the group.

Alongside our environmental initiatives, we integrate social safeguards into all loan appraisals, ensuring community rights, labor standards and inclusion are prioritized in every funding



decision. In financial year 2024-25, 18,935 man-days of training to employees and stakeholders on well-being, human rights and safety were delivered reinforcing our social responsibility by our training institute RECIPMT. Our CSR programs in education, healthcare, skill development and energy access continue to expand, directly benefiting the communities we serve. We are also proud to report a zero-customer grievance rate and zero data breaches, demonstrating our commitment to responsible and transparent practices that build trust with stakeholders.

Corporate Governance

As we continue to evolve our Corporate Governance practices, we remain dedicated to meeting the rising expectations of our stakeholders, ensuring transparency and accountability at all levels. We have incorporated ESG criteria into every loan and vendor decision, ensuring that governance and sustainability remain central to our business dealings. Our Governance commitment has been recognised with prestigious accolades such as the Golden Peacock Award 2024 for Excellence in Corporate Governance and the Network 18 Green Financing Award.

Looking ahead, our focus remains on scaling green and inclusive energy finance to accelerate India's journey towards net-zero emissions. We are committed to achieving net-zero operational emissions through the utilisation of renewable energy, heightened efficiency and clean mobility. As we continue to enhance our internal ESG capabilities, we will ensure transparent performance tracking and establish new benchmarks

Digital Transformation & Financial Innovation

In the evolving digital economy, where speed, security and service excellence are redefining business models, REC has embraced technology as both an enabler and a differentiator. REC remains committed to innovation and excellence in the ever-evolving energy and power landscape. Guided by our core values, we are constantly seeking out new opportunities for responsible and sustainable growth.

This year, we undertook a comprehensive upgrade of our digital lending ecosystem. On the capital markets side, we continue to be pioneers in green finance. In financial year 2024-25, REC issued its latest tranche of Green Bonds, which received an overwhelming response from ESG-focused sovereign and institutional investors. These funds are being directed toward qualifying green projects including Utility-scale solar & wind, Metro and clean urban transport, Energy-efficient public infrastructure, etc.

In parallel, we are structuring new financial instruments such as zero-coupon taxable bonds for specific geographies and technologies. This diversification enhances our ability to match capital with projects that support India's climate and development goals.

REC is also playing an increasingly active role in digitising DISCOM finances through support for smart metering, prepaid billing systems, data telemetry and energy management platforms. Our collaboration with state utilities has yielded measurable improvements in billing efficiency, revenue collection and AT&C loss reduction validating the power of technology in turning around legacy utility challenges. In sum, REC's digital transformation is not limited to automation, it is about institutional agility, predictive intelligence and smart capital deployment, all of which are critical for future-proofing our role in India's energy and infrastructure ecosystems.

MoU Rating & Awards

The performance of the Company in terms of MoU signed under the Guidelines of the DPE, Government of India for the financial

year 2024-25 is expected to be rated as "Excellent", subject to final evaluation by DPE. For the financial year 2023-24, the Company has been rated "Excellent".

During the financial year 2024-25, your Company has been awarded with various awards and accolades which includes Gold Shield in ICAI Award for Excellence in Financial Reporting for the Financial Year 2023-24, Adam Smith Awards ASIA 2024 for 'Best Funding Solution' by Treasury Today Group, Excellence in Green Financing' Award at the Green Ribbon Champions 2024 organized by Network 18, 'Nodal Agency of the Year' Award at Bharat Electricity, Powering India Awards 2024, 'Technology Excellence Award' for 'Generative AI Implementation in REC' at the Elets India AI Summit 2024, 'Sustainability Champion - Editors Choice Award' at the Outlook Planet Sustainability Summit and Awards 2024.

Subsidiary Company

REC's wholly owned subsidiary viz. REC Power Development and Consultancy Limited (RECPDCL) is engaged in the business of project implementation and consultancy services in power sector viz. implementation of distribution system strengthening works, implementation of grid/off-grid solar (PV) projects, installation of smart meters, preparation of detailed project reports, third party inspections, pre-dispatch material inspections and acting as project management consultant / project management agency under some projects of State/Centre funded schemes such as DDUGJY, IPDS etc.

During the financial year 2024-25, RECPDCL recorded an income of ₹551.57 crore, as compared to income of ₹390.64 crore in the previous financial year. The Profit After Tax for the financial year 2024-25 was ₹261.65 crore, as against ₹149.64 crore in the previous financial year. Further, the Net Worth of RECPDCL as on March 31, 2025 was ₹738.19 crore, as against the Net Worth of ₹567.17 crore as on March 31, 2024.

Policy Initiatives

The Company regularly reviews, updates and strengthens its policy framework to enhance business value and meet statutory requirements and amendments.

During the financial year 2024-25, the Company has focused on introducing and amending various policies. The Company has introduced the various policies which *inter-alia* includes Data Privacy Policy, Stakeholder Engagement Policy, Policy on Responsible Advocacy with Public and Regulatory Bodies, Human Rights Policy, Sustainable Procurement Policy, Policy for resolution of stressed assets, financing of Non-power infrastructure & logistics projects of private & state sector entities, Policy for concentration norms for State and Private Sector entities, project appraisal Guidelines for financing road sector projects of Private & State sector, Occupational Health and Safety Policy and Policy on Coal Mining Projects.

People & Culture: Building REC 2.0

At REC, we recognise that our human capital is our most strategic asset that needs continuous investment, enrichment and empowerment. As India's infrastructure landscape evolves, so as the capabilities, mindset and resilience of the people powering REC.

We welcomed 94 new executives across technical, financial and other disciplines recruited through direct recruitment drives. As of March 31, 2025, our team strength stood at 575.

This year, our Human Resources strategy was guided by three priorities: Attracting future-ready talent, Developing leadership pipelines and Institutionalising a performance-oriented culture. In line with this vision, comprehensive training programs were conducted across all levels of the organization during the financial year 2024-25.

Training initiatives were designed to enhance business acumen, sharpen technical and managerial skills and equip employees with the competencies required for superior performance.

In total, 416 employees participated in various training sessions throughout the year, contributing to 2,346 training man-days. These programs covered a wide range of contemporary and strategic topics, including Leadership Development, Corporate Governance, Power Sector Trends and Transition, Renewable Energy and Green Finance, Artificial Intelligence and Digital Transformation etc.

CSR Leadership

At REC, we are guided by a holistic vision of development, one that balances economic growth with environmental sustainability and social equity. Our commitment to sustainable and inclusive progress is deeply embedded in the initiatives we support, which aim to reduce our carbon footprint, uplift marginalized communities and drive responsible development across the nation.

Through our Corporate Social Responsibility (CSR) initiatives, we align our efforts with national priorities and the United Nations Sustainable Development Goals. We place special emphasis on empowering economically and socially disadvantaged communities, ensuring that we reaches those most in need.

In the financial year 2024-25, REC achieved its highest-ever CSR expenditure of ₹294.01 crore well beyond statutory requirements. These efforts spanned a wide range of sectors, including healthcare, sanitation, education, rural development, skills training and entrepreneurship, underscoring our resolve to bring about meaningful and measurable change.

It is with great pride that I share REC's continued role in nation-building. Our approach integrates economic advancement with environmental responsibility and social commitment, all rooted in the belief that true progress must be both equitable and enduring.

Our CSR spendings focus was on Healthcare and Well-being, Education and Skill Development, Infrastructure and Rural Development, Sports and Nation-Building Initiatives, Disaster Relief and Environmental Initiatives, Social & Relationship Capital.

Lighting the way to a Viksit Bharat

Financial Year 2024-25 was not just a fiscal cycle it was a definitive chapter in REC's nation-building story. From historic financial performance to breakthrough ESG initiatives; from grid transformation to green hydrogen pilots; from legacy lending to futuristic financing REC has cemented its place as a central pillar of India's infrastructure and energy evolution.

As we move toward the Amrit Kaal, the next 25 years present both a challenge and an opportunity. By 2030, India aims to install 500 GW of non-fossil capacity, Achieve Carbon Neutrality by 2070, Reduce emission intensity by 45%, with reliable and quality power.

REC is committed to being more than just a witness to this change. We will be a catalyst transforming capital into capability, investment into impact and strategy into shared national outcomes.

Looking ahead, REC's roadmap includes deeper participation in emerging infrastructure (EVs, ports, hydrogen, digital highways), Global capital mobilisation through green and transition finance, Stakeholder transparency through integrated ESG disclosures and Policy alignment with National Infrastructure Pipeline (NIP) and PM Gati Shakti.

We remain focused on long-term value creation not just for our shareholders, but for every Indian whose life is touched by the Power & Infrastructure, we finance.

India, home to around one-sixth of the population, aspires to become a developed country by 2047. This calls for the significant build-up of infrastructure and expansion of the manufacturing base which in turn gives rise to the energy demand. REC's expertise in the power sector makes it well-equipped to capitalize on this growth opportunity. India's demographic strength, with a large and young population, coupled with the vast latent demand for electricity, is set to drive rapid growth in the power sector.

Acknowledgements

Over the past five decades, REC has played a transformative role in shaping India's power sector. From lighting up rural homes to accelerating the adoption of renewable energy, our initiatives have not only empowered communities but also contributed significantly to the nation's economic growth and sustainable development.

As I reflect on this remarkable journey, I extend my sincere gratitude to the Hon'ble Minister of Power and New & Renewable Energy, the Hon'ble Minister of State for Power, the Secretary (Power) and all the distinguished officials of the Ministry of Power for their steadfast support and visionary leadership. I also thank our Holding Company, Power Finance Corporation Limited, for their enduring partnership and cooperation.

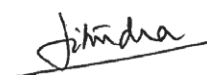
My heartfelt appreciation goes to the officials of the Ministry of Finance, Ministry of Corporate Affairs, Department of Public Enterprises, Department of Investment and Public Asset Management, NITI Aayog, Reserve Bank of India, Securities and Exchange Board of India, the Stock Exchanges and Depositories for their valuable guidance and support.

In our commitment to the highest standards of Corporate Governance, I also acknowledge the role of the Comptroller and Auditor General of India, our Statutory Auditors, Secretarial Auditors, Registrars and all professionals associated with REC for their continued diligence and expertise.

The success of REC is built on the unwavering trust and support of our stakeholders. I extend my deepest thanks to our shareholders, debenture-holders, investors, lenders, borrowers and customers including State Governments, State power utilities and private sector partners whose collaboration has been integral to our achievements.

Finally, I express my profound gratitude to my colleagues on the Board for their wisdom and strategic insights and to the entire REC team for their exceptional dedication. With your continued support, we are poised to embark on an exciting new chapter and propel REC to even greater heights. Thank you and Jai Hind!

With warm wishes,



Jitendra Srivastava

**Chairman & Managing Director and
Director (Projects) (Additional Charge)**

**Place: Gurugram
Date: July 25, 2025**



REC LIMITED

(A Government of India Enterprise)

Registered Office: Core-4, Scope Complex, 7, Lodhi Road, New Delhi-110003

Corporate Office: Plot No. I-4, Sector 29, Gurugram, Haryana-122001

Tel: +91 124 444 1300 | **Website:** www.recindia.nic.in | **CIN:** L40101DL1969GOI005095

NOTICE

Notice is hereby given that the Fifty Sixth (56th) Annual General Meeting ("AGM") of REC Limited ("REC"/"the Company") will be held on **Wednesday, August 27, 2025 at 11:00 A.M.**, Indian Standard Time ("IST") through Video Conferencing/Other Audio Visual Means ("VC/OAVM") to transact the following businesses:

ORDINARY BUSINESS:

- Item No. 1:** To receive, consider, approve and adopt the audited standalone & consolidated financial statements of the Company for the financial year ended March 31, 2025, along with the reports of the Board of Directors, Auditors and the comments of the Comptroller & Auditor General of India thereon.
- Item No. 2:** To take note of the payment of 1st, 2nd, 3rd and 4th interim dividends and declare final dividend on equity shares of the Company for the financial year 2024-25.
- Item No. 3:** To appoint a Director in place of Shri Shashank Misra (DIN: 08364288), who retires by rotation and being eligible, offers himself for re-appointment.
- Item No. 4:** To fix the remuneration of Statutory Auditors for the financial year 2025-26.

SPECIAL BUSINESS:

Item No. 5: Appointment of Shri Jitendra Srivastava (DIN: 06817799) as 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 the provisions of Sections 152, 196 and other applicable provisions of the Companies Act, 2013 ("the 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 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, communication dated April 18, 2025 issued by the Appointments Committee of the Cabinet read with Order dated April 21, 2025 issued by the Ministry of Power ("MoP"), Government of India, Shri Jitendra Srivastava, IAS (DIN: 06817799), who was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee, as Chairman & Managing Director (Additional Director) of the Company, in the rank and pay of Additional Secretary to the Government of India, with effect from the date of assumption of charge i.e. April 22, 2025 and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as the Chairman & Managing Director of the Company, subject to any further order(s) issued by the Government of India regarding the terms and conditions of his appointment and he shall not be liable to retire by rotation."

Item No. 6: Appointment of Dr. Gambheer Singh (DIN: 02003319) as Part-time Non-official Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the 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 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 and Order dated April 17, 2025 read with corrigendum dated May 21, 2025 issued by Ministry of Power ("MoP"), Government of India, Dr. Gambheer Singh (DIN: 02003319), who was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee, as Part-time Non-Official Independent Director (Additional Director) of the Company, with effect from April 17, 2025 and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Part-time Non-Official Independent Director of the Company for a period of one year with effect from the date of notification of his appointment (i.e. April 17, 2025) or until further orders, whichever is earlier, subject to any further order(s) issued by the Government of India regarding the terms and conditions of his appointment and he shall not be liable to retire by rotation."

Item No. 7: Appointment of Dr. Durgesh Nandini (DIN: 09398540) as Part-time Non-official Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the 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 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 and Order dated April 17, 2025 read with corrigendum dated May 21, 2025 issued by Ministry of Power ("MoP"), Government of India, Dr. Durgesh Nandini (DIN: 09398540) who was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee, as Part-time Non-Official Independent Director (Additional Director) of the Company, with effect from April 17, 2025 and in respect of whom, the Company has received a notice in writing proposing her candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Part-time Non-Official Independent Director of the Company for a

period of one year with effect from the date of notification of her appointment (i.e. April 17, 2025) or until further orders, whichever is earlier, subject to any further order(s) issued by the Government of India regarding the terms and conditions of her appointment and she shall not be liable to retire by rotation."

Item No. 8: Approval for private placement of securities.

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

"RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 and any amendments thereof and other applicable SEBI Regulations and Guidelines, Circulars / Directions / Guidelines issued by Reserve Bank of India, from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any existing lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the shareholders be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds/debentures upto ₹1,55,000 crore during a period of one year from the date of passing of this resolution, in one or more tranches, to such person or persons, who may or may not be the bond/ debenture holders of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/ incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors ("FIIs"), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, Companies, Private or Public or other entities, authorities and to such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹1,55,000 crore, as stated above),

if any, at such terms as may be determined under the Guidelines as may be applicable and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/ debentures, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, be and are hereby severally authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things, as may be required under any other regulatory requirement for the time being in force."

Item No. 9: Appointment of Secretarial Auditor.

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

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with circulars issued thereunder from time to time and based on the recommendation of the Audit Committee and the Board of Directors of the Company, consent of the shareholders be and is hereby accorded for appointment of M/s. Agarwal S. & Associates, Company Secretaries (Firm Registration No. P2003DE049100) as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years, commencing from financial year 2025-26 to financial year 2029-30, to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report on such terms & conditions including remuneration as determined by the Board of Directors of the Company (including any committee thereof)."

"RESOLVED FURTHER THAT Company Secretary be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

**By Order of the Board of Directors
For REC Limited**



**J.S. Amitabh
Executive Director & Company Secretary**

**Place: Gurugram
Date: July 25, 2025**



NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 5 to 9 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company in its meetings held on July 24, 2025 considered that the items of Special Business at Item Nos. 5 to 9 of the Notice, being unavoidable in nature, shall be transacted at the 56th AGM of the Company.
2. In view of the Circular dated September 19, 2024, read with Circulars dated September 25, 2023, December 28, 2022, May 5, 2020, April 13, 2020 and April 8, 2020 and other relevant circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular dated October 3, 2024, October 7, 2023, January 5, 2023, May 13, 2022, January 15, 2021 and May, 12, 2020 and other relevant circulars issued by Securities Exchange Board of India ("SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 56th AGM of the Company is being conducted through VC/ OAVM facility, without physical presence of Members at a common venue. The deemed venue for the 56th AGM shall be the Registered Office of the Company.
3. In terms of the MCA and SEBI Circular(s) as mentioned above, physical attendance of Members at the AGM and appointment of proxies has been dispensed with. Accordingly, the Attendance Slip, Proxy Form and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of casting vote through remote e-voting prior to the AGM, participation in the 56th AGM through VC/OAVM facility and for electronic voting during the AGM.
4. Attendance of the Members participating in the 56th AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In case of voting by joint holders, voting by such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be entitled and counted for the purpose of this Meeting.
6. In line with the above MCA & SEBI Circulars, the Notice of the 56th AGM along with Annual Report is being sent by e-mail to all those members, whose e-mail IDs are registered with the Company/depository(ies). Annual Report along with notice are also available on the website of the Company at www.recindia.nic.in and on the website of National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com and also on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.

The Company had also published advertisements in newspapers to encourage shareholders, holding shares in physical and electronic form, to register/update their email IDs for receiving the Annual Report for the financial year 2024-25 and other updates of the Company.

Those shareholders who have still not been able to update their e-mail IDs may follow the process below for registration of e-mail IDs.

- In case shares are held in Demat mode, Members are requested to contact their Depository/ Depository Participant (DP) and

register/update the email address in their demat account as per the process advised by the DP.

- In case shares are held in physical mode, please send an e-mail to virenders@alankit.com or complianceofficer@recindia.com quoting Folio No., Name, scanned copy of Share certificate (front & back), PAN Card and Aadhaar Card.
7. All Members of the Company including Institutional Investors are encouraged to attend the AGM and vote on item(s) to be transacted at the AGM. Corporate Members/ Institutional Investors intending to appoint their authorized representatives pursuant to Section 113 of the Act, to attend the AGM through VC/OAVM are requested to send a certified copy of the Board resolution/ authorization letter to the Scrutinizer through e-mail at sachin2022@gmail.com with a copy marked to evoting@nsdl.com.
 8. The Company has fixed **Wednesday, August 20, 2025** as the **Cut-off** date for determining the eligibility to vote on item(s) of business to be transacted at the 56th AGM as detailed in notice.

Any person who acquires shares of the Company and becomes a member of the Company after sending of the Notice and is holding shares as on the cut-off date, may obtain the login ID and password for e-voting, by sending a request at evoting@nsdl.com. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. Any shareholder who disposes off his/her shareholding such that he/she is not a member as on the cut-off date should treat this Notice for information purposes only.
 9. CS Sachin Agarwal (FCS no. 5774) and in his absence, CS Shweta Jain (FCS No. 7152) from M/s. Agarwal S. & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the votes cast by the shareholders in respect of items of business to be transacted at the 56th AGM, in a fair and transparent manner.
 10. In compliance with provisions of MCA & SEBI Circulars referred above, Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and Secretarial Standards on General Meetings issued by Institute of Companies Secretaries of India (ICSI), the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. Those shareholders who do not opt to cast their vote through remote e-voting, may cast their vote through electronic voting system during the AGM.

NSDL will be providing facility for remote e-voting, participation in the 56th AGM through VC/OAVM and voting during the 56th AGM through electronic voting system. The remote e-voting period begins on **Sunday, August 24, 2025 (0900 hours) and ends on Tuesday, August 26, 2025 (1700 hours)**. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Members may join the 56th AGM through VC/OAVM, which shall be kept open for the members on **August 27, 2025 from 10:45 A.M. (IST)** i.e. 15 minutes before the scheduled start time and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled start time, i.e. by **11:30 A.M.** on date of AGM. Please refer to detailed instructions for remote e-voting, attending the 56th AGM through VC/OAVM and electronic voting during the AGM, annexed to this Notice.

The Company, in compliance with the Listing Regulations will be webcasting the proceedings of the AGM on NSDL's website. Members can view the proceedings by logging on the e-voting website of NSDL at www.evoting.nsdl.com using their secure login credentials.

11. In pursuance of Article 114 of the Articles of Association of the Company read with Section 123 of the Act and Rules made thereunder, as amended from time to time, the Company declared and paid interim dividend four times for the financial year 2024-25, as detailed below:

Sl. No.	Particulars	Amount per equity share (₹)	Date of declaration	Date of Payment
1.	1 st Interim Dividend	3.50	July 27, 2024	August 23, 2024
2.	2 nd Interim Dividend	4.00	October 26, 2024	November 22, 2024
3.	3 rd Interim Dividend	4.30	February 6, 2025	March 6, 2025
4.	4 th Interim Dividend	3.60	March 19, 2025	April 16, 2025

Further, the Board of Directors of the Company in its meeting held on May 8, 2025 had *inter-alia* recommended final dividend @ ₹2.60 per equity share for the financial year 2024-25 and the said dividend, if approved, by the members at ensuing AGM, will be paid within thirty days from the date of 56th AGM of the Company, to the members or as per their mandates as under:

- a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories, as of close of business hours on **Thursday, August 14, 2025 ('Record Date')**.
- b) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **Thursday, August 14, 2025 ('Record Date')**.

SEBI vide its Master Circular dated June 23, 2025 and other applicable Circulars, has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature) and nomination details. As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, *inter alia*, furnish PAN, KYC and nomination details. Physical folios wherein the said details are not available would be eligible for lodging grievance or any service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically with effect from April 1, 2024 upon registering the required details. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doFaq=yes>

Further, pursuant to Finance Act, 2020 dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In order to enable compliance with TDS requirements in respect of dividends declared by the Company in future, members are requested to submit Form 15G/15H on annual basis and update details about their residential status, PAN, Category as per the IT Act with their Depository Participants or in case of shares held in physical

form, with the Company / RTA, so that tax at source, if any as per applicable rates may be deducted in respect of dividend payments made by the Company in future.

12. Brief Resume/profile of the Directors seeking appointment/reappointment as required under Regulation 36 of Listing Regulations and Secretarial Standard-2, is annexed hereto and forms part of Notice.
13. Pursuant to Section 139(5) of the Act, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Act, their remuneration shall be fixed by the Company in a General Meeting or in such manner as the Company may determine in a General Meeting.

In the 55th AGM of the Company held on August 20, 2024, the Board of Directors were authorized by the Shareholders in pursuance of Section 142 read with Section 139(5) of the Act to fix and approve the remuneration of Statutory Auditors of the Company for the financial year 2024-25. Accordingly, the Board of Directors had approved the payment of remuneration of ₹68,00,000/- (Rupees Sixty Eight Lakh only) plus taxes as applicable, to be shared equally by the Statutory Auditors i.e. M/s. Kailash Chand Jain & Co., Chartered Accountants and M/s. SCV & Co. LLP, Chartered Accountants, for the financial year 2024-25. The Board has also approved that in addition to the said remuneration, the Statutory Auditors may be paid such actual reasonable travelling allowance and out-of-pocket expenses for outstation audit work, as may be decided by the CMD/Director (Finance).

The appointment of Statutory Auditors of the Company for the financial year 2025-26 is yet to be made by the C&AG of India. Further, members are requested to authorize the Board of Directors of the Company to fix an appropriate remuneration of the Statutory Auditors of the Company, as may be deemed fit, for the financial year 2025-26.

14. In terms of Regulation 40 of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Accordingly, we request all the shareholders to hold their shares in dematerialized form as this eliminates the possibility of damage/loss of physical share certificate(s) & cases of forgery and facilitates the ease and convenience of paperless trading of shares. Members may contact the Company or Alankit Assignments Limited (RTA) for assistance in this regard.
 - a) Further, members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
 - b) SEBI vide its Circular dated January 25, 2022 and other applicable Circulars, has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificate / folios; transmission and transposition. Therefore, members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at <https://recindia.nic.in/forms>



and on the website of the Company's RTA, at <https://alankitassignments.com/investor-charter>. It may be noted that any service request can be processed only after compliance of KYC by shareholders.

- c) In terms of SEBI Guidelines/circulars, the security holder(s) whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination. Accordingly, shareholders holding shares in physical form are once again requested to furnish the PAN, KYC details and other details, immediately to RTA of the Company in the prescribed forms, available on the website of the Company at <https://recindia.nic.in/forms> or RTA at <https://alankitassignments.com/investor-charter>.

Further, the Company has also sent intimations to the concerned shareholders regarding the same. Further, Shareholders holding shares in dematerialized mode, are requested to update their KYC, Bank and other requisite details with their respective Depository Participant ("DP").

15. As SEBI has made usage of electronic payment modes for making payments to the investors mandatory, therefore, members are advised to submit their National Electronic Clearing System (NECS)/National Electronic Fund Transfer (NEFT)/ Direct Credit mandates or changes therein, to enable the Company to make payment of dividend. Shareholders holding shares in physical form may send the NECS/NEFT/ Direct Credit mandate form, available on the Company's website, to RTA of the Company at the address i.e. **Alankit Assignments Limited, Unit: REC Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055**. Shareholders holding shares in electronic form may send the NECS / NEFT /Direct Credit Mandate Form directly to their DP. Those who have already furnished the NECS/NEFT/ Direct Credit Mandate Form to the Company/ RTA / DP with complete details need not send it again unless require revision/updation thereof.
16. Members who have not received/encashed their dividend Warrants/Demand Drafts within its validity period may write to the Company at its Registered Office or RTA of the Company, for revalidating the Warrant/Demand Drafts or online payment in lieu of such Warrant/Demand Drafts.
17. Members are requested to note that pursuant to the provisions of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not encashed within a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to Unpaid Dividend Account, shall also be required to be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Pursuant to the provisions of the Act and IEPF Rules, the requisite details of unpaid and unclaimed amounts lying with the Company has been uploaded on Company's website (www.recindia.nic.in) and website of Ministry of Corporate Affairs. Further, the investor-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are available on the website of the Company i.e. www.recindia.nic.in.

Further, the unclaimed final dividend for the financial year 2017-18 and unclaimed interim dividend for the financial year 2018-19 will be due for transfer to IEPF in October, 2025 and April, 2026 respectively, in terms of the provisions of the Act and the Rules made thereunder.

Member(s) are advised to claim unpaid/unclaimed dividend amounts, if any, in respect of final dividend for the financial year 2017-18 and thereafter, by sending a request to RTA of the Company, Unit: REC Limited, 205-208, Anarkali Complex, Jhandewalan, Extension, New Delhi -110055 or call at 91-1142541234 or email at 'virenders@alankit.com'. Further, unpaid/unclaimed amount of dividend relating to interim dividend for the financial year 2017-18 and earlier dividends, have already been transferred by the Company to IEPF and accordingly, any claims in respect of such amounts are to be made directly to the IEPF Authority as per the statutory provisions.

The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/ or shares available on <https://www.mca.gov.in>. For further details, please refer website of the Company i.e. <https://recindia.nic.in/iepf-details>.

18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. 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 forms can be downloaded from the Company's website at <https://recindia.nic.in/forms>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA of the Company in case the shares are held in physical form.
19. Statutory registers as prescribed under the Act and all documents referred to in the notice, will be available for inspection through electronic mode, without any fee, by the members from the date of circulation of this Notice, up to the date of AGM i.e. August 27, 2025. Members desiring for inspection of said documents are requested to send an e-mail to the Company at complianceofficer@recindia.com.
20. Members desirous of getting any information on any item(s) of business of this meeting are requested to send an e-mail mentioning their name, demat account number/folio number, email id, mobile number to complianceofficer@recindia.com at least seven days prior to the date of the AGM and the same will be suitably replied by the Company.
21. The Scrutinizer shall, after the conclusion of the electronic voting during the AGM, assess the votes cast at the meeting through electronic voting system, thereafter, unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Meeting.
22. The results of the e-voting indicating the number of votes cast in favour or against each of the Resolution(s), invalid votes and whether the Resolution(s) have been carried out or not, together with the Scrutinizer's Report, will be uploaded on the website of the Company (www.recindia.nic.in) and on NSDL website

(www.evoting.nsdl.com) and will also be submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed timelines. Further, the resolution(s), if passed by shareholders, shall be deemed to be passed on the date of 56th AGM.

23. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at complianceofficer@recindia.com upto **Sunday, August 24, 2025 (5:00 p.m. IST)**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
24. SEBI vide Circular dated July 31, 2023 and August 4, 2023, read with Master Circular dated July 31, 2023 and all other applicable Circulars (Including updation/amendments thereof), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website at <https://recindia.nic.in/smart-odr-portal>.
25. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company about any change in address or demise of any Member, as soon as possible. Members are also advised to not leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
26. In terms of SEBI Circular dated July 2, 2025, a special window has been opened for a period of six months from July 7, 2025 till January 6, 2026, only for re-lodgement of transfer deeds of physical shares, which were lodged prior to April 1, 2019 and were rejected, returned or not attended, due to deficiencies in the documents/ process or otherwise. The shares re-lodged for transfer shall be issued only in demat mode after completing the due process. Eligible shareholders are requested to submit their request along with requisite documents to Company's Registrar and Transfer Agent.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESSES SET OUT IN THE NOTICE.

Item No. 5: Appointment of Shri Jitendra Srivastava (DIN: 06817799) as Chairman & Managing Director.

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

The Appointments Committee of the Cabinet ("ACC"), Ministry of Personnel, Public Grievances and Pensions, Department of Personnel

and Training, Government of India, vide its communication dated April 18, 2025, had conveyed the appointment of Shri Jitendra Srivastava, IAS (BH:2000), Joint Secretary, Department of Drinking Water & Sanitation, Ministry of Jal Shakti as Chairman and Managing Director ("CMD"), REC Limited, in the rank and pay of Additional Secretary to the Government of India. Further, the Ministry of Power, Government of India ("MoP") has also issued order dated April 21, 2025 regarding the appointment of Shri Jitendra Srivastava as CMD, REC with effect from the date of assumption of charge of the post. In view of the same, Shri Srivastava has assumed the charge of CMD, REC on April 22, 2025.

Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Shri Jitendra Srivastava as Chairman and Managing Director (Additional Director) of the Company, with effect from April 22, 2025, subject to approval of the shareholders. A brief profile of Shri Jitendra Srivastava in terms of Listing Regulations and Secretarial Standard-2, is annexed to this Notice.

Pursuant to the Articles of Association of the Company, Shri Jitendra Srivastava, being CMD, shall not be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by ACC communication dated April 18, 2025, MoP Order dated April 21, 2025 and/or any other Order as may be issued by the Government of India.

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

All documents related to this proposal shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

The Board of Directors of the Company approved the proposal of appointment of Shri Jitendra Srivastava as Chairman and Managing Director effective from April 22, 2025 and recommended the passing of the Ordinary Resolution at Item No. 5 of this notice, by Shareholders of the Company.

Except Shri Jitendra Srivastava, none of the Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution, except to the extent of their shareholding in the Company.

In view of the above, it is proposed to obtain approval of shareholders for appointment of Shri Jitendra Srivastava as Chairman and Managing Director of the Company, by passing Ordinary Resolution set out at Item No 5. of this Notice.

Item No. 6: Appointment of Dr. Gambheer Singh (DIN:02003319) as Part-time Non-Official Independent Director.

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

The Ministry of Power (MoP), vide its order dated April 17, 2025 read with corrigendum dated May 21, 2025, has appointed



Dr. Gambheer Singh as Part-time Non-official Independent Director of REC, for a period of one year from the date of notification of his appointment or until further orders, whichever is earlier. Further, after compliances of statutory provisions and on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Dr. Gambheer Singh as Part-time Non-official Independent Director (Additional Director) of the Company, with effect from April 17, 2025, subject to approval of the shareholders. Further, his tenure will be upto one year from the date of notification of his appointment or until further orders, whichever is earlier.

A brief profile of Dr. Gambheer Singh, in terms of Listing Regulations and Secretarial Standard-2, is annexed to this Notice. Pursuant to the Articles of Association of the Company and applicable statutory provisions, Dr. Gambheer Singh shall not be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated April 17, 2025 read with corrigendum dated May 21, 2025 and/or any other Order as may be issued by the Government of India.

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

All documents related to this business proposal shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

The Board of Directors of the Company approved the proposal of appointment of Dr. Gambheer Singh as Part-time Non-Official Independent Director effective from April 17, 2025 and recommended the passing of the Special Resolution at Item No. 6 of this notice, by Shareholders of the Company.

Except Dr. Gambheer Singh, none of the Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

In view of the above, it is proposed to obtain the approval of shareholders for appointment of Dr. Gambheer Singh as Part-time Non-official Independent Director of the Company, by passing Special Resolution set out at Item No. 6 of this Notice.

Item No. 7: Appointment of Dr. Durgesh Nandini (DIN: 09398540) as Part-time Non-Official Independent Director.

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

The Ministry of Power (MoP), vide its order dated April 17, 2025 read with corrigendum dated May 21, 2025, has appointed Dr. Durgesh Nandini as Part-time Non-official Independent Director of REC, for a period of one year from the date of notification of her appointment or until further orders, whichever is earlier. Further,

after compliances of statutory provisions and on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Dr. Durgesh Nandini as Part-time Non-official Independent Director (Additional Director) of the Company, with effect from April 17, 2025, subject to approval of the shareholders. Further, her tenure will be upto one year from the date of notification of her appointment or until further orders, whichever is earlier.

A brief profile of Dr. Durgesh Nandini, in terms of Listing Regulations and Secretarial Standard-2, is annexed to this Notice. Pursuant to the Articles of Association of the Company and applicable statutory provisions, Dr. Durgesh Nandini shall not be liable to retire by rotation. Further, the terms & conditions of her appointment will be governed by MoP Order dated April 17, 2025 read with corrigendum dated May 21, 2025 and/or any other Order as may be issued by the Government of India.

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

All documents related to this proposal shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

The Board of Directors of the Company approved the proposal of appointment of Dr. Durgesh Nandini as Part-time Non-Official Independent Director effective from April 17, 2025 and recommended the passing of the Special Resolution at Item No. 7 of this notice, by Shareholders of the Company.

Except Dr. Durgesh Nandini, none of the Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

In view of the above, it is proposed to obtain the approval of shareholders for appointment of Dr. Durgesh Nandini as Part-time Non-official Independent Director of the Company, by passing Special Resolution set out at Item No. 7 of this Notice.

Item No. 8: Approval for private placement of securities.

As per provisions of Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a Company shall not make a Private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offer(s) or invitation(s) for such debentures during the year. Therefore, it is proposed to pass a Special Resolution to enable the Company to raise funds through private placement of unsecured/ secured non-convertible bonds/debentures upto ₹1,55,000 crore, during a period of one year from the date of passing of this resolution, i.e. upto August 26, 2026, in one or more tranches, to such person or persons, who may or may not be the bond/debenture holders of the Company, within the overall market borrowing programme, as may be approved by the Board of Directors of the Company, from

time to time. Further, the said limit of ₹1,55,000 crore shall be within the overall borrowing limit of the Company.

Further, the Board of Directors of the Company (the "Board") or any Committee duly constituted by the Board or such other authority as may be approved by the Board shall be authorized to determine the terms of the issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/ undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force.

All documents related to this business proposal shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM. Considering the unavoidable nature of business, the Board of Directors of the Company in its Meeting held on June 4, 2025 approved the above proposal and recommended the passing of the Special Resolution at Item No. 8 of this notice, by Shareholders of the Company.

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

In view of the above, it is proposed to obtain approval of shareholders for private placement of securities, by passing Special Resolution set out at Item No 8. of this Notice.

Item No. 9: Appointment of Secretarial Auditor.

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), every listed Company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's Report, prepared under Section 134(3) of the Act. Furthermore,

pursuant to recent amendments to Regulation 24A of Listing Regulations read with circulars issued thereunder, every listed entity is required to appoint a Secretarial Auditor for a term of five consecutive years, with the approval of shareholders in the Annual General Meeting.

Accordingly, the Audit Committee and the Board of Directors at their respective meetings, both held on July 24, 2025, have recommended the appointment of M/s. Agarwal S. & Associates, Company Secretaries, (Peer Review No. 2725/2022 & Firm Registration No. P2003DE049100), as the Secretarial Auditor of the Company on the following terms and conditions:

- Term of appointment: For a term of 5 (Five) consecutive financial years starting from April 1, 2025 to March 31, 2030.
- The Board of Directors of the Company has fixed the annual remuneration including out-of-pocket expenses payable to Secretarial Auditor during their tenure. The recommendations of audit committee and Board of Directors are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and Listing Regulations. Further, M/s. Agarwal S. & Associates, Company Secretaries, is a seasoned professional firm having rich experience, specializing in secretarial audits and corporate compliance across a diverse range of industries.

All documents related to this business proposal shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM. Considering the unavoidable nature of business, the Board of Directors of the Company in its meeting held on July 24, 2025, approved the above proposal and recommended the passing of the Ordinary Resolution at Item No. 9 of this notice, by Shareholders of the Company.

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

In view of the above, it is proposed to obtain approval of shareholders for appointment of Secretarial Auditor, by passing Ordinary Resolution set out at Item No 9. of this Notice.

**By Order of the Board of Directors
For REC Limited**



**J.S. Amitabh
Executive Director & Company Secretary**

**Place: Gurugram
Date: July 25, 2025**



Brief Profile of the Director(s) seeking appointment/reappointment, as set out in this Notice, in terms of Listing Regulations & Secretarial Standard-2 issued by ICSI.

Name of the Director(s)	Shri Shashank Misra	Shri Jitendra Srivastava	Dr. Gambheer Singh	Dr. Durgesh Nandini
DIN	08364288	06817799	02003319	09398540
Date of birth	March 16, 1983	November 19, 1974	June 11, 1968	July 1, 1971
Age	42 Years	50 Years	57 Years	54 Years
Date of first appointment on the Board	August 21, 2023	April 22, 2025	April 17, 2025 <i>(He has held the post of Part-Time Non-Official Independent Director in the Company w.e.f. November 15, 2021 to November 14, 2024. Appointed again as Part-Time Non-Official Independent Director w.e.f. April 17, 2025).</i>	April 17, 2025 <i>(She has held the post of Part-Time Non-Official Independent Director in the Company w.e.f. December 30, 2021 to December 26, 2024. Appointed again as Part-Time Non-Official Independent Director w.e.f. April 17, 2025).</i>
Qualification(s)	IAS (MP: 2007), B. Tech (Electrical) from IIT Delhi	IAS (BH:2000), Master in Business Administration from Cochin University of Science & Technology and B.A. Economics (Honours) from Hansraj College (Delhi University).	MBBS from Gandhi Medical College, Bhopal and Master of Surgery From GR Medical College, Gwalior.	Master of Arts from Gorakhpur University, Masters in Education from Maharshi Dayanand University, Rohtak and a doctorate degree in Political Science from Dr. B.R. Ambedkar University, Agra.
Detailed profile/resume including skills and capabilities	Shri Shashank Misra, Government Nominee Director, is presently posted as Joint Secretary in the Ministry of Power, Government of India. Prior to joining the Ministry of Power, he has served in Department of Revenue, Ministry of Finance, Government of India. He has also worked in various capacities in Madhya Pradesh Government which includes Managing Director of Madhya Pradesh Road Development Corporation Limited, Madhya Pradesh Building Development Corporation Limited & Madhya Pradesh State Asset Management Company Limited, Chairman of Ujjain Smart City Limited and as CEO of Madhya Pradesh Rural Road Development Authority.	Shri Jitendra Srivastava is an IAS Officer from Bihar Cadre (2000 Batch) and is a seasoned civil servant with over two decades of distinguished service. Over the years, he has held several key administrative and leadership roles across the Government of India and the Government of Bihar. Shri Srivastava has served as Joint Secretary in the Department of Drinking Water & Sanitation, Ministry of Jal Shakti from January 2023 onwards. Earlier, he served as Secretary to Government of Bihar in Home Department and Public Health Engineering Department (PHED).	Dr. Gambheer Singh is presently the Dean of Raipur Institute of Medical Sciences in Chhattisgarh. He has more than 25 years of teaching experience, having served in G.R. Medical College, Gwalior and Pandit Jawahar Lal Nehru Memorial Medical College, Raipur. Dr. Gambheer Singh is running a 50-bedded multi-specialty hospital in Raipur since 2008. He is regularly educating the villagers of GPM district, for plantation of medicinal trees, having numerous health benefits. He has also published more than 10 national and international papers in various index journals and has been an examiner of undergraduate and post graduate examinations.	Dr. Durgesh Nandini has earlier served as Principal in a prestigious girls' inter-college and has been a key contributor in the field of education, through her involvement in editing of primary level textbooks and training modules in the Department of Elementary Education, Government of Haryana. Dr. Durgesh Nandini has rich and varied experience in addressing key social issues under the banner of national level volunteer organization "Jagriti". She is actively contributing as a social worker in the fields of health, women empowerment, child development and environment preservation. She is working on a project for economic development of women and is cooperating with Aparajita Foundation for social justice issues.

Name of the Director(s)	Shri Shashank Misra	Shri Jitendra Srivastava	Dr. Gambheer Singh	Dr. Durgesh Nandini
Nature of expertise in specific functional areas	Shri Shashank Misra, brings in expertise in various areas such as financial management, power sector domain expertise, project appraisal, corporate planning & strategy, risk management, leadership, board practices & governance, environment & social areas.	Postings of Shri Srivastava have included important assignments in sectors such as finance, power sector, education, public health and infrastructure.	Dr. Gambheer Singh brings in expertise in various areas such as financial management, power sector domain expertise, corporate planning & strategy, leadership, board practices & governance, business development, environment & social areas.	Dr. Durgesh Nandini brings in expertise in various areas such as financial management, power sector domain expertise, corporate planning & strategy, leadership, board practices & governance, business development, environment & social areas.
Terms & conditions of appointment and proposed remuneration to be paid	The terms & conditions of his appointment will be governed by MoP's Office Order dated August 21, 2023 and/or any other order etc. issued by the Government of India, in this regard. The Government Nominee Director is not entitled to receive any sitting fees from the Company, as per the norms of Government of India. However, payment / reimbursement of TA/DA, out-of-pocket expenses etc., if any, in respect of Board or Committee meetings to be attended by him, would be borne by the Company.	The terms & conditions of his appointment will be governed by ACC Communication dated April 18, 2025, MoP Order dated April 21, 2025 and/or any other Order(s) etc. issued by the Government of India.	The terms & conditions of his appointment will be governed by MoP Order dated April 17, 2025 and May 21, 2025 and/or any other Order(s) etc. issued by the Government of India. He is entitled to receive sitting fee in connection with the Board or Committee meetings of REC attended by him, as decided by the Board from time to time. Further, payment towards air tickets, / reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc. in respect of her attending such Board or Committee meetings, would be borne by REC.	The terms & conditions of her appointment will be governed by MoP Order dated April 17, 2025 and May 21, 2025 and/or any other Order(s) etc. issued by the Government of India. She is entitled to receive sitting fee in connection with the Board or Committee meetings of REC attended by her, as decided by the Board from time to time. Further, payment/reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc. in respect of her attending such Board or Committee meetings, would be borne by REC.
Shareholding in the Company including as a beneficial owner	Nil	Nil	Nil	Nil
Number of Board meetings attended during the financial year 2024-25	Attended 13 Board meetings during the financial year 2024-25.	Not Applicable	Attended 8 Board meetings during his tenure in the financial year 2024-25.	Attended 11 Board meetings during her tenure in the financial year 2024-25.
Number of Committee meetings attended during the financial year 2024-25	Attended 2 Committee meetings during the financial year 2024-25.	Not Applicable	Attended 15 Committee meetings during his tenure in the financial year 2024-25.	Attended 17 Committee meetings during her tenure in the financial year 2024-25.



Name of the Director(s)	Shri Shashank Misra	Shri Jitendra Srivastava	Dr. Gambheer Singh	Dr. Durgesh Nandini
Directorship held in other companies / listed entities	Power Finance Corporation Limited	REC Power Development and Consultancy Limited.	Samarpan Hospital Private Limited	Nil
Details of listed entities from which resigned in the past three years	Nil	Nil	Nil	Nil
Membership/ Chairmanship of Committee across all public companies other than REC as on March 31, 2025	Power Finance Corporation Limited - Audit Committee (Chairperson) - Nomination and Remuneration Committee (Chairperson) - Stakeholders Relationship Committee (Chairperson) - Risk Management Committee (Chairperson) - IT Strategy Committee (Chairperson) - CSR Committee (Member)	Not Applicable	Not Applicable	Not Applicable
Relationship with Directors & KMP inter-se	No <i>inter-se</i> relationship with any other Director or KMP of the Company	No <i>inter-se</i> relationship with any other Director or KMP of the Company	No <i>inter-se</i> relationship with any other Director or KMP of the Company	No <i>inter-se</i> relationship with any other Director or KMP of the Company

Instructions for members for remote e-voting, attending the 56th AGM through VC/OAVM and electronic voting during the AGM

A. Instructions for remote e-voting system prior to the 56th AGM

The remote e-voting period begins on **Sunday, August 24, 2025 (0900 hours) and ends on Tuesday, August 26, 2025 (1700 hours)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members/Beneficial Owners as on the **cut-off date** i.e. **August 20, 2025 ("cut-off date")**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their shareholding as on the said cut-off date.

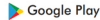
In order to vote electronically on NSDL e-voting system, a two-step process needs to be followed as detailed under:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for individuals holding shares in demat mode:-

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed entities, individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories / Depository Participants. Shareholders are advised to update their mobile number and email ID address correctly in their demat accounts in order to access the e-voting facility.

(i) Login method for individuals holding shares in demat mode is given below:

Type of Shareholders	Login Method
Individual shareholders holding shares in demat mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on the company name i.e. REC Limited or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL depository site, wherein you can see e-voting page. Click on company name i.e. REC Limited or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    
Individual shareholders holding shares in demat mode with CDSL	- Existing users who have opted for CDSL Easi / Easiest, can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. - After successful login of Easi/Easiest, the user will also be able to see the e-voting option for eligible companies where e-voting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link https://www.cdslindia.com available on home page. The system will authenticate the user by sending OTP on registered mobile and email, as recorded in the demat account. After successful authentication, user will be provided link for the respective ESP (E-voting Service Provider) i.e. NSDL where the e-voting is in progress.



Type of Shareholders	Login Method
Individual Shareholders (holding shares in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on the e-voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-voting feature. Click on Company name i.e. REC Limited or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Note: Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" or "Forgot Password" option available at the above-mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding shares in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at: 022 - 4886 7000
Individual Shareholders holding shares in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll-free no.1800-21-09911

ii) Login Method for e-voting and joining virtual meeting for shareholders (other than individual shareholders) holding securities in demat mode and shareholders holding securities in physical mode.

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Details of User ID and Password for logging on to NSDL e-voting Portal.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example: if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps as mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- If you are holding shares in your demat account with NSDL or CDSL, click on "Forgot User Details/Password" option available on www.evoting.nsdl.com.
- If you are holding shares in physical mode, click on "Physical User Reset Password" option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, PAN, Name and registered address.

d) Members can also use OTP (One-Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. Instructions for members for attending the 56th AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against Company name. The link for VC/OAVM will be available in shareholder/member login where the EVEN of Company will be displayed. Please note that the members who 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 the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or laptop connecting via mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches of such kind.

C. Instructions for members for voting through electronic voting system during the 56th AGM

1. Once discussion on all the items of Notice is completed in the Meeting, every Resolution will be put to vote through electronic voting system during the AGM. Corporate Members are requested to send a certified copy of the Board resolution/authorization letter to the Scrutinizer through

e-mail at sachinics2022@gmail.com with a copy marked to evoting@nsdl.com.

2. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
3. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through electronic voting system during the AGM.
4. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
5. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same persons, as mentioned above for Remote e-voting.

D. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to complianceofficer@recindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to complianceofficer@recindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

General Guidelines for shareholders

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 at the designated email address: evoting@nsdl.com or at telephone no. 022- 48867000. Members may also write to the Company Secretary at the Company's email address at complianceofficer@recindia.com.



BOARD'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the 56th Annual Report together with the Audited Financial Statements of your Company for the financial year ended on March 31, 2025.

1. PERFORMANCE HIGHLIGHTS

1.1 Summary of performance

The highlights of performance of your Company for the financial year 2024-25, with comparative position of previous year's performance, were as under:

Parameter	(₹ in crore)	
	FY 2024-25	FY 2023-24
Loans Sanctioned	3,37,179.37	3,58,816.34
Disbursements	1,91,184.67	1,61,462.28
Recoveries (including interest)	1,79,694.70	1,31,041.76
Total Operating Income	55,911.12	47,146.30
Profit Before Tax	19,859.78	17,780.64
Profit After Tax	15,713.21	14,019.21
Total Comprehensive Income	14,196.41	15,063.48

1.2 Financial performance

The Total Operating Income of your Company for the financial year 2024-25 was ₹55,911.12 crore as compared to ₹47,146.30 crore during the financial year 2023-24.

The Profit after Tax and Total Comprehensive Income for financial year 2024-25 was ₹15,713.21 crore and ₹14,196.41 crore, respectively as compared to ₹14,019.21 crore and ₹15,063.48 crore for the financial year 2023-24.

Earnings Per Share (EPS) for the financial year ended March 31, 2025 was ₹59.55 per share of face value ₹10/- each, as against EPS of ₹53.11 per share in the previous financial year. Net Worth of the Company as on March 31, 2025 has increased to ₹77,637.97 crore, i.e. 12.87% higher than the Net Worth of ₹68,783.15 crore as on March 31, 2024.

The Gross Loan Asset Book of your Company as on March 31, 2025 was ₹5,66,883.29 crore, as compared to ₹5,09,370.95 crore as on March 31, 2024. Further, the outstanding borrowings as on March 31, 2025 were ₹4,88,258.51 crore.

1.3 Dividend

For the financial year 2024-25, the Board of Directors of your Company has recommended a final dividend of ₹2.60/- per equity share of face value of ₹10/- each (26% of the paid-up share capital), which is subject to approval of the shareholders in the 56th Annual General Meeting (AGM) scheduled to be held on August 27, 2025. The above dividend is in addition to 1st Interim Dividend of ₹3.50/- per equity share (35% of the paid up share capital) paid on August 23, 2024, 2nd Interim Dividend of ₹4.00/- per equity share (40% of the paid up share capital) paid on November 22, 2024, 3rd Interim Dividend of ₹4.30/- per equity share (43% of the paid up share capital) paid on March 6, 2025 and 4th Interim Dividend of ₹3.60/- per equity share (36% of the paid up share capital) paid on April 16, 2025.

The total dividend for the financial year 2024-25, including the final dividend, amounts to ₹18/- per share of face value of ₹10/- each, which is 180% of the paid-up share capital. For the last financial year 2023-24, the Company had paid a dividend of ₹16/- per share of face value of ₹10/- each, which was 160% of the paid-up share capital.

The total dividend pay-out for the financial year 2024-25, including the final dividend, would work out to ₹4,739.80 crore. The dividend is paid in accordance with the Company's Dividend Distribution Policy, which is available at <https://recindia.nic.in/policies>

1.4 Share capital

As on March 31, 2025, the authorized share capital of the Company was ₹5,000 crore, consisting of 500 crore equity shares of ₹10/- each. The issued and paid-up share capital of the Company was ₹2,633.22 crore, consisting of 2,63,32,24,000 equity shares of ₹10/- each. Power Finance Corporation Limited (PFC), a Government of India undertaking, held 52.63% of the paid-up equity share capital of the Company as on March 31, 2025, comprising of 1,38,59,93,662 equity shares of ₹10/- each and the balance 47.37% paid-up equity share capital was held by public shareholders.

1.5 Policy initiatives

The Company regularly reviews, updates and strengthens its policy framework to enhance business value and meet statutory requirements and amendments.

During the financial year 2024-25, the Company has focused on introducing and amending various policies. The Company has introduced various policies which *inter-alia* includes Data Privacy Policy, Stakeholder Engagement Policy, Policy on Responsible Advocacy with Public and Regulatory Bodies, Human Rights Policy, Sustainable Procurement Policy, Policy for Resolution of Stressed Assets, Financing of Non-power

Infrastructure & Logistics Projects, Policy for Concentration Norms, Project Appraisal Guidelines for Financing Road Sector Projects, Occupational Health and Safety Policy, Policy on Coal Mining Projects and External Credit Rating Policy of Private Sector Borrowers. Further, the Company has also made revision / modification in various policies which *inter-alia* includes REC ESG Policy, Long Term Investment (LTI)

Policy, Special term loan Policy to State Sector Utilities, Policy on 'Diversity and skills of the Board, criteria for appointing Senior Management Personnel and Remuneration to Directors, KMPs and other employees' of the Company and Integrated Risk Management (IRM) Policy along with Business Continuity Plans (BCPs) for HR and Admin & Estate.

2. FINANCIAL REVIEW

2.1 Summary of Financial Results

The summary of audited financial results of the Company for the financial year 2024-25, *vis-à-vis* the previous financial year, is given as follows:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations	55,911.12	47,146.30	56,366.55	47,504.75
Other Income	68.50	67.85	67.48	66.48
Total Income	55,979.62	47,214.15	56,434.03	47,571.23
Finance Costs	34,134.98	29,949.27	34,131.29	29,947.74
Net translation / transaction exchange loss	208.15	166.57	208.15	166.57
Fees and Commission Expense	13.66	24.26	13.66	24.26
Impairment on financial instruments	1,019.41	(1,358.39)	1,021.58	(1,379.58)
Other Expenses	743.64	651.80	941.88	852.30
Total Expenses	36,119.84	29,433.51	36,316.56	29,611.29
Profit Before Tax	19,859.78	17,780.64	20,117.47	17,959.94
Tax Expenses	4,146.57	3,761.43	4,233.24	3,814.48
Profit After Tax	15,713.21	14,019.21	15,884.23	14,145.46
Other Comprehensive Income for the period	(1,516.80)	1,044.27	(1,516.80)	1,044.27
Total Comprehensive Income	14,196.41	15,063.48	14,367.43	15,189.73
Add: Opening Balance of Retained Earnings and Other Comprehensive Income	13,149.12	8,719.48	13,658.39	9,102.50
Amount available for appropriation	27,345.53	23,782.96	28,025.82	24,292.23
Less: Appropriations				
Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961	(3,550.57)	(3,066.94)	(3,550.57)	(3,066.94)
Reserve for bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(841.80)	(687.76)	(841.80)	(687.76)
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(3,142.64)	(2,803.84)	(3,142.64)	(2,803.84)
General Reserve	(750.00)	-	(750.00)	-
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)	(33.30)	(33.30)
Sub-total: Appropriations	(8,318.31)	(6,591.84)	(8,318.31)	(6,591.84)
Less: Dividend payments to Owners (including related taxes)				
Dividend	(5,371.78)	(4,042.00)	(5,371.78)	(4,042.00)
Closing Balance of Retained Earnings and Other Comprehensive Income	13,655.44	13,149.12	14,335.73	13,658.39



2.2 Contribution to National Exchequer

During the financial year 2024-25, the Company contributed an amount of ₹4,341.42 crore to the National Exchequer, which included ₹4,182.56 crore towards Direct Taxes and ₹158.86 crore towards Goods and Services Tax (GST). In the previous financial year, the total contribution to the National Exchequer was ₹3,346.61 crore.

2.3 Ratio analysis

A comparative statement of significant ratios of the Company for the financial year 2024-25 vis-à-vis the previous financial year, is given below:

Particulars	FY 2024-25	FY 2023-24
Earnings Per Share (₹)	59.55	53.11
Return on Average Net Worth (%)	21.46	22.17
Book Value per Share (₹)	294.84	261.22
Debt Equity Ratio (times)*	6.29	6.37
Price Earnings Ratio (times)#	7.21	8.49
Interest Coverage Ratio (times)	1.58	1.59

*Net debt represent principal outstanding, less cash and cash equivalent available.

#PE Ratio is calculated based on closing price of REC's Equity Share at NSE, as on March 28, 2025 and as on March 28, 2024, respectively (being last trading day).

2.4 Resource mobilization

2.4.1 Total resource mobilization during the financial year

During the financial year 2024-25, the Company mobilized funds of ₹1,42,203.99 crore from the market. This included ₹32,147.07 crore from External Commercial Borrowings in different currencies, USD 2,374.10 million and JPY 2,21,559.11 million, ₹42,410.17 crore equivalent to USD 4,818.74 million and JPY 34,228.99 million from FCNR (B) loans, long and short rupee term loans (more than 6 months) from banks and financial institutions of ₹2,900 crore and ₹1,600 crore, respectively, ₹7,634.75 crore (net of refund and includes pending allotment as on March 31, 2025) from Capital Gains Tax Exemption Bonds and ₹55,512 crore (after adjustment of discount and premium) from Institutional Bonds.

2.4.2 Redemption and pre-payment

During the financial year 2024-25, the Company repaid a sum of ₹88,259.87 crore. This includes repayment amounting to ₹24,258 crore towards Institutional Bonds, ₹6,157.82 crore towards Capital Gain Tax Exemption Bonds, ₹12,456.09 crore towards External Commercial Borrowings equivalent of USD 1,425 million and SGD 72.08 million, ₹25,357.43 crore of FCNR loans equivalent of USD 2,789 million and JPY 34,228.99 million and ₹248.53 crore of Official Development Assistance (ODA) loans equivalent of USD 24 million and Euro 5.26 million. The Company also repaid long term loans amounting to ₹17,182 crore to various banks and financial institutions and short-term loans (more than 6 months) amounting to ₹2,600 crore.

2.4.3 Cost of borrowing

The overall annualized cost of funds during the financial year 2024-25 was 7.11%.

Further, during the financial year 2024-25, your Company had raised funds of ₹55,831 crore (other than perpetual debt instruments) {considering Zero Coupon Bond at the face

value of ₹5,000 crore} through listed bonds, at a cost of 7.31% p.a., which is 19 bps lower than the rates of similarly rated instruments issued by other CPSEs / entities (margin over Reuters).

2.4.4 Cash credit facilities

The Company has an approved cash credit / working capital demand loan / overdraft limit of ₹14,608 crore from various banks for its day-to-day operations, out of which ₹2,170.42 crore was availed as on March 31, 2025.

2.4.5 Perpetual Debt Instruments

Your Company had raised Perpetual Debt Instruments (PDI) as follows:

Series	Amount (₹ in crore)	Face Value (₹)	Date of Allotment	Rate of Interest %
206	558.40	10,00,000	January 22, 2021	7.97
222	2,000.00	1,00,00,000	April 28, 2023	7.98
226	1,090.00	1,00,00,000	September 27, 2023	8.03
244	1,995.00	1,00,00,000	February 27, 2025	7.99

As on March 31, 2025, the said instruments form 7.10% of the Tier-I capital of the Company. These PDI have no maturity and are callable only at the option of the Company after 10 years and relevant detailed disclosure on PDI is appearing in notes to accounts of the Standalone Financial Statements forming part of this Annual Report.

2.4.6 Green Bonds issued by REC

In alignment with India's Climate action plan to increase the renewable energy capacity with an ultimate objective to reduce the carbon emissions and carbon intensity, REC raises funds through Green Bonds from time to time considering market conditions.

Annual Impact Reporting for Green Bonds - financial year 2024-25

REC had raised following Green Bonds till the financial year 2024-25:

Sl. No	Fund Raised (FCY)	Month and Year	Tenor
1	USD 450 million Green Bond	July 2017	10 Years
2	USD 750 million Green Bond	April 2023	5 Years
3	JPY 61.1 billion Green Bond		
	- JPY 31.0 billion Green Bond	January 2024	5 Years
	- JPY 27.4 billion Green Bond	January 2024	5.25 Years
	- JPY 2.7 billion Green Bond	January 2024	10 Years
4	USD 500 million Green Bond	September 2024	5 Years

With an aim of contributing towards a greener future for the nation and the world, REC raised USD 500 million in month of September, 2024 for a tenor of five years through Green Bonds

off its USD 10 billion Global Medium Term Note Programme. The proceeds from these bonds are utilized towards eligible green projects in accordance with REC's Green Finance Framework with a second-party opinion from Sustainable Fitch. Global Green Growth Institute (GGGI) provided technical support for the issuance and affirmed that REC's Green Finance Framework aligns with international standards. These bonds are listed exclusively at IFSC Stock Exchanges i.e. India INX and NSE IFSC in GIFT City, Gandhinagar, Gujarat.

Use of Proceeds: The proceeds have been utilized to finance eligible green projects as defined in the REC's Green Finance Framework, contributing to positive environmental impact and also strengthening India's energy security by reducing fossil fuel dependency.

In accordance with the Green Finance framework, REC has created a 'Green Portfolio' managed through a well laid internal tracking system, updated on regular basis, to monitor, establish and account for the allocation of the proceeds for such Green Portfolio.

The post issuance certification of the eligible Green bonds by Climate Bonds Standard Board is available on the website of REC.

Management of Proceeds: The net proceeds from the Green Bonds were allocated against eligible projects and the details of the same are given at Annexure A to the Board's Report.

REC is complying with the requirements of its Green Finance framework. As per its continuing obligations, REC will ensure that the amount raised through Green Bonds remains invested in the eligible projects as per the Green Finance framework during the tenor of bonds.

2.4.7 International Cooperation & Development

REC has 7 lines of Official Development Assistance credit with KfW, Germany. Out of which, first five lines have been fully drawn. In the financial year 2023-24, REC signed a Sixth line of credit with KfW for availing ODA term loan of USD 215.56 million. This line of credit under the Indo-Germanic Development Cooperation is being utilized to re-finance investments in the distribution infrastructure of DISCOMs in alignment with the Revamped Distribution Sector Scheme (RDSS) of the Government of India. Under this facility, total amount of USD 72.75 million has been drawn till March 31, 2025.

Further, in the financial year 2024-25, REC signed a Seventh line of credit with KfW for availing ODA term loan of 200 million Euro. This line of credit under the Indo-Germanic Development Cooperation will be utilized to re-finance investments in the field of renewable energy production, with a particular focus on projects with innovative elements. Under this facility, no amount has been drawn till March 31, 2025.

Apart from the above, REC had two lines of ODA credit with JICA, Japan, under JICA-I & II ODA loans which have been fully repaid.

2.5 Domestic and International Credit Rating

The domestic debt instruments of REC continued to enjoy "AAA" rating, the highest rating assigned by CRISIL, CARE, ICRA and India Ratings & Research (Credit Rating Agencies), throughout the financial year 2024-25. There was no revision in the ratings assigned to REC during the financial year 2024-25.

Further, REC enjoys international credit rating from international credit rating agencies i.e. Moody's, FITCH and Japan Credit Rating of "Baa3", "BBB-" and "BBB+", respectively, which is at par with the sovereign rating of India.

2.6 Investments made during the financial year 2024-25

In terms of RBI's circular on High Quality Liquid Assets, the Company has invested in State Government Securities and Corporate Bonds during the financial year 2024-25. Other details of investment made by the Company are appearing in Note no. 11 of the Notes to Accounts of the Standalone Financial Statements.

2.7 Financial status at the close of the financial year

At the close of the financial year 2024-25, the total resources of your Company stood at ₹6,13,555.48 crore.

Out of this, equity share capital contributed ₹2,633.22 crore, instruments entirely equity in nature comprised ₹558.40 crore, other equity including Reserves & Surplus stood at ₹74,446.35 crore, financial liabilities including borrowings and other financial liabilities accounted for ₹5,35,518.57 crore and non-financial liabilities including provisions stood at ₹398.94 crore.

These funds were deployed as financial assets including long-term and short-term loans, investments etc. of ₹6,09,517.39 crore and non-financial assets including property, plant & equipment, tax assets etc. of ₹4,038.08 crore, besides asset classified as held for sale, amounting to ₹0.01 crore.

3. LOANS SANCTIONED

During the financial year 2024-25, the Company has sanctioned loans worth ₹3,37,179.37 crore as against ₹3,58,816.34 crore in the previous financial year.

The loans sanctioned for the financial year 2024-25 includes ₹89,631.59 crore towards Conventional Generation Projects (including coal purchase / mining), ₹1,05,258.87 crore towards Renewable Energy projects (including Large Hydro), ₹85,040.47 crore towards T&D projects including loans under Revolving Bill Payment Facility (RBPF) and Late Payment Surcharge (LPS), ₹43,239.44 crore towards Infrastructure & Logistics projects and ₹14,009 crore towards Short Term & Medium Term Loans. Details of category-wise sanctions during the financial year are appearing subsequently in this report.

4. DISBURSEMENTS

During the financial year 2024-25, the Company disbursed total sum of ₹1,91,184.67 crore, as against ₹1,61,462.28 crore in the previous financial year.

The disbursements for the financial year 2024-25 included ₹27,478.44 crore towards generation projects, ₹26,186.43 crore towards renewable energy projects, ₹38,405.35 crore towards T&D projects, ₹7,848.58 crore towards Power Infrastructure projects, ₹10,772.32 crore towards Infrastructure & Logistics projects, ₹78,846.66 crore towards other loans including short term and RBPF and ₹1,646.89 crore of counter-part funding under various Schemes of the Government of India.

5. RECOVERIES

5.1 Recoveries during the financial year

Your Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2024-25, the amount due for recovery including interest for Standard Assets (Stage I & II) was ₹1,80,907.83 crore, as compared to ₹1,31,403.85 crore during the previous financial year. The Company recovered a total sum of ₹1,79,694.70 crore towards Standard Assets (Stage I & II) during the financial year, as against ₹1,31,041.76 crore in the previous financial



year. The Company achieved recovery rate of 99.33% for the financial year 2024-25. The principal overdues from defaulting borrowers pertaining to Standard Assets (Stage I & II) as on March 31, 2025 were ₹864.33 crore. Further, an amount of ₹4,462.47 crore has been recovered from Credit Impaired Assets (Stage III) in the financial year 2024-25, as compared to ₹137.09 crore recovered in the previous financial year.

5.2 Credit Impaired Assets

Your Company's Credit Impaired Assets (Stage III) continue to be at low levels. The Company has created "Impairment Reserve" from its profits, which is higher than the minimum requirement specified under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI.

As on March 31, 2025 the Gross Credit Impaired Assets (Stage III) were ₹7,652.65 crore, which is 1.35% of Gross Loan Assets and Net Credit Impaired Assets (Stage III) were ₹2,163.17 crore, which is 0.38% of the Gross Loan Assets.

5.3 Stressed Asset Management

REC continuously works towards resolution of stressed assets, through various frameworks including RBI framework and resolution under Insolvency and Bankruptcy Code (IBC). REC has been able to contain its NPAs at minimum level i.e. one of the lowest amongst peer Companies in power sector. During the financial year 2024-25, REC has successfully resolved five stressed power projects, as per the details given below:

(₹ in crore)			
Sl. No.	Name of the Borrower	REC's exposure	Remarks
1	Lanco Amarkantak Power Limited	2,214.21	Resolved under IBC
2	Nagai Power Private Limited	560.99	Resolved under IBC
3	KSK Mahanadi Power Company Limited	2,596.36	Resolved under IBC
4	Lynx India Limited	1.96	Resolved through DRT and One Time Settlement of Personal Guarantor
5	Corporate Power Limited	797.00	Resolved through Debt-Assignment to Asset Reconstruction Company
Total		6,170.52	

6. APPRAISAL SYSTEM FOR FINANCING

6.1 Appraisal system for financing private sector projects

Your Company has its own Guidelines for appraisal of private sector projects. The appraisal of the promoter entity is carried out on the basis of financial performance, creditworthiness, management proficiency and sectoral experience of the promoter entities. The project appraisal is carried out on the basis of various technical parameters like statutory clearances, PPA, infrastructure etc. Thus, 'Integrated Rating' of the project is arrived on the basis of combined ratings of entity and project. REC's interest rates and security structure are linked to such integrated ratings assigned to private sector projects.

6.2 Grading of State power utilities, JVs, companies, entities etc.

Your Company has a well-defined policy and Guidelines for grading of State power utilities (excluding State DISCOMs, State Electricity Boards (SEBs) / Utilities with integrated operations and Power Departments). For the purpose of funding, your Company has classified the utilities/entities into A++, A+, A, B & C categories.

The grading of State Transmission utilities and State trading utilities are carried out, based on the evaluation of the utility's performance against specific parameters, operational and financial performance, regulatory compliances, annual financial results etc. During the financial year 2024-25, the Company has completed grading in respect of 23 utilities. Further, 3 utilities were non-responsive, therefore, the same were not graded.

Further, the grading of State Generation / holding utilities are carried out by PFC and adopted by REC. With regard to State power distribution utilities (including SEBs / utilities with integrated operations and Power Departments), the Company adopts the final annual integrated ratings carried out by external consultant, after approval of framework and rating by the Ministry of Power, Government of India ("MoP"). The rating framework for integrated rating of DISCOMs have been reviewed and modified by external consultant.

6.3 Project Monitoring

For a large and varied financial institution like REC, keeping a close watch on projects is crucial. REC has established comprehensive project monitoring Guidelines that encompass wide range of procedures for indepth overseeing of both under-construction and commissioned projects. These Guidelines enables systematic monitoring and tracking of project implementation, proactive identification of potential risks necessitating intervention to mitigate time and cost overruns. The periodicity of monitoring activities is determined based upon loan sector, type of project, construction stage, the size of loan and status of disbursement etc.

The overall project monitoring activities are overseen by a dedicated group at corporate level. Project monitoring is carried out by Regional Offices located across the Country and by the concerned Divisions at Corporate level. Additionally, to ensure efficient monitoring of private sector projects, independent Project Management Agencies (PMAs) are also appointed. PMAs submits periodic reports capturing physical progress, any major issues etc. thus ensuring efficient monitoring. The important observations of monitoring are taken up with the project developers for resolution on a regular basis.

During the financial year 2024-25, a dedicated REC digital platform has also been developed to enable the Company's management to review the progress of projects under implementation. This digital platform also generates a monthly MIS covering details of project monitoring carried out at different levels.

7. FINANCING ACTIVITIES DURING THE FINANCIAL YEAR

Your Company has been providing financial assistance for power generation (including conventional and renewable energy), transmission and distribution projects, Infrastructure and Logistics projects including for the electrification of villages and under the various schemes of the Government of India.

Details of major financing activities during the financial year under review were as follows:

7.1 Generation

During the financial year 2024-25, your Company has sanctioned 72 nos. of loans towards Generation Projects (other than Hydro Projects) including implementation of pollution control equipment, performance improvement, coal mining projects, procurement of coal, R&M of thermal projects etc. and sanctioned total loan assistance of ₹89,631.59 crore, as per details given below:

(₹ in crore)		
Particulars	No. of Loans	Loan amount
State Sector	66	87,482.13
Fresh Loan(s)	59	72,672.03
Additional Loan(s)	7	14,810.10
Private Sector	6	2,149.46
Fresh Loan(s)	6	2,149.46
Additional Loan(s)	-	-
Total	72	89,631.59

7.2 Renewable Energy

During the financial year 2024-25, your Company has sanctioned 92 nos. of Renewable Energy Projects (including Large Hydro projects and pumped storage projects) with installed capacity aggregating to 16,743.20 MW, Solar Park projects with total loan assistance of ₹1,05,258.87 crore, as per details given below:

(₹ in crore)		
Particulars	No. of Loans	Loan amount
State Sector	23	27,859.10
Fresh Loan(s)	20	23,536.72
Additional Loan(s)	3	4,322.38
Private Sector	69	77,399.77
Fresh Loan(s)	65	74,927.75
Additional Loan(s)	4	2,472.02
Total	92	1,05,258.87

The above loans includes 7 Large Hydro Projects with aggregate capacity of 1,567 MW, 49 Solar Energy Projects with aggregate capacity of 9,850.60 MW, 9 Wind Energy Projects with aggregate capacity of 1,598 MW, 14 Solar+Wind Hybrid Projects of 3,247.60 MW aggregate capacity with Battery Energy Storage System, 3 Pumped Storage Projects with aggregate capacity of 480 MW, 1 Solar Module Manufacturing plant, 2 Wind turbine manufacturing plants, 3 Solar Infra Parks, 1 Battery Manufacturing Plant and 3 R&M works for Hydro Projects.

7.3 Transmission & Distribution

During the financial year 2024-25, your Company has sanctioned 512 nos. of Transmission & Distribution (T&D) schemes / projects involving total loan assistance of ₹85,040.47 crore including RBPF, RDSS, LPS, Special Loan and Smart Meter schemes of Government of India.

Details of loans sanctioned under T&D category during the

financial year 2024-25 are given below:

(₹ in crore)		
Particulars	No. of Loans	Loan amount
State Sector	504	79,533.55
Transmission Loan(s)	254	17,559.35
Distribution Loan(s)	236	47,774.20
Loan under LPS	1	500.00
RBPF	13	13,700.00
Private Sector	8	5,506.92
Distribution Loan(s)	8	5,506.92
Total	512	85,040.47

7.4 Infrastructure & Logistics

During the financial year 2024-25, your Company has sanctioned 9 nos. of Infrastructure & Logistics projects involving a total loan assistance of ₹43,239.44 crore in several large-scale Infrastructure projects in areas such as development of Highways / Roads, Ports and City Gas Distribution etc.

Details of Infrastructure & Logistics loans sanctioned during the financial year 2024-25 are given below:

(₹ in crore)		
Particulars	No. of Loans	Loan amount
State Sector	5	37,880.62
Ports	1	20,014.80
Roads	2	14,000.00
Others	2	3,865.82
Private Sector	4	5,358.82
Roads	2	1,409.74
City Gas Distribution	1	1,949.08
Others	1	2,000.00
Total	9	43,239.44

7.5 Short / Medium Term Loans and other loan assistance

Your Company has also sanctioned 28 nos. of Short Term & Medium Term Loans aggregating to ₹14,009 crore to various power sector borrowers during the financial year 2024-25 for their short term, medium-term and working capital requirements.

7.6 Financing activities in North Eastern States

During the financial year 2024-25, the total financial assistance sanctioned by your Company in the North Eastern States includes a sum of ₹6,198.44 crore towards 6 projects.

8. PRESENT T&D SCENARIO AND OTHER REFORMS

As the Country's installed generation capacity is at a high of 475 GW (as on March 31, 2025) and there are huge capacities planned in the renewable and thermal space, the Transmission and Distribution (T&D) sector is poised to witness growth. There is also a need to modernize the transmission and distribution infrastructure. Need of the hour is to install a state-of-the-art robust and reliable evacuation and distribution system, capable of handling higher loads. Distribution remains the most critical link in



Dam & Reservoir of 4x82.5 MW Alaknanda Hydro Power Pvt. Ltd. (Uttarakhand) financed by REC

the power sector value chain, reforms in the DISCOMs under the Government of India's flagship programme, such as RDSS will improve their operational efficiencies and financial sustainability. Therefore, T&D segment shall play a significant role in making the sector reliable, affordable and capable of absorbing envisaged future growth.

Your Company, as the nodal agency to various schemes of the MoP, plays an active role in creating new infrastructure and augmentation / strengthening of the existing network. Your Company finances entire gamut of transmission and distribution projects, broadly with the objectives of system improvement and augmentation, loss reduction measures, IT based system implementation, consumer satisfaction, smart metering projects, working capital requirements of power utilities etc., thus playing a significant role in the development and sustainability of the power sector and overall socio-economic progress of the Country.

8.1 Major reforms in the Distribution Sector

The Government has implemented various schemes and programmes in the recent past, to improve the financial and operational performance of distribution companies (DISCOMs). The policy framework of Government of India to support distribution sector includes initiatives like Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), Ujwal DISCOM Assurance Yojana (UDAY), Integrated Power Development Scheme (IPDS), National Electricity Fund (NEF), Liquidity Infusion Scheme (LIS), Late Payment Surcharge (LPS) etc., to name a few.

This has resulted in major infrastructure creation and bridging of supply side gaps in the distribution sector. The DISCOMs need to focus on improving their operational efficiencies and financial sustainability to meet the desired consumer service standards.

It is with this aim and the Government of India's commitment to provide 24x7 uninterrupted, quality, reliable and affordable power supply, that the reforms-based and results-linked

RDSS was launched in 2021, for supporting DISCOMs to undertake reforms and improve performance in a time-bound manner. Your Company being Nodal agency for this flagship scheme of Government of India and has been assigned 19 States / Union Territories for overseeing and monitoring of implementation of the scheme, namely Assam, Meghalaya, Arunachal Pradesh, Chhattisgarh, Jammu & Kashmir, Ladakh, Goa, Tamil Nadu, Karnataka, Bihar, Rajasthan, Uttar Pradesh, West Bengal, Andaman & Nicobar Islands, Sikkim, Mizoram, Manipur, Nagaland and Tripura. The remaining States / Union Territories have been assigned to PFC.

For ensuring electrification of remaining un-electrified households, the concerned proposals are also being sanctioned under RDSS. Government of India has launched the PM-JANMAN scheme on November 15, 2023, which aims at the targeted development of 75 Particularly Vulnerable Tribal Groups (PVTGs) residing in 18 States and the Union Territory of Andaman and Nicobar Islands. The MoP utilizes the RDSS framework to electrify PVTGs households, aligning with the objectives of PM-JANMAN. Also, proposals for electrification of households in the villages identified under VVP (Vibrant Village Programme) are also being sanctioned under RDSS. Further, by integrating DA-JGUA under RDSS, the Government aims to ensure equitable access to electricity for all ST communities.

Your Company encourages DISCOMs to expedite improvements and to adopt best practices, including modernization and automation of systems and smart grid, IT-enabled systems for metering and consumer services and other technological interventions of the distribution sector.

To further accelerate our ambitious growth programs for ensuring access to affordable, reliable and sustainable energy supply for all, the MoP has brought in key reforms via Electricity Amendment Rules, Rights of Consumer Rules, Enabling Green Energy Open Access and subsidy Standard Operating Procedure etc. These rules aim to implement essential policy and regulatory changes in the distribution sector, enhancing its financial viability, efficiency and customer focus.

The major reforms are brought through bringing amendments to the following rules:

1. Amendments to Electricity Rules, 2005:

- Electricity (Amendment) Rules, 2022; prescribe implementation of formula and procedure for automatic pass through of Fuel and Power Procurement Adjustment Surcharge.
- Electricity (Amendment) Rules, 2023; covering aspects like establishment of a forum for redressal of grievances of consumers under Section 42 of Electricity Act, 2003, appointment of Ombudsman by State Commission etc.
- Electricity (Second Amendment) Rules, 2023; covering subsidy accounting and payment, framework for financial sustainability guiding states on AT&C loss trajectories, Promoting Renewable Energy Through Green Energy Open Access etc.
- Electricity (Amendment) Rules, 2024; covered charging of additional surcharge on Open Access consumers, cost reflective tariff etc.

2. Electricity (Rights of Consumers) Rules, 2020:

- Electricity (Rights of Consumer) Amendment Rules, 2021; Notified various provisions to focus on prosumers by amending the definition of three key terms in relation to Rooftop Solar System, viz. gross-metering, net-billing or net feed-in and net-metering.
- Electricity (Rights of Consumer) Amendment Rules, 2022: Notified the provisions to curb the increasing pollution levels (particularly in the metros and cities with a population of >1,00,000) for the supply of 24x7 uninterrupted power to the consumers and reduce dependency on Diesel Generator Sets.
- Electricity (Rights of Consumers) Amendment Rules, 2023; Notified provisions enabling remote reading of smart meters, implementation of Time-of-Day Tariff for

commercial & industrial consumers having maximum demand >10 kW latest by April 1, 2024 and for other consumers except agricultural consumers latest by April 1, 2025.

- Electricity (Rights of Consumers) Amendment Rules, 2024; Notified provisions focusing on reduced timelines for consumers application processing, testing of energy meters etc.

3. Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 and its subsequent amendments:

Notified with an aim to provide affordable, reliable and sustainable green energy to all. Enabling provisions of these rules allowed commercial, industrial, captive and DISCOM consumers to purchase green energy, with eligibility for those with a contracted demand of 100 kW or above and no-load limitation for captive consumers. Allowed banking on monthly basis, with compensation to DISCOM.

8.2 Revamped Distribution Sector Scheme (RDSS)

8.2.1 Overview

REC and PFC are the nodal agencies for the reforms-based and results-linked RDSS notified by the Government of India vide OM dated July 20, 2021, with an outlay of ₹3,03,758 crore and estimated Gross Budgetary Support (GBS) from the Central Government of ₹97,631 crore over a period of 5 years i.e. financial year 2021-22 to financial year 2025-26. REC, as nodal agency, has been assigned 19 States / Union Territories for overseeing and monitoring of implementation of the scheme. The remaining States / Union Territories have been assigned to PFC.

All DISCOMs and power departments of State / Union Territories, excluding private sector DISCOMs, are eligible for financial assistance under this scheme. The scheme is optional to DISCOMs and is to be implemented in urban and rural areas of all States / Union Territories (except private DISCOMs). The



GIS Substation of Khavda - Bhuj Transmission Ltd. (Gujarat) financed by REC



scheme allows States to adopt customized reform measures and plan infrastructure works to meet specific needs of the State with the approval of the Government of India.

8.2.2 Objectives

The objectives of the scheme are:

1. To improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector;
2. To reduce the AT&C losses to Pan-India levels of 12-15% by the financial year 2024-25; and
3. To reduce the ACS-ARR gap to zero by the financial year 2024-25.

The state-wise targets for reduction of AT&C losses / ACS-ARR revenue gap each year will depend on their current levels of AT&C losses and ACS-ARR gap.

8.2.3 Components

Part A – Metering & Distribution Infrastructure Works:

Component-I: Metering

- Under this component, Prepaid Smart metering for consumers and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode through PPP, to facilitate reduction of Distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing.

Component-II: Distribution Infrastructure Works

- Under the Distribution Infrastructure Works component, DISCOM can take up works related to loss reduction and system strengthening of 66 kV level and below will be eligible under this component. In areas, where 33 kV system does not exist, 110 kV shall be permitted subject to suitable justification to be provided by the concerned DISCOM(s) in the DPR, for inclusion of such works clearly indicating its benefits including improvement in quality and reliability of power supply to the consumers. Further, sanction of such works shall be subject to satisfaction of the nodal agencies and the monitoring committee with respect to justification provided by the DISCOM(s).
- Works relating to providing connectivity to the Public Charging Infrastructure for EVs are to be normally carried out by either the consumer (here the Public Charging 8 Infrastructure owner) or the respective DISCOM as per the provisions of the Supply Code of the respective SERC / JERC. For the works against the DISCOMs responsibility, the DISCOM can leverage funding from the RDSS under 'Part A – Distribution Infrastructure'. Further, DISCOMs can also leverage funding under the scheme for the general upstream network augmentation necessitated due to the upcoming charging infrastructure in various areas.
- Works specified in the Disaster Management Plan for Power Sector issued by Central Electricity Authority in January 2021 and its future amendments, if any and the Disaster Resilient Works specified by National Disaster Management Authority (NDMA) will be allowed for financial assistance under the scheme. Such works may be included by the DISCOMs as separate component in the DPR to be considered for sanction along with the DPR for loss reduction or with DPR for Modernization and System Augmentation.

Component-III: Project Management

- One or more Project Management Agency (PMA) shall be appointed by each DISCOM for project formulation and project management, based on their requirement to cover different phases of the project. The scope of PMA may include preparation of plan, DPR, tender documents, awarding, monitoring, quality assurance, material inspection, results evaluation or any other related works. (excluding signing of Joint Measurement Certificate).

Part B – Training & Capacity Building and other enabling & supporting activities:

- Focussing on upgradation of human skills, process improvements, nodal agency fee, enabling components of MoP (communication plan, publicity, consumer survey, consumer awareness and other associated measures such as third-party evaluation etc.), augmentation of Smart Grid Knowledge Centre (including AI, training and capacity building for personnel involved in execution of the scheme at field level), awards and recognitions etc.

Ongoing approved projects: Schemes of IPDS, DDUGJY along with PMDP 2015 for the *erstwhile* State of Jammu & Kashmir are being subsumed in this scheme to be implemented as per their extant Guidelines and under their existing terms & conditions. No new projects will be sanctioned under these schemes, but projects already sanctioned under IPDS & DDUGJY will be eligible to receive funds up to March 31, 2022 under this scheme. However, projects sanctioned for Ayodhya, Uttar Pradesh under IPDS and also projects sanctioned under PMDP 2015 will get funds till March 31, 2025.

8.2.4 Funding Pattern

The release of funds under the scheme will be linked to achievement of results and reforms laid down under an evaluation framework, as follows:

Part A – Metering & Distribution Infrastructure Works

Component-I: Prepaid Smart metering solutions, including at consumer, DT and feeder level including integration of existing infrastructure, will be funded through GBS as under:

- for DISCOMs in "Other than notified Special Category States", a fixed amount of ₹900 per consumer meter or 15% of the cost per consumer meter worked out for the whole project, whichever is lower.
- for DISCOMs in "notified Special Category States", a fixed amount of ₹1,350 per consumer meter or 22.5% of the cost per consumer meter worked out for the whole project, whichever is lower.

To incentivize deployment of prepaid Smart meters within the targeted timeline of December 2023, the Scheme provide incentives as under:

- for DISCOMs in "Other than notified Special Category States", a fixed amount of ₹450/- per consumer meter or 7.5% of the cost per consumer meter worked out for the whole project, whichever is lower;
- for DISCOMs in "notified Special Category States", a fixed amount of ₹675/- per consumer meter or 11.25% of the cost per consumer meter, worked out for the whole project, whichever is lower.

Component-II: Distribution Infrastructure works, including SCADA, DMS, AB cables, feeder segregation etc. maximum

financial assistance to be funded through GBS will be as under:

- for DISCOMs in “Other than Special Category States”, up to 60% of the approved project cost and
- for DISCOMs in “Special Category States”, up to 90% of the approved project cost.

Part B – Training & Capacity Building and other Enabling & Supporting Activities:

- 100% of the approved project cost will be eligible for funding through GBS.

Ongoing approved projects: Projects sanctioned under IPDS, DDUGJY along with PMDP 2015 subsumed in RDSS will be eligible to receive grant funds under RDSS in terms of extant Guidelines and terms & conditions of sanction.

8.2.5 Promoting use of advanced technologies in power distribution sector

The Government of India is committed for developing advanced technology-based solutions in the distribution sector and promoting Technology Solution Providers (TSPs) including startups, entrepreneurs focused in this domain. The RDSS also lays special emphasis on leveraging advanced technologies to analyze data generated through Information Technology (IT) / Operational Technology (OT) devices including system meters and prepaid smart meters.

Subsequently, two pronged strategy was formulated for leveraging the existing network of established TSPs & incubators to test and scale up the used cases at DISCOMs and to establish a forum for continuous innovation in the power distribution sector. For the former part of strategy, a competition “Powerthon-2022” was launched on February 7, 2022, with an objective to identify and select the TSPs with readily available solutions based on advanced technologies like AI / ML, Blockchain, IoT, VR/AR etc. to solve the complex problems of the DISCOMs. In this competition, 275 applications were received across 10 problem areas, of which 37 TSPs were selected for Proof of Concept (PoC) stage and 33 successfully completed it. Subsequently, 7 TSPs successfully executed the

Pilot projects after that and further 3 TSPs have been identified for a large scaleup across select DISCOMs, with solution of each of the 3 TSPs being implemented in 2 DISCOMs.

Progressing forward, the framework for the Phase-2 of Powerthon i.e. “Powerthon-2024” has been conceptualized for establishing a stepping-stone for continuous innovation in the power distribution sector. The Phase-2 will provide essential support to TSPs who have readily available solutions, idea / concept by offering resources, mentorship and networking opportunities to nurture these ideas into viable, market-ready technological solutions. The framework for Powerthon-2024 have been approved in the 43rd Meeting of the Monitoring Committee of RDSS held under the Chairmanship of Secretary (Power) on November 11, 2024.

8.3 National Electricity Fund

REC is the nodal agency for operationalization of National Electricity Fund (NEF), an interest subsidy scheme having provision of ₹8,466 crore (against interest subsidy and other incidental expenses), to be provided over 14 years against interest paid on loan disbursements amounting to ₹23,973 crore for distribution schemes sanctioned during two financial years viz. 2012-13 and 2013-14. The MoP provides interest subsidy on interest paid for loans availed by State power utilities & distribution companies, both in the public and private sector, to improve the infrastructure in the distribution sector. In this reform-linked scheme, an interest subsidy of 3% to 7% is payable to DISCOMs on the achievement of reform-based parameters outlined in NEF Guidelines.

The utilities from the States of Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Karnataka, Maharashtra, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand and West Bengal have already benefited from this scheme, with interest subsidy of ₹2,668.31 crore released till March 31, 2025.

8.4 DISCOM Consumer Service Rating

An exercise was undertaken by REC for grading of DISCOMs across the Country (public / private) in terms of consumer



Mumbai Metro Project financed by REC



centric service and operational parameters. Scoring is spread across four broad parameters i.e. (i) Operational reliability (ii) Connections and other services (iii) Metering, Billing and Collection and (iv) Fault Rectification & Grievance Redressal. The 4th Edition of the Consumer Service Rating of DISCOMs report (financial year 2023-24) can be accessed at REC website: <https://recindia.nic.in/uploads/files/co-usri-crsd-report-fy-23-24-dt240225.pdf>

8.5 Distribution Utilities Ranking

The MoP has introduced various reforms and policies, along with practices to oversee electricity services across the Country. The Consumer Services Rating of DISCOMs (CSRDS) and the Annual Integrated Rating and Ranking (AIRR) exercises, conducted by REC and PFC respectively, are among the initiatives designed to evaluate the operational and financial performance of DISCOMs. These reports offer a transparent and objective assessment of how effectively DISCOMs are delivering services to consumers, complying with key policy & regulatory standards and performing financially. While the two exercises already include some crucial performance indicators, there are additional metrics that are necessary for a thorough evaluation of DISCOMs. Accordingly, to address the need a methodology "Distribution Utilities Ranking" was formulated by the MoP in consultation with various stakeholders to bring out comprehensive evaluation based all-inclusive ranking. This ranking model covers 6 broad aspects viz. IR Report, CSRDS Report, RPO achievement, communicable system metering, Demand side response and Resource adequacy.

The MoP has entrusted REC with the task of conducting the Distribution Utilities Ranking exercise and publishing the results annually by January end. The first edition of the report has been launched on February 20, 2025. The same can be accessed at <https://recindia.nic.in/distribution-utilities-ranking>

8.6 National Feeder Monitoring System

REC Power Development and Consultancy Limited (RECPDCL), Subsidiary of REC is spearheading the implementation of National Feeder Monitoring System (NFMS), which is a cloud based central IT platform designed to monitor reliability and quality of power across all 33/22/11kV outgoing distribution feeders from the Power Distribution sub-stations nationwide. The technology entails state-of-the-art Machine-to-Machine (M2M) data transmission method leading to efficient and accurate data collection, minimizing errors associated with manual intervention. The emphasis on accurate and effective online recording of energy exchanges in the distribution system is crucial for minimizing the possible operational errors that may occur due to human involvement. By leveraging technology to automate data collection and transmission, this initiative aims to enhance the reliability and efficiency of power distribution.

In addition to above, focus on providing a web based analytical platform is noteworthy as it enables stakeholders to generate and view reports, as well as derive valuable insights from feeder data across various Power Utilities. This capability is essential for informed decision-making, allowing stakeholders to identify trends, anomalies and opportunities for optimization within the distribution network. Covering approximately 2.50 lakh feeders across all Power Utilities in the Country is an ambitious goal, but the integration of 2.06 lakh feeders already demonstrates significant progress. With 68 Power Utilities and 30 states actively sending data to

the system daily, the project is well underway in its mission to enhance monitoring, analysis and decision-making in the distribution sector.

8.7 Implementation of Transmission projects:

RECPDCL is also implementing Transmission Projects including 220 kV Transmission Lines (TL) as well as modern Gas Insulated Substation (GIS) in Nubra & Zaskar valley of Ladakh under PMDP-15 on behalf of Ladakh Power Development Department (LPDD). The project is of great significance as it is being executed at the highest altitude in the Country, perhaps in the world, in the range of 3 to 5 KM above sea level along with inclement weather conditions ranging from -45°C to +35°C, heavy snowfall & avalanche prone area. The completion of these projects would benefit overall socio-economic development of Ladakh Region.

8.8 Smart Prepaid Metering

RECPDCL is implementing Advanced Metering Infrastructure (AMI) projects across the Country as Project Implementation Agency (PIA). Up to end of financial year 2024-25, RECPDCL had installed 7.45 lakh Smart Meters in UT of Jammu & Kashmir, Ladakh and Chandigarh under various schemes like PMDP, SDP & Smart Grid project.

Further, under RDSS scheme, RECPDCL is implementing Smart metering projects of 15 lakh Smart meters for UT of Jammu & Kashmir and 98.58 lakh Smart meters for Gujarat DISCOMs. Out of which 0.85 lakh Smart Meters have been installed in Jammu & Kashmir and 3.59 lakh Smart Meters in Gujarat.

8.9 11kV Rural Feeder Monitoring Scheme

Prior to commencing NFMS, RECPDCL was implementing 11kV Rural Feeder Monitoring System with an objective to monitor quality and reliability parameters of Rural power supply at feeder level towards achievement of "24x7 Power for All".

Under RFMS, it was envisaged to develop a web based automated system for monitoring Rural, Agricultural and Mixed (agriculture rural) 11kV feeders by enabling feeders to share data through installation of communication devices like Modem / DCUs. The stakeholders are empowered with cognitive insights and useful MIS through the data acquired from numerous essential feeder meter parameters.

RFMS had strengthened all rural feeders across the Country and largely contributed towards drawing an inference of Reliability parameters of power supply in Rural areas of the Country. RFMS system has been closed officially on December 31, 2024.

8.10 Renewable Energy Initiatives

During the financial year 2024-25, RECPDCL had obtained the Category-I trading licence from CERC, enabling the Company to trade electricity across all states and regions in India, thereby ensuring a national-level presence in the power market. Further, empanelment with Ministry of New and Renewable Energy (MNRE) as Renewable Energy Implementing Agency (REIA) is under examination with MNRE.

Further, RECPDCL had also entered into an MoU with MAHAGENCO Renewable Energy Limited (MREL) during the financial year for formation of Joint Venture(s), wherein RECPDCL is exploring to act as a developer in green energy sector supplementing to the efforts of Government of India towards RE transition of 500 GW installed capacity by the year 2030. This will further enhance the company's footprint

in green energy segment. All the above marks a strategic diversification, which will complement its core consultancy and project development services. The approval for formation of JV in this regard is under consideration with Ministry of Power (MoP).

8.11 PM Surya Ghar Muft Bijli Yojana

The Government of India has approved the PM Surya Ghar Muft Bijli Yojana on February 29, 2024 to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. The scheme has an outlay of ₹75,021 crore (including central financial assistance of ₹65,700 crore) and is to be implemented till the financial year 2026-27. The administrative approval was granted to the scheme vide Order No. 318/17/2024-Grid Connected Rooftop dated March 16, 2024.

The scheme aims to install rooftop solar systems in 1 crore residential households, providing free / low-cost electricity of up to 300 units per month. It targets the generation of 1,000 billion units of renewable electricity from the installed capacity, which is expected to reduce carbon dioxide equivalent emissions by 720 million tons over the 25 year lifespan of these rooftop solar projects. This initiative supports India's commitment to its Nationally Determined Contributions (NDCs) under the United Nations Framework Convention on Climate Change by aiming to achieve 30 GW of rooftop solar capacity in the residential sector by the financial year 2026-27.

The scheme provides substantial subsidies, covering 60% of benchmark cost of 2 kWp and 40% of benchmark cost of additional kWp and being capped at 3 kWp.

Sl. No.	Type of Residential Segment	Central Financial Assistance (CFA)	CFA (Special Category States)
1	Residential Sector (first 2 kWp of RTS capacity or part thereof)	₹30,000/ kWp	₹33,000/ kWp
2	Residential Sector (with additional RTS capacity of 1 kWp or part thereof)	₹18,000/ kWp	₹19,800/ kWp
3	Residential Sector (additional RTS capacity beyond 3 kWp)	No additional CFA	No additional CFA
4	Group Housing Societies/ Residential Welfare Associations (GHS / RWA) etc. for common facilities including EV charging up to 500 kWp (@3 kWp per house)	₹18,000/ kWp	₹19,800/ kWp

Progress as on March 31, 2025

As of March 31, 2025, a total of 48.8 lakh applications were received under the PM Surya Ghar Muft Bijli Yojna. Out of these, 11.05 lakh installations were completed (including RWA households covering 2.5 lakh houses). The total installed capacity reached 3.3 GW and CFA amounting to ₹5,437.21 crore has been disbursed.

Further, Roof Top Solar Scheme Phase II has been subsumed in PM Surya Ghar Muft Bijli Yojna.

9. PERFORMANCE & ACHIEVEMENTS UNDER GOVERNMENT PROGRAMMES

The performance and achievements under various Government programmes during the financial year 2024-25 and cumulatively till March 31, 2025, are given below:

9.1 Performance and achievement during the financial year 2024-25 under RDSS and PMDP-2015:

a. Sanction and release: During the financial year 2024-25, an amount of ₹16,573.62 crore (including PMA) was sanctioned under RDSS against smart metering and loss reduction works including PMA charges in the States allocated to REC (nodal agency).

The subsidy of Government of India is channelized through REC and the matching contribution is infused by the respective State Government or implementing agencies, through loan from any financial institution or from their own sources. During the financial year 2024-25, aggregate GBS funds amounting to ₹7,948 crore have been released to States / UTs and utilised by them, including ₹630.81 crore towards PMDP-2015.

b. Physical progress achieved during the financial year 2024-25:

- Number of Smart Consumer Metering installed under RDSS: 71,55,054.
- Physical progress of Loss Reduction Works under RDSS: 29.57%.

9.2 Cumulative performance up to March 31, 2025

a. Sanction and release: Under RDSS, an amount of ₹1,59,371.24 crore (including PMA) was sanctioned to the States allocated to REC (nodal agency) towards grid connectivity to villages, sanction of new substation, segregation of balance agricultural feeders, auxiliary items for smart metering, additional household electrification (including PVTG & DA-JGUA HH) and modernization works for Noida.

Since launch of the Scheme, ₹15,355.34 crore of Government of India grant funds have been disbursed by REC as nodal agency to the implementing agencies up to March 31, 2025 (including PMDP-2015: ₹2,170.18 crore).

b. Physical progress under RDSS

The following works have been completed cumulatively upto March 31, 2025 under RDSS since inception:

- Number of Smart Consumer Metering installed under RDSS: 87,05,085.

Further, DDUGJY & SAUBHAGYA Scheme stands closed on March 31, 2022 and hereafter no change in funds or physical progress under these schemes.

10. STANDARDIZATION, QUALITY CONTROL & MONITORING

Your Company excels in the distribution system domain, offering robust support to State Power utilities in implementing Government schemes. The technical specifications Guaranteed Technical Particulars (GTP), layout drawings, data sheets and construction standards for distribution system equipment issued by the Company are utilized by state power utilities, supported by their State-specific practices.

Your Company is the nodal agency in 19 States for RDSS to



improve the quality, reliability and affordability of power supply to consumers by strengthening the distribution sector. Adhering to the comprehensive quality Guidelines issued for this scheme, the Nodal Agency i.e. REC conducts concurrent inspections of RDSS quality works through a Third-Party Quality Monitoring Agencies (TPQMAs), in addition to the in-house quality checks and processes followed by the DISCOMs. Concurrent quality inspections by TPQMAs include Pre-dispatch inspections for Power Transformers, Field Material Quality inspections wherein random samples are picked up from site stores and tests are conducted at NABL accredited laboratories and Field Works Quality Inspections (FWQI) for verifications of works in three stages in the field. Subsequently, material clearance certificate/material rejection certificates of supplied lots of major materials were issued to DISCOMs / PDs for major materials. Pre Dispatch Inspection (PDI) of Power Transformers were also conducted. As per RDSS Guidelines, three stages of FWQI are to be conducted at 30%, 80% and 100% of physical progress corresponding to financial progress. FWQI calls for Stage-1 (30%) have been raised for eligible districts.

11. RISK MANAGEMENT

The Company has an Integrated Risk Management Policy, encompassing a spectrum of risks such as Credit Risk, Operational Risk, Liquidity Risk and Market Risk. It diligently identifies and addresses these risks through appropriate measures.

Brief description of the key risks and their mitigation measures as follows:

- (i) **Credit Risk:** Credit risk is the inherent risk in the financing industry and involves the risk of loss, arising from the diminution in credit quality of a borrower and the risk that the borrower will default on contractual repayments under a loan or an advance.

To mitigate the same, the Company follows systematic institutional and project appraisal process to assess credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, in addition to regular overall monitoring by the business units, a more granular project risk categorisation framework has been developed wherein project level risk assessment is being carried out for the selected projects and projects under 'High' or 'Moderate' risk category are deliberated in Risk Management Sub-Committee (RMSC) and Risk Management Committee meetings.

- (ii) **Operational Risk:** Operational risk arises from inadequate or failed internal processes, people and systems or external events.

The operational risks of the Company are studied in all functional areas such as Business, Compliance, Finance, Human Resource, Cyber Security, Legal, Operational and Strategic. The Company has implemented a comprehensive Risk Register, through which operational risks are measured and categorised as high, moderate or low and necessary steps are taken to manage these risks.

- (iii) **Liquidity Risk:** Stemming from maturity mismatch associated with assets and liabilities of the Company, liquidity risk involves the potential inability to meet liabilities as they become due. 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. The Company faces liquidity risks, which could require it to raise funds or liquidate assets on unfavourable terms.

In order to mitigate the liquidity risk, there is a mix of strategies including forward looking resource mobilization based on project disbursements and maturing obligations.



624 MW Kiru Hydro Electric Plant, Jammu & Kashmir financed by REC

- (iv) **Market Risk:** Market risk of the Company is defined as the risk to Company's earnings and capital due to changes in the market dynamics, such as interest rate or prices of securities, foreign exchange fluctuations.

The Company has implemented various risk limits to mitigate the market risk. The Company has also constituted an Asset Liability Management Committee to monitor the components of market risk including interest rate risk, liquidity risk and forex risk.

- (v) **Interest Rate Risk:** Interest rate risk is the potential loss arising from fluctuations in market interest rates.

In order to mitigate the interest rate risk, your Company periodically reviews its lending rates and the weighted average cost of borrowing based on prevailing market rates.

- (vi) **Forex 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.

The Company manages foreign currency risk associated with exchange rate and interest rate through appropriate hedging strategies.

- (vii) **Environmental, Social & Governance (ESG) Risks:** ESG risks emanates from environmental, social and governance factors that have an impact on the operations, financial performance and management of Company. Owing to the rising climate concerns & impetus of Governments in respective economies across the globe, ESG risks have attained great significance.

REC incorporates environmental impact considerations in its operational, financial and risk management linked decision making. In this regard, the Company has

formulated and implemented an ESG policy covering the focus areas.

Information and Cyber Security Initiatives

The financial year 2024-25 has marked significant progress in Cyber Security with the establishment of a robust cybersecurity framework. The REC holds ISO 27001:2013 certification and a Surveillance Audit has been successfully conducted by BSI. It is currently being upgraded to ISO 27001:2022 version.

Multiple awareness sessions have been organized for employees, both internally and with external cybersecurity experts, focussing on emerging cyber threats and prevention techniques to maintain data security. REC successfully concluded the National Cyber Security Awareness Month (NCSAM) in October, 2024 by organizing various events and activities for all employees with a theme of "Secure Our World".

Vulnerability Assessment and Penetration Testing (VAPT) were conducted on a half-yearly basis to improve the organization's cybersecurity posture by identifying and mitigating security vulnerabilities. REC successfully conducted DR drills on a half-yearly basis to ensure that the operations can be restored efficiently and effectively.

Social engineering exercises were conducted for all employees simulating real-world scenarios, aiming to enhance employee awareness and to safeguard from cyber risks.

11.1 Risk Management Committee

The Company has established a Risk Management Committee (RMC) comprising directors to oversee the integrated risks of the Company. The primary role of the RMC is to monitor various risks and recommend mitigation actions concerning the Company's operations and related matters. Additionally, in compliance with RBI norms, the Company has appointed a Chief Risk Officer (CRO) who serves as the convener for the RMC, ensuring effective coordination and risk oversight.



REC becomes first public sector NBFC to achieve ISO 31000 : 2018 'Independent Opinion Statement' from BSI



11.2 Asset Liability Management Committee

In pursuance to RBI Guidelines on Asset Liability Management (ALM) system for NBFCs, the Company has constituted an Asset Liability Management Committee (ALCO). ALCO is headed by the Chairman and Managing Director (CMD), with members including Director (Projects), Director (Finance), Executive Directors (EDs) / HoDs from the finance and operating divisions of the Company & CRO of the Company. The ALCO monitors risks related to interest rates, liquidity and currency rates.

12. RISK BASED INTERNAL AUDIT

The Company has a Board approved Risk Based Internal Audit (RBIA) policy / manual in place since April 2022, which is aligned with its overall risk management framework. It provides assurance to the Board of Directors, Audit Committee and Senior Management regarding the quality and effectiveness of the Company's internal controls, risk management & governance systems and processes. This is in accordance with the RBI mandate requiring the implementation of the RBIA framework by all non-deposit-taking NBFCs with an asset size of ₹5,000 crore and above.

The RBIA framework enables the Company to identify and address risks based on their priority and the strategic direction set by the Board. Key activities under this framework include independent risk assessments of operations, identification of the audit universe, development of a risk matrix, formulation of the annual RBIA plan and execution of internal audits as per the frequency defined in the RBIA policy.

13. PREFERRED CUSTOMER POLICY

As a part of business promotion strategy, a Preferred Customer Policy was formulated in 2008 with the basic purpose of offering enhanced level of services to the Company's customers and to have a long term mutually beneficial relationship with them. The policy lays down the eligibility criteria which takes into account various factors such as amount of loan outstanding, duration of loan relationship, repayment track record of the borrower etc. for determining preferred customers and sponsoring them for capacity building domestic / international seminars and training programmes organized by various external agencies, as well as REC Institute of Power Management and Training (RECIPMT), Hyderabad.

14. INFORMATION TECHNOLOGY INITIATIVES

REC has significantly enhanced its IT infrastructure to support operational efficiency, security and digital transformation. The ERP system has been upgraded from Oracle e-Biz Suite 11i to R12 and migrated to a private cloud at REC's Data Centre and it supports GST, Ind-AS and advanced automation features, with continuous improvements to meet evolving needs.

The NIC e-office solution has streamlined workflows and document management, fostering efficiency, transparency and a paperless environment, in the Company. A new Microsoft 365 email solution, integrated with AI assistant Copilot, Teams, SharePoint and OneDrive, ensures secure, reliable communication with 99.9% uptime. Network infrastructure has been revamped with MPLS VPN and modern security devices, enabling seamless remote access to critical applications like ERP and e-office. Both the Primary Data Centre (PDC) and Disaster Recovery Centre (DRC) are ISO / IEC 27001:2013 certified and comply with India's National Cyber Security Policy.

REC adheres to RBI's IT Framework for NBFCs, ensuring robust IT security. In-house digital initiatives, including Single-Sign-On for portals and centralized scanning for digitization,

aligned with e-governance and green goals. Advanced cybersecurity solutions enable real-time threat monitoring and response, while comprehensive IT training and a 100% computer-to-employee ratio empower the workforce. These initiatives collectively position REC as a leader in leveraging technology for operational excellence and compliance.

15. REC INSTITUTE OF POWER MANAGEMENT AND TRAINING

RECIPMT established in 1979 at Hyderabad, is a premier training and capacity-building institute under the aegis of REC. It has played a vital role in addressing the training and development needs of engineers and managers across the Indian power sector. Over the last four decades, RECIPMT has trained a total of 80,424 professionals, significantly contributing to enhancing technical, operational and managerial capacities across the sector. In addition to its national footprint, RECIPMT has also been actively engaged in organising specialised training programmes in partnership with the Ministry of External Affairs (MEA), Government of India for executives from power sector organizations around the world. Till the financial year 2024-25, the institute has conducted 113 programmes, training 1,936 international executives from 102 Countries, thereby strengthening global cooperation in the energy domain.

15.1 National Regular Programme (NRP)

During the financial year 2024-25, under National Regular Programme (NRP), RECIPMT conducted classroom-based training programmes that covered a wide array of technical and managerial subjects. The programmes were designed to address practical issues and enhance the technical acumen of power sector professionals. A total of 326 participants were trained through these programmes, which included topics such as tariff policy and regulatory compliance, RDS scheme and smart metering for sustainable DISCOM operations, labour laws and procedures related to court cases and underground cable systems including selection, sizing, laying, monitoring and fault detection. Additionally, other critical areas such as power transformer testing, commissioning, protection and maintenance, energy transition and green energy promotion, HR best practices in power utilities, power trading and energy exchanges, solar power plant development and high-voltage (EHV) substation operations were also covered.

15.2 REC sponsored programmes

In furtherance of its objective of industry-wide knowledge dissemination, RECIPMT also conducted several training programmes for different power sector organisations across the Country which were sponsored by REC. These programmes aimed to foster awareness and capacity-building among executives from power utilities across the Country. During the financial year 2024-25, a total of 5,282 participants were trained through these REC sponsored initiatives. Among these, the Electrical Safety programme, which trained 1,885 participants, addressed one of the most critical concerns in the sector i.e. safety in operations and infrastructure. Another major initiative focused on Change Management, Leadership and Team Building. This three-day classroom programme trained 1,504 professionals from various GENCOs, TRANSCO and DISCOMs and covered essential aspects such as managing resistance to change, communication skills, leadership development, customer relations and conflict resolution. Similarly, a dedicated programme on Best Practices in Power Utilities, sponsored by REC, saw the participation of 1,893 executives and focused on improving operational efficiency and replicating successful strategies across utilities.

15.3 In-House Training Programmes

Alongside these external engagements, RECIPMT also conducted in-house training programmes exclusively for employees of REC. During the year, 259 employees were trained on diverse topics that included finance for non-finance executives, procurement procedures and GeM-based e-procurement, Enterprise Resource Planning (ERP), general management, technical insights for non-technical executives, advanced MS Excel and PowerPoint skills, financing infrastructure projects and smart distribution systems. These in-house programmes were instrumental in enhancing internal capabilities and aligning employee skills with organizational goals.

15.4 Customized Training Programmes

RECIPMT continued its efforts in providing tailor-made training solutions to address the specific needs of various power sector entities. In the financial year 2024–25, the institute organized multiple customized classroom-based programmes covering a wide spectrum of technical and managerial subjects. These programmes were designed to address organization-specific operational challenges and to support their strategic objectives. Some of the key programmes included Indian Accounting Standards and GST for HPPCL, protection systems and HR practices for APEPDCL, condition monitoring and lifecycle management and transformer protection for MSETCL, as well as energy audits and technical loss reduction for APEDCL. Other topics covered included EHV substation earthing and safety practices and underground cable design and fault detection, all customized to suit the operational needs of the respective organizations.

15.5 Summary of Training Achievements

In total, during the financial year 2024–25, RECIPMT successfully trained 6,168 participants through its various training programmes, achieving a cumulative total of 18,935 training man-days. These accomplishments reaffirm RECIPMT's pivotal role in advancing the capabilities of the power sector through sustained, high-quality training and development efforts.

16. HUMAN RESOURCE MANAGEMENT

Human Resources (HR) plays a pivotal role in fostering an engaged and high-performing workforce, which is fundamental to the sustained growth and success of the Company. At the core of a thriving organization lies the ability to attract, develop and retain top talent across diverse disciplines.

During the financial year 2024–25, the Company strengthened its professional base by appointing 94 executives through Direct Recruitment drives drawing talent across the Country. As of March 31, 2025, the total manpower of the Company stood at 575 employees, comprising 556 executives and 19 non-executives.

In alignment with evolving employment dynamics, the HR department continues to play a strategic role in proactive manpower planning, workforce development and organizational growth. REC's HR team remains committed to adding value through targeted recruitment initiatives, comprehensive induction programs and strategic planning processes. These efforts are central to building a future-ready workforce and ensuring that the Company remains a preferred employer in the Renewable energy, Power and Infrastructure sectors.

16.1 Reservation in Employment

Reservation is provided to the members of the Scheduled Castes (SC), Scheduled Tribes (ST) and Other Backward Classes (OBC) as per the directives issued by the Government of India regarding reservations in appointment and promotion to various posts. The group wise details of SC, ST and OBC employees as on March 31, 2025 are given below:

Category	Number of Employees			Total
	Group A	Group B	Group C	
SC	68	1	4	73
ST	30	0	0	30
OBC	141	1	3	145
General/Others	317	5	5	327
Total employees	556	7	12	575
Overall Women employees	80	0	3	83
PwBD (Divyang) employees	12	1	1	14

16.2 Training & Human Resource Development

The Company motivates employees to perform at the highest level possible and maintain an organizational culture of high morale. A primary way HR adds value to a Company is by persuading Company leaders to train and develop employees. With this intent, Training was imparted to employees at all levels during the financial year. The Training and Human Resource Policy of the Company aims in contributing to the current view and future expectations of all departments, the requirement of resources and forecasting training needs on emerging opportunities and threats concerning the organization. To refine the business skills and competencies required for better employee performance, all possible opportunities and skill development training is provided to all employees. Training is also provided to promote a better understanding of professional requirements as well as to sensitize employees to the socio-economic environment in which the business of the Company operates. Training for growth of spiritual, health and attitudinal change process was also imparted in order to equip the employees professionally. During the financial year a total of 416 employees attended various trainings on topics such as Leadership, Corporate Governance, changing landscapes of Power Sector, Renewable Energy, Green Finance, Artificial Intelligence, Women Empowerment, Diversity and inclusion, Change Management, ISO 31000 Risk Management, KYC, Financing of Infra projects, technical programs, skill-development programs, career development, foreign trainings, workshops etc. These initiatives enabled the Company to achieve 2,346 training man-days during the year.

Training on topics such as Human Rights, Policies of the Company Business Ethics, CDA Rules, Preventive Vigilance, ESG Principles, Awareness on PoSH Act, 2013, etc. were also imparted to all employees of the Company.

16.3 Employee Welfare

The Company's ultimate goal should be to keep employees happy, healthy and productive. In order to provide improved health care facilities to the employees and their dependent



family members, part-time services of doctors were engaged to provide onsite medical facilities. The Company has also been funding sports & recreation equipment to promote the well-being of employees. The Company has also extended the creche / day care facility to foster a work-life balance for employees to all across centers of Day Care/Creche service provider in the NCR region. To facilitate recreation and healthy life, Gymnasium is also available for employees in the Corporate Office. Various Yoga programs, Health Talks and Camps were organized for the employees on a regular basis, for better well-being.

16.4 Sports activities

Employee engagement in Sports activities bring people and nations together all while inculcating feelings of oneness, harmony and tolerance. In an ideal scenario, one often looks for a perfect workplace. A place that provides a supportive setting and encourages a healthy work-life balance. Incorporating sports as an essential part of the office program can help in the quest of achieving that goal. With this fortitude, the Company hosted an Inter-CPSU Table Tennis Tournament at Lucknow, Uttar Pradesh during the financial year 2024-25. Further, the Company has also sponsored various Inter-CPSU sports tournaments such as Chess, Cricket, Volley-Ball etc., organized by various power sector CPSUs under the aegis of Power Sports Control Board (PSCB). Further, all the employees enthusiastically participated in various quiz, paper presentations and simulation competitions conducted by reputed institutions during the financial year.

16.5 Representation of Women Employees

Women empowerment is often talked about a lot and at your organization and society in general, should look at their initiatives again and focus on creating measurable impact for women to reach the top. REC has been endeavouring to provide opportunities to women employees. As on March 31, 2025, the Company had 83 permanent women employees, which represent 14.43% of the total work force. There is no discrimination of employees based on gender. A Women Cell is operational in the Company to look after welfare and all-round development of women employees. International Women's Day was celebrated by REC Women's Cell. To mark the celebration, the Company has organized various team-building activities, fun games and interactive sessions for its

female employees. Further, the Company believes in gender equality and provides a safe and conducive workspace for all its women employees.

16.6 Industrial Relations

Employer and Employees relations form foundation of organization and at REC the amiable relation prevail for years. The Industrial Relations scenario in the Company continued to be cordial and harmonious in the financial year 2024-25. There was no loss of man days on account of industrial unrest. Regular interactions were held with REC Employees Union and REC Officers Association on issues of employee welfare. This has helped to build an atmosphere of trust and cooperation resulting in a motivated workforce and continued improvement in business performance.

16.7 Grievance Redressal

In accordance with the Guidelines issued by the Government of India, the Company has constituted a Grievance Redressal Committee to redress the grievances of employees and provides a clear and transparent framework to address complaints. Further, the Company has a Public Grievance Redressal system for dealing with the grievances of the Stakeholder at large. The Company has appointed a senior official in this regard as the Chairman, Public Grievance Committee, to ensure prompt redressal of grievances within the stipulated time frame.

17. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) initiatives of the Company are aimed at supporting socially beneficial projects so as to maximize outreach through a wide spectrum of beneficiaries and empower economically and socially backward communities as a guiding principle, while giving priority to development issues of national concern. During the financial year 2024-25, CSR initiatives have been taken up in the fields of sanitation and hygiene, promotion of healthcare facilities, education, skill development, women empowerment, environmental sustainability and rural infrastructural development in order to promote and facilitate inclusive social development.

The Company's Corporate Social Responsibility Policy is aligned with the provisions of the Companies Act, 2013



Stellar Performance by REC Officer's team at the Inter-CPSU Badminton Tournament

("the Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, as amended and is available at <https://recindia.nic.in/our-csr-initiatives> & <https://www.recfoundation.in/>

In accordance with the Guidelines issued by the Department of Public Enterprises (DPE) for financial year 2024-25, which mandate that 60% of the CSR budget be allocated towards the themes of "Health & Nutrition and the PM Internship Scheme," particularly in aspirational districts, REC significantly scaled up its interventions in these focus areas. The Company made targeted investments in healthcare infrastructure in assigned aspirational district.

In line with the applicable provisions of the Act and Rules made thereunder, the Board has approved CSR budget of ₹288.48 crore for the financial year 2024-25. Against the same, the Company has spent ₹294.01 crore during the financial year 2024-25 (including excess spent of ₹5.15 crore carried forward from previous financial year).

The detailed Annual Report on CSR Activities for financial year 2024-25, including details of impact assessment(s) conducted across various projects is annexed to this Annual Report which reflects the Company's commitment to measurable and meaningful community impact.

18. VIGILANCE ACTIVITIES

REC constantly endeavors to optimize probity and integrity among its employees and to promote transparency, fairness and accountability in all operational areas. REC's Vigilance Division mainly aims at 'Preventive Vigilance' by reviewing the policies, rotation and transfers of employees holding sensitive posts, review of audit reports, review of projects, tenders and contracts awarded, inspections of regional offices, review of Annual Property Returns, etc.

In this regard, the following major activities are carried out:

- In compliance with the instructions of Central Vigilance Commission (CVC) / MoP, the matter of rotational transfers from the identified sensitive posts is constantly monitored.
- Sending prescribed periodical statistical returns to CVC and MoP on time.
- Regular review of audit reports i.e. Internal, Statutory and C&AG Audit Reports.
- Review of projects, tenders and contracts awarded. Wherever deviations are observed, the matter is taken up with the concerned divisions, which led to strengthening of appraisal system.
- Field inspections of regional offices, REC financed projects and scrutiny of APRs of executives.
- Thrust on use of IT systems and applications for loans, schemes, tenders, third party bills etc.

It is ensured that major policies and information of the Company are available on REC's website.

18.1 Observance of Vigilance Awareness Week

REC observed "Vigilance Awareness Week 2024" from October 28, 2024 to November 3, 2024 with theme "Culture of Integrity for Nation's Prosperity (सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि)" in line with CVC Circular dated August 1, 2024. During the campaign period, various interesting activities and competitions were organised with the aim to spread awareness among the employees. A variety of activities and competitions, including Paragraph Writing, Quiz, Painting

Competition, Nukkad Natak and Walkathon etc. were organized to foster ethical awareness among employees and the public. Senior management emphasized the importance of integrating the week's lessons into everyday routines, thereby nurturing a culture of integrity.

All employees of the Company were administered Integrity Pledge on October 28, 2024. Banners and Standees were displayed at different locations at REC's Offices across India. The message of "Culture of Integrity for Nation's Prosperity (सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि)" was widely inculcated.

An overwhelming participation was received from employees in all the activities. CMD and CVO of the Company called-forth the employees to assimilate the learnings of the week in their personality and to help fight against corruption.

- The employees shared perspectives on integrity in Paragraph Writing Competition, reflecting on ethical practices and articulating thoughts eloquently, highlighting commitment to honesty and accountability.
- Participants showcased creativity in Rangoli Making Competition, crafting unique rangolis depicting the essence of integrity.
- Quiz Competition's engaging format fostered quick thinking and teamwork, with teams showcasing knowledge of vigilance and ethical conduct in a lively, memorable atmosphere.
- Painting Competition welcomed family members of all ages, with artworks from vibrant landscapes symbolizing purity to illustrations emphasizing honesty and ethical behavior.
- *Nukkad Natak* (Street Play) at IFFCO Chowk metro station, Gurugram, raised public awareness on integrity through emotive dialogues and compelling narratives, inspiring ethical values.
- Seminars/Workshops covered procurement, ethics, systems, cyber hygiene, automated systems and CDA rules, led by in-house and external experts with interactive lectures and practical examples.
- Marathon & Walkathons in Raipur, Kolkata and Jammu & Kashmir with students, athletes and REC employees promoted awareness with commendable participant energy.
- REC promotes Integrity Clubs in schools to instill moral values in children, fostering socially responsible citizens and combating corruption in India.

Further, as on April 1, 2024, there was 1 complaint under process in Vigilance Division. 17 more complaints were received during the financial year 2024-25. Out of the total 18 complaints, 17 complaints were resolved during the financial year and the remaining 1 complaint is under review.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

To promote the use of Hindi language in official work, continuous efforts are being made by the Company in terms of the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs, Government of India.

Official Language Implementation Committee(s) have been constituted in REC offices to ensure effective implementation of Official Language in compliance with the Official Language Act, 1963 and Official Language Rules, 1976. Meetings of the Committees were held to review progressive use of Hindi during the financial year. Hindi Workshops were organised at



REC offices across the Country to give hands-on exposure to various facets of use of Hindi in official work.

An All India Rajbhasha Conference was organized at REC Corporate Office on August 3, 2024 under the aegis of MoP, wherein participants from different Power CPSEs across the Country attended the event. Further, two day All India Rajbhasha Conference was also organized on October 16 & 17, 2024 at Varanasi, where Nodal Hindi officers of Corporate office and Regional offices of REC participated.

Hindi Pakhwada was organized at REC Corporate Office from September 14, 2024 to September 28, 2024 wherein various competitions like Hindi Bhashan, Hindi Noting-Drafting, Antyakshari and Nibandh Lekhan were organized to motivate employees. The participation of employees in all the competitions were overwhelming and prizes were awarded to winners in different categories. Hindi Pakhwada was organized in all Regional/State offices of the Company also. Hindi Kavi Sammelan was also organized on October 4, 2024 at Corporate Office to inculcate a spirit of awareness towards the use of Rajbhasha Hindi among the employees of REC.

During the financial year 2024-25, the Committee of Parliament on Official Language conducted inspections at various Regional Offices of the Company viz., Bhubaneswar, Guwahati, Chennai and Panchkula. These inspections created a spirit of awareness amongst employees for enhanced adoption of Hindi in their official work. Further, a team of officials of MoP reviewed the status of Official Language implementation at REC Regional Offices of Jaipur, Lucknow and Thiruvananthapuram on May 16, 2024, April 26, 2024 and January 10, 2025, respectively.

'Urjayan' a Hindi magazine of REC was conferred with the 1st prize in the meeting of Town Official Language Implementation Committee of Rajbhasha Vibhag, Ministry of Home Affairs, Gurugram held on December 20, 2024.

'Thought of the Day', in Hindi have also been displayed through digital scrollers placed across Corporate Office premises. During the financial year, use of Hindi was also promoted through various social media platforms by the Company.

20. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO.

20.1 Conservation of Energy & Technology Absorption

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

REC Corporate Office Building located in Gurugram is designed and constructed by using energy efficient façade and radiant cooling slabs to lower (about 30%) HVAC load requirement in the building in order to conserve energy. The energy efficient equipment's and LED lights are being used in the building to conserve energy. Light Management System has also been implemented to enhance the energy conservation.

In order to utilize alternate source of energy, 979 kWp solar plant has been installed at top of the building (supported by solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy. The solar plant has generated 13.37 lakh units of electricity during the financial year 2024-25.

20.2 Foreign Exchange Earnings & Outgo

During the financial year 2024-25, the Company had no foreign exchange earnings. Further, foreign exchange outflow aggregating to ₹45,501.20 crore was made during the financial year, on account of interest, principal repayment, finance charges and other expenses.

21. SUBSIDIARY COMPANIES

RECPDCL [CIN:U40101DL2007GOI165779], the wholly owned subsidiary of REC Limited is engaged in the businesses of project implementation and consultancy services in power sector viz. implementation of distribution system strengthening works, implementation of transmission projects, implementation of grid/off-grid solar (PV) projects, installation of smart meters, preparation of detailed project reports, third party inspections, pre-dispatch material inspections and acting as project management consultant/project management agency under some projects of State/



Turbine-Generator of (2X800MW) Adani Power Jharkhand Limited, Godda, Jharkhand financed by REC



2x660 MW Buxar Thermal Plant, Bihar financed by REC

Centre funded schemes such as DDUGJY, IPDS etc. and is also leading the implementation of the National Feeder Monitoring System (NFMS), this advanced cloud-based IT platform is designed to monitor the reliability and quality of power across all 33/22/11 kV outgoing distribution feeders of Power Distribution Sub-stations nationwide. By integrating this cutting-edge application with the National Power Portal and using Machine-to-Machine (M2M) data transmission methods, NFMS ensures efficient and accurate data collection, significantly reducing errors associated with manual processes. Further, RECPDCL also acts as 'Bid Process Coordinator' for selection of Transmission Service Providers through Tariff Based Competitive Bidding (TBCB) process, for independent inter-state and intra-state transmission projects assigned by the Ministry of Power and State Governments, respectively, from time to time. In order to initiate development of each allocated independent inter-state / intra-state transmission project, RECPDCL incorporates a project-specific Special Purpose Vehicle (SPV) as its wholly-owned subsidiary, which also becomes the subsidiary of REC. After selection of the successful bidder in accordance with TBCB Guidelines, such subsidiaries are transferred by RECPDCL to the successful bidder, along with all assets and liabilities.

During the financial year 2024-25, RECPDCL has transferred 29 project-specific SPVs to the successful bidders, namely:

Sl. No.	Name of the SPV	Date of transfer of SPV
1	Kallam Transco Limited	April 5, 2024
2	Jalpura Khurja Power Transmission Limited	April 5, 2024
3	Meerut Shamli Power Transmission Limited	April 6, 2024
4	Khavda IV-E2 Power Transmission Limited	May 30, 2024
5	NERES XVI Power Transmission Limited	May 30, 2024

Sl. No.	Name of the SPV	Date of transfer of SPV
6	NERGS-I Power Transmission Limited	July 30, 2024
7	Rajasthan IV C Power Transmission Limited	August 19, 2024
8	Rajasthan IV E Power Transmission Limited	August 19, 2024
9	Rajasthan IV A Power Transmission Limited	August 21, 2024
10	Bhadla-III Power Transmission Limited	August 28, 2024
11	Khavda IVA Power Transmission Limited	August 30, 2024
12	Khavda IV C Power Transmission Limited	August 30, 2024
13	Tumkur-II REZ Power Transmission Limited	September 3, 2024
14	Rajasthan IV H1 Power Transmission Limited	October 15, 2024
15	Bikaner A Power Transmission Limited	November 11, 2024
16	Bikaner B Power Transmission Limited	November 11, 2024
17	ERES-XXXIX Power Transmission Limited	November 14, 2024
18	Khavda V-A Power Transmission Limited	November 19, 2024
19	Rajasthan IV 4A Power Transmission Limited	December 30, 2024
20	Rajasthan IV 4B Power Transmission Limited	December 30, 2024
21	Rajasthan Part I Power Transmission Limited	January 20, 2025



Sl. No.	Name of the SPV	Date of transfer of SPV
22	Lakadia B Power Transmission Limited	February 14, 2025
23	Khavda V-B1B2 Power Transmission Limited	February 18, 2025
24	Bidar Transco Limited	February 18, 2025
25	Rattle Kiru Power Transmission Limited	March 24, 2025
26	Banaskantha Transco Limited	March 24, 2025
27	Kurnool-IV Transmission Limited	March 24, 2025
28	Rajasthan V Power Transmission Limited	March 24, 2025
29	Mahan Transmission Limited	March 26, 2025

As on March 31, 2025, RECPDCL had the following project-specific SPVs for various inter-state / intra-state transmission projects:

Sl. No.	Name of the SPV	CIN
1	Chandil Transmission Limited	U40108DL2018GOI330905
2	Dumka Transmission Limited	U40300DL2018GOI331490
3	Mandar Transmission Limited	U40101DL2018GOI331526
4	Koderma Transmission Limited	U40300DL2018GOI331192
5	Luhri Power Transmission Limited	U40109DL2022GOI406286
6	Shongtong Power Transmission Limited	U42202DL2023GOI415590
7	Kankani Power Transmission Limited	U42202DL2023GOI424011
8	Tuticorin Power Transmission Limited	U42202DL2024GOI438404
9	WRNES Talegaon Power Transmission Limited*	U42202DL2024GOI438750
10	Rajgarh III Power Transmission Limited	U42202DL2024GOI440359
11	Jejuri Hinjewadi Power Transmission Limited	U42202DL2025GOI445342
12	Velgaon Power Transmission Limited	U42202DL2025GOI445416

Note: SPVs as referred at Sl. No. 8 to 12 were incorporated during the financial year 2024-25.

*WRNES Talegaon Power Transmission Limited has been transferred to the successful bidder on May 30, 2025.

During the financial year 2024-25, Khavda II-D Transmission Limited, project specific SPV has been struck off on July 6, 2024 from the Registrar of Companies.

Further, after the end of financial year 2024-25 and till July 24, 2025, 12 new SPVs have been incorporated as wholly-owned subsidiaries of RECPDCL and REC.

During the financial year 2024-25, RECPDCL recorded an

income of ₹551.57 crore highest ever in any of the financial years with 41% growth compared to income of ₹390.64 crore in the previous financial year. The Profit After Tax for the financial year 2024-25 was a notable ₹261.65 crore with 75% growth, as against ₹149.64 crore in the previous financial year. Further, the Net Worth of RECPDCL as on March 31, 2025 was a landmark at ₹738.19 crore, as against ₹567.17 crore as on March 31, 2024.

22. GIFT CITY

The Company is in the process of incorporation of a Wholly Owned Subsidiary Company of REC for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC) at Gujarat International Finance Tec-City, Gandhinagar, Gujarat. The Finance Company will be deemed as a non-resident entity under extant FEMA Regulations and will be governed by unified regulator i.e. International Financial Services Centres Authority.

The Reserve Bank of India vide its letter dated May 3, 2024, has accorded "No-Objection Certificate" to set up the proposed entity. The Company is yet to receive the requisite approval of the MoP to incorporate the proposed entity.

23. JOINT VENTURE & ASSOCIATE COMPANY

During the financial year 2024-25, the Company does not have any Joint Venture & Associate Company, apart from investments, as detailed in the financial statements, forming part of this Annual Report. Further, in terms of the agreement executed amongst the Joint Venture partners i.e. NTPC Limited, REC, PFC and Power Grid Corporation of India Limited, EESL ceased to be a jointly controlled entity of REC under Ind-AS framework.

24. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 of the Act and Rules made thereunder and Indian Accounting Standards, the Company has prepared the Consolidated Ind-AS Financial Statements for the financial year 2024-25, that include its wholly owned subsidiary company i.e. RECPDCL. The same shall also be laid before the ensuing 56th AGM along with the Standalone Financial Statements of the Company for adoption.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statements of subsidiaries/ associates and joint ventures in Form AOC-1, forms part of this Annual Report. The Financial Statements of SPV companies of RECPDCL, are not consolidated with the Financial Statements of REC, as such subsidiaries are transferred by RECPDCL to the successful bidder, along with all assets and liabilities in accordance with TBCB Guidelines and therefore, interest in such SPV companies is accounted for as per Ind-AS 105.

The Audited Ind-AS Financial Statements including the Consolidated Ind-AS Financial Statements and Audited Accounts of subsidiaries of the Company are available on the website of the Company i.e. www.recindia.nic.in. Further, these documents would be kept open for inspection through electronic mode by any member or any trustee for debenture holders. The Company would also make available copy thereof through e-mail upon specific request by any member of the Company.

25. DIRECTORS, KMP & POLICY FRAMEWORK RELATED THERETO

Being a Government Company within the meaning of Section 2(45) of the Act and in terms of Article 91 of the Articles of Association ("AOA") of the Company, all Directors on the Board of REC are nominated / appointed / reappointed by the

President of India acting through the administrative ministry i.e. MoP.

The nomination / appointment / reappointment of Directors on the Board of the Company and their eligibility criteria, qualifications, experience and selection procedure etc., is also subject to the prescribed norms of Department of Personnel & Training (DoPT), DPE, Public Enterprises Selection Board (PESB) etc., as applicable from time to time, the compliance of which is taken care at the end of the administrative ministry.

Further, being a CPSE, the remuneration of Functional Directors, Key Managerial Personnel and other employees of the Company including Senior Management Personnel, is determined as per the extant Guidelines on pay, perquisites, allowances etc. issued by the DPE and / or Government of India from time to time. Non-executive Directors (including Independent Directors) are paid sitting fees for attending the meetings of Board or Committees thereof, which is well within the applicable provisions of the Act. The Government Nominee Director is not entitled to receive any sitting fees from the Company, as per norms of the Government of India.

The Company has adopted a policy on diversity and skills of the board, criteria for appointing Senior Management Personnel and remuneration to directors, KMPs and other employees, which can be accessed at <https://recindia.nic.in/disclosures-under-regulation-46-of-sebi>

Further, being a NBFC, *inter-alia*, the appointment of Directors in REC is also subject to due diligence by the Nomination and Remuneration Committee (NRC), as per the Company's policy on fit & proper criteria of Directors, which can be accessed at <https://recindia.nic.in/disclosures-under-regulation-46-of-sebi>

As per the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of the Company has designated the Chairman and Managing Director, Director (Finance), Director (Projects), Company Secretary and ED (Finance-Bonds) as Key Managerial Personnel (KMPs) of the Company.

Being a Government Company, the role of Chief Executive Officer (CEO) is being performed by CMD and the role of Chief Financial Officer (CFO) is being performed by Director (Finance) of the Company.

Changes in Directors & KMP during & after the year are brought out below:

25.1 CMD and Whole-time Directors

1. Pursuant to MoP Order dated May 14, 2024, Shri Harsh Baweja (DIN: 09769272), has been appointed as Director (Finance) & CFO (KMP) of REC w.e.f. May 14, 2024.
2. Pursuant to MoP Order dated March 20, 2025, tenure of Shri Vivek Kumar Dewangan (DIN: 01377212) as CMD, REC was completed on March 20, 2025 and accordingly, has ceased to be CMD & KMP of REC w.e.f. March 21, 2025.
3. Pursuant to MoP Order dated March 20, 2025, Smt. Parminder Chopra (DIN: 08530587), CMD, PFC has been assigned additional charge of the post of CMD, REC w.e.f. March 21, 2025.
4. Pursuant to a communication dated April 18, 2025 issued by the Appointments Committee of the Cabinet (ACC) read with MoP Order dated April 21, 2025, Shri Jitendra Srivastava (DIN: 06817799), has been appointed as Chairman and Managing Director (Additional Director), KMP on the Board of REC w.e.f. April 22, 2025. Consequently, Smt. Parminder Chopra,

CMD, PFC ceased to be CMD & KMP of REC w.e.f. April 22, 2025.

5. Shri Vijay Kumar Singh (DIN: 02772733), who held the post of Director (Projects), REC, has superannuated from the services of the Company on June 30, 2025 and accordingly, ceased to be the Director and KMP of REC w.e.f. July 1, 2025.
6. Pursuant to MoP order dated June 27, 2025, Shri Jitendra Srivastava, IAS (DIN: 06817799), CMD has been assigned additional charge of the post of Director (Projects) for the period of 3 months w.e.f. July 1, 2025 or until the appointment of a regular incumbent to the post of Director (Projects) or until further orders, whichever is earlier.

25.2 Independent Directors

1. Dr. Gambheer Singh (DIN: 02003319) and Shri Manoj Manohar Pande (DIN: 09388430), Part-time Non-Official Independent Directors of the Company have completed their tenure on November 14, 2024 and accordingly, were ceased to be the Independent Directors of REC w.e.f. November 15, 2024.
2. Dr. Durgesh Nandini (DIN: 09398540), Part-time Non-Official Independent Director of the Company has completed her tenure on December 26, 2024 and accordingly, she has ceased to be the Independent Director of REC w.e.f. December 27, 2024.
3. Pursuant to MoP Order dated April 17, 2025 read with corrigendum dated May 21, 2025, Dr. Gambheer Singh (DIN: 02003319) and Dr. Durgesh Nandini (DIN: 09398540), have been appointed again as Part-time Non-Official Independent Directors (Additional Directors) of REC w.e.f. April 17, 2025 for a period of one year from the date of notification of their appointment or until further orders, whichever is earlier.

25.3 Key Managerial Personnel

Pursuant to resolution passed by the Board of Directors in the meeting held on October 26, 2024, Executive Director (Finance-Bonds) presently, Shri Rajesh Kumar, has been designated as KMP of the Company w.e.f. October 26, 2024.

25.4 Director(s) retiring and seeking appointment / re-appointment at the ensuing AGM

In accordance with the provisions of the Act and Article 91 (iv) of the Articles of Association of the Company, Shri Shashank Misra, Government Nominee Director shall retire by rotation at the ensuing 56th AGM of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Further, pursuant to Regulation 17(1C) of Listing Regulations, the appointment of Shri Jitendra Srivastava, IAS as Chairman and Managing Director, Dr. Gambheer Singh and Dr. Durgesh Nandini as Part-time Non-Official Independent Directors are also being placed before the shareholders in the ensuing AGM for their approval. The Board recommends their appointment.

Brief resume and other particulars of Shri Shashank Misra, Shri Jitendra Srivastava, IAS, Dr. Gambheer Singh and Dr. Durgesh Nandini are annexed to the Notice of AGM forming part of this Annual Report.

25.5 Company Secretary & Compliance Officer

Shri J.S. Amitabh is Company Secretary & Compliance Officer of the Company.



26. EVALUATION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS

As per the statutory provisions, a Listed Company is required to disclose in its Board's Report, a statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors has been made and the criteria for performance evaluation of its Independent Directors, as laid down by the Nomination and Remuneration Committee ("NRC").

However, the Ministry of Corporate Affairs ("MCA") vide its notification dated June 5, 2015 has, *inter-alia*, exempted Government companies from the above requirement, 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. Further, MCA vide notification dated July 5, 2017, also prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism as prescribed in Schedule IV of the Act, is not applicable to Government companies.

Accordingly, being a Government Company, REC is *inter-alia* exempted in terms of the above notifications, as the evaluation of performance of all members of the Board of the Company is being done by the administrative ministry i.e. MoP and / or by the DPE. During the financial year 2024-25, the performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, as per their internal Guidelines.

Further, your Company also enters into Memorandum of Understanding (MoU) with its holding Company, PFC, under the framework prescribed in MoU Guidelines issued by DPE. The MoU demarcates key performance parameters for the Company finalized in consultation with the MoP and the performance of the Company is evaluated *vis-à-vis* the MoU parameters.

27. DIRECTORS' RESPONSIBILITY STATEMENT

With reference to Section 134(5) of the Act, it is confirmed that:

- in the preparation of the annual accounts for the year ended March 31, 2025, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- such accounting policies have been selected and applied consistently (except for the adoption of newly effective Indian Accounting Standards as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made 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 of the Company for that period;
- proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- internal financial controls have been laid to be followed by the Company and such internal financial controls were adequate and operating effectively; and
- 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.

28. ACHIEVEMENTS UNDER MEMORANDUM OF UNDERSTANDING (MOU) FOR FY 2024-25

The Memorandum of Understanding (MoU) serves as a key policy initiative through which the Government of India through DPE undertakes regular performance evaluations of CPSEs, fostering a culture of continuous improvement and enhancing the performance levels of the CPSEs. Your Company has achieved "Excellent" Rating for the financial year 2023-24 and for the financial year 2024-25, "Excellent" rating is expected, subject to final evaluation by DPE. The consolidated MoU Guidelines for the financial year 2024-25 is placed at DPE's website at <https://dpe.gov.in/en/consolidated-mou-Guidelines-year-2024-25>. The below calculation has been presented on consolidated basis as per MoU Guidelines of DPE. The key achievements against the targets of MoU 2024-25 are as under:

Parameters	FY 2024-25	Parameters	FY 2024-25
Revenue from Operation	₹56,367 crore	Asset Turnover Ratio	9.18%
EBTDA as a percentage of Revenue	35.69%	Loans Disbursed to Total Funds	100.00%
Return on Net Worth	21.04%	Overdue loans to Total Loans	0.16%
Return on Capital Employed	11.09%	NNPA to Total Loans	0.39%
GeM Procurement	98.06%	Earnings per Share	₹59.55

REC has onboarded all operational Trade Receivables Discounting System (TReDS) portals to facilitate timely invoice discounting for Micro and Small Enterprises (MSEs). Further, the Company has integrated its Enterprise Resource Planning (ERP) systems with the Government e-Marketplace (GeM) portal to streamline procurement. During the financial year 2024-25, 2,438 invoices pertaining to MSME vendors were paid within 45 days timeframe as mandated under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and 26 invoices were pending at year end for which 45 days not elapsed.

REC has procured Goods & Services in line with applicable procurement guidelines / directions / policies of the Government of India. The Company has procured Goods and Services to the tune of 44.82% from MSE vendors, 1.11% from SC/ ST MSE vendors and 3.83% from Woman MSE vendors and the same has been uploaded on Sambandh portal of MSME.

29. 'THINK GREEN, GO GREEN' INITIATIVE

The Act permits companies to send documents like Notice of AGM, Annual Report etc. through electronic means to its shareholders at their registered email addresses. As a responsible corporate citizen, the Company has actively supported the implementation of 'Green Initiative' of the MCA and effected electronic delivery of Notices and Annual Reports to shareholders, whose email ids are registered. The intimation of dividend (interim / final) is also being sent electronically to such shareholders. Further, pursuant to Section 108 of the Act read with Rule 20 of the Companies

(Management and Administration) Rules, 2014, the Company is providing e-voting facility to all shareholders to enable them to cast their votes electronically in respect of resolutions set forth in the Notice of AGM. The Company is conducting the AGM through video conferencing / other audio-visual means. Shareholders can refer to the detailed instructions for e-voting and electronic participation in the AGM, as provided in the Notice of AGM. Shareholders, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses with the Registrar and Share Transfer Agent (RTA) of the Company or their respective Depository Participant (DP) and take part in the green initiative.

REC has procured Electric vehicles as part of continued commitment towards sustainable and clean energy adoption. This aligns with the vision of reducing carbon emissions and contribution in greener environment. These EVs have significantly lower operational costs and enhanced energy efficiency.

REC routinely conducts tree plantation drives and has partnered with agencies for recycling and disposing of all wastes. Board room has been furnished with glass bottles to adopt zero plastic usage. Women's health and hygiene has always been priority at REC. In a move towards improving the well-being of REC's women staff, 3 Sanitary Pad Vending Machines have been installed in our corporate office.

30. COMMITMENT TO SWACHHTA

REC has undertaken various activities for creating awareness on Swachhta by executing various activities like drive for donation of cleaning material to orphanage or special abled centers, installation of dustbins at public places, health and hygiene camp at old age home, installation of wall of kindness, workshop or seminar on waste management for employees, special cleaning drive at public places and organized Nukkad Natak at public place for awareness on cleanliness under campaigns Swachhta Pakhwada Swachhta Action Plan & Swachhta Hi Seva.

31. RIGHT TO INFORMATION ACT, 2005

The purpose of the Right to Information Act, 2005 ('RTI Act') is to enable the citizens to seek information from the public authorities and to ensure transparency and accountability in their functioning. An RTI Cell is in existence in the Company to deal with applications received under the RTI Act. The Company has designated a Public Information Officer (PIO) to respond to the RTI applications and a First Appellate Authority (RTI) to adjudicate on RTI First Appeals for effective implementation of the RTI Act. The RTI Cell also comprises of an Assistant Public Information Officer. The entire functioning of the RTI Cell and implementation of the RTI Act in REC is observed by the Transparency Officer. REC is also associated with the online RTI Portal of Government of India, DoPT i.e. <https://rtionline.gov.in/> which enables citizens of India, to file RTI applications / first appeals online along with a payment gateway. Below is the information pertaining to the number of applications and appeals received by the RTI Cell, during the period of April 1, 2024 to March 31, 2025:

Sl. No.	Particulars of RTI	Nos.
1	Applications received	547
2	Applications disposed off	547
3	First appeals received by Appellate Authority, REC	47
4	First appeals disposed off by Appellate Authority, REC	47
5	Second appeals received from Central Information Commission	1
6	Second appeals disposed off by Central Information Commission	1

Further, REC has placed the requisite information on its website, in compliance with the requirements specified by DoPT. Further, in compliance of the said Guidelines, which provides for annual audit of *suo-moto* disclosures by a third party, third-party audit of RTI Disclosures has been carried out and the report is posted on REC's website.



Health Camp arranged at old age home under Swachhta Pakhwada



32. REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSEs) ORDER, 2012.

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. However, the policy rests upon core principle of competitiveness, adhering to sound procurement practices and execution of supplies in accordance with a system which is fair, equitable, transparent, competitive and cost effective. In compliance to the policy, Annual procurement plan is uploaded on REC's website for the benefit of MSEs and monthly procurement details on MSME 'Sambandh' Portal are being regularly updated.

The benefits to MSEs like exemption from tender fees and Earnest Money Deposit, Purchase preference i.e. MSEs quoting price within price band L1 + 15%, when L1 is from someone other than MSE, shall be allowed to supply at least 25% of tendered value at L1 subject to lowering of price by MSEs to L1, wherever splitting is feasible.

As per Gazette Notification (S.O. 5670(E) dated November 9, 2018), it is mandatory for all Central Government Ministries / Departments / CPSUs to procure at least 25% of their annual procurement from MSEs including 4% from MSEs owned by SC / ST entrepreneur and 3% from MSEs owned by women entrepreneur.

As per Ministry of MSME clarification issued vide OM dated March 25, 2022 for revised FAQ on Public Procurement Policy for MSEs Order 2012, it has been clarified that out of 25% target of annual procurement from MSEs (not in the specific tender), a sub-target of 4% of annual procurement from MSEs is earmarked for procurement from MSEs owned by SC / ST entrepreneurs and 3% of annual procurement from MSEs is earmarked for procurement from MSEs owned by women entrepreneur. However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, 4% sub-target for procurement earmarked for MSEs owned by SC / ST entrepreneurs and 3% earmarked to women entrepreneur will also be met from other MSEs.

During the financial year 2024-25, total procurement awarded by the Company was ₹99.62 crore, excluding the contract awarded as PIA (Program Implementing Agency) for Government Programs of ₹28.03 crore, contract with non-available in GeM (GAR id) of ₹19.33 crore and contract related to price discovery through GeM and empanelment of vendors was ₹0.79 crore. The total contract awarded excluding the above sub-category from GeM portal was ₹97.58 crore (achieved more than the target of 95%) and procurement from MSEs (including MSEs owned by SC / ST and women entrepreneurs) was ₹43.73 crore (achieved more than the target of 25%), out of which MSEs owned by SC / ST entrepreneur was ₹0.52 crore and MSEs owned by women entrepreneur was ₹3.71 crore. During the financial year, 1,301 contracts awarded to MSEs out of which 17 belonged to SC / ST category and 246 were owned by women entrepreneur. The procurements from SC / ST and women entrepreneurs, highly depends on the participation in tender process or meet tender requirements and L1 price by such vendors, on which buyer has no control.

The Company has made it compulsory for all its Pan-India offices to have 100% procurement of common use Goods and Services available on Government e-marketplace (GeM) are required to be procured mandatorily through GeM. REC has also conducted two Vendor Development Programme through online session which were attended by various

vendors where officials from NSIC ST-SC hub, GeM, TReDS, ESG were also participated and the same were attended and praised overwhelmingly by the participants.

It is also noteworthy, that the payments to MSE bidders are already being processed within the stipulated time as per agreed terms of the contract (not more than 45 days). Further, for expediting the payment process, REC is registered with RBI approved three TReDS platform i.e. M1xchange, Invoicemart and Receivables Exchange of India and payments are processed through TReDS in case MSME vendor raises invoices through TReDS. As per MSME Samadhaan portal, no case is pending in respect of REC regarding MSEs payments during the financial year 2024-25.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH Act), an 'Internal Complaints Committee' has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. The Committee aims at sensitizing women employees and provide a healthy and congenial atmosphere to work. The Committee is headed by a senior woman officer of the Company and includes a member from NGO as one of its members. Anti-sexual harassment stance of the Company is also outlined in REC (Conduct, Discipline and Appeal) Rules.

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the disclosure regarding complaints under the said Act during the financial year 2024-25, is as follows:

Sl. No.	Particulars	Number of complaints
1	Number of complaints of Sexual Harassment received in the year	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Nil

34. ANNUAL RETURN

The Annual Return of the Company for the financial year 2023-24 filed with the MCA and the draft Annual Return for the financial year 2024-25, are available on the website of the Company at <https://www.recindia.nic.in/annual-returns>.

After filing of the Annual Return for the financial year 2024-25 with MCA, the same will be uploaded on the website at the same weblink.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of Related Party Transactions as required to be disclosed in Form AOC-2 for the financial year 2024-25 is annexed to this report.

36. AUDITORS

36.1 Statutory Auditors

M/s. Kailash Chand Jain & Co., Chartered Accountants, New Delhi (Firm Registration No.: 112318W) and M/s. SCV & Co. LLP, Chartered Accountants, New Delhi (Firm Registration No.: 000235N/N500089) were appointed as Statutory Auditors of your Company for the financial year 2024-25

by the Comptroller & Auditor General of India (C&AG). The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2025.

Further, the appointment of the Statutory Auditors for the financial year 2025-26 is yet to be made by the C&AG. Approval of the shareholders of the Company will be obtained in 56th AGM, to authorize the Board of Directors of the Company, to fix the remuneration of Statutory Auditors for the financial year 2025-26, as may be appointed by C&AG of India.

36.2 Secretarial Auditors

M/s. Agarwal S. & Associates, Company Secretaries were appointed as Secretarial Auditors for carrying out Secretarial Audit of the Company for the financial year 2024-25. In terms of Section 204 the Act and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2024-25 and the same is annexed to this Report.

36.3 Management's comments on the Auditor's Report(s)

The Statutory Auditors have audited the Standalone and Consolidated Financial Statements of the Company for the financial year 2024-25 and have given their report without any qualification, reservation, adverse remark or disclaimer. The Auditors' Report(s) are forming part of this Annual Report.

The management's reply to the observations of the Secretarial Auditor is as under:

Sl. No.	Observation of Secretarial Auditors	Management's Reply
1.	Non-Compliance with Regulation 17 of the Listing Regulations, Section 149 of the Act and Clause 3.1.4 of DPE Guidelines due to non-availability of requisite number of Independent Directors since May 14, 2024. Also, during the period from December 27, 2024 to March 31, 2025, there was no woman Independent Director on the Board of the Company.	REC is a Government Company and as per the provisions of Article 91 of Articles of Association of the Company, 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 and the Company has no role in the appointment of Directors on its Board and it is beyond the control of the Company to appoint Directors, including Independent Directors on the Board on its own. Further, due to non-availability of requisite number of Independent Directors on the Board of the Company, the composition of Audit Committee and Nomination & Remuneration Committee did not comprise of requisite number of Independent Directors during the period from December 27, 2024 to March 31, 2025.
2.	Non-Compliance with Regulation 18 and 19 of the Listing Regulations, Sections 177 and 178 of the Act and Clauses 4.1.1 and 5.1 of DPE Guidelines as the composition of Audit Committee and Nomination & Remuneration Committee did not comprise of requisite number of Independent Directors during the period from December 27, 2024 to March 31, 2025.	The Company has been requesting & following up with the MoP for appointment of requisite number of Independent Directors on its Board, from time to time.

37. COMMENTS OF C&AG OF INDIA

The C&AG vide letter(s) dated July 25, 2025 have given 'Nil' comments on the Audited Financial Statements of the Company for the financial year ended March 31, 2025 under Section 143(6) of the Act.

The comments of C&AG for the financial year 2024-25 have been annexed along with the report of Statutory Auditors of the Company in this Annual Report.

38. DEBENTURE TRUSTEES

In compliance with Listing Regulations, a list containing the details of Debenture Trustees appointed by the Company for different series of its bonds / debentures issued from time to time, is annexed to this Report.

39. STATUTORY DISCLOSURES

- There was no change in the nature of business of the Company during the financial year 2024-25.
- The Company has not accepted any public deposits during the financial year 2024-25 and the Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines.
- No orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.
- 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 policies. For details, please refer to the 'Management Discussion and Analysis Report' annexed to this report.
- Information on composition, terms of reference and number of meetings of the Board and its Committees held during the financial year, establishment of Vigil Mechanism / Whistle Blower Policy and web-links for familiarization programmes of Directors, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, Policy for determining Material Subsidiaries, compensation to Key Managerial Personnel, sitting fees to Directors and details regarding IEPF etc. have been provided in the 'Report on Corporate Governance', prepared in compliance with the provisions of Listing Regulations and DPE Guidelines on Corporate Governance, 2010, as amended from time to time, which forms part of this Annual Report.
- Pursuant to Section 186(11) of the Act, 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.
- The provisions of Section 197 of the Act and Rules made thereunder relating to managerial remuneration are not applicable to the Government companies, therefore, no disclosure is required to be made.
- There are no material changes and commitments affecting the financial position of the Company, which



has occurred between the end of the financial year i.e. March 31, 2025 and the date of this report.

- i) The Company has not issued any stock options to the Directors or any employees of the Company.
- j) The details related to vigilance cases, replies to audit objections and RTI matters etc., as applicable, are duly incorporated in this report, as required vide OM dated January 24, 2018 of the Ministry of Parliamentary Affairs, Government of India.
- k) 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, 2017 prescribed by the Central Government under Section 148 of the Act. Accordingly, cost accounts and records are not required to be maintained by the Company.
- l) During the financial year under review, the statutory auditors / secretarial auditors have not reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees.
- m) The Company is compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- n) 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 opinion of the Board, the Independent Directors of the Company are persons of integrity and possess the relevant expertise, proficiency and experience to contribute effectively to the Company. Further, the Company has received declaration from Independent Directors of the Company pursuant to the requirement of section 149(6) of the Act.
- o) The Company has adequate internal financial controls with reference to the financial statements.
- p) There is neither any pending IBC (Insolvency and Bankruptcy Code) proceeding against REC, nor REC has received any notice for initiation of any IBC proceedings against the Company.
- q) During the financial year 2024-25, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of onetime settlement and valuation done while taking loan from the Banks or Financial Institutions.
- r) The Company has complied the provisions of Maternity Benefits Act, 1961.

40. ANNEXURES TO BOARD'S REPORT

In terms of the provisions of Listing Regulations and other applicable statutory provisions, separate sections containing Management Discussion & Analysis Report, Report on Corporate Governance, Business Responsibility & Sustainability Report, are enclosed to this Board's Report.

Various statutory reports, information, certificates etc., in terms of the Act, Listing Regulations, DPE Guidelines on Corporate Governance for CPSEs, 2010 and other applicable statutory provisions, are enclosed to the Board's Report as under:

Particulars	Annexure
Management Discussion & Analysis Report	I
Report on Corporate Governance	II
Certificate on compliance with conditions of Corporate Governance	III
Business Responsibility & Sustainability Reporting	IV
Secretarial Audit Report	V
Particulars of Contracts or Arrangements with Related Parties	VI
Annual Report on CSR Activities	VII
Details of Debenture Trustees	VIII

41. ACKNOWLEDGEMENTS

The Board of Directors sincerely express their appreciation to the Ministry of Power, Ministry of New and Renewable Energy, Ministry of Finance, Ministry of Corporate Affairs, NITI Aayog, Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited and the Comptroller & Auditor General of India for their invaluable guidance and support. Gratitude is also extended to Power Finance Corporation Limited, the Holding Company, for their unwavering support.

The Board of Directors extend their heartfelt thanks to all shareholders, investors, lenders and bondholders for their unwavering confidence in the Company. The Board of Directors also acknowledge and appreciate the trust placed in the Company by all customers and borrowers, including State Governments, State Electricity Boards, State Power Utilities and Independent Power Producers.

The Board of Directors are appreciative of the dedication and support provided by the Statutory Auditors, Secretarial Auditors and other professionals associated with the Company. Last but not the least, the Board of Directors express their deep gratitude to the employees and staff for their tireless commitment to excellence.

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Place: Gurugram
Date: July 25, 2025

Annual Impact Reporting for Green Bonds - financial year 2024-25

A. USD 450 million Green Bond

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2025	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2025 (₹ in crore)
1	Karimnagar, Telangana	15	Solar Energy	11-11-2016	19,710	89.84	47.36
2	Jagtial, Telangana	30	Solar Energy	21-09-2016	69,088	179.62	99.90
3	Sircilla, Telangana	30	Solar Energy	21-09-2016	46,706	179.62	100.12
4	Warangal, Telangana	15	Solar Energy	11-11-2016	20,693	89.84	47.49
5	Anantpur, Andhra Pradesh	500	Solar Energy	24-02-2016	7,00,457	2,480.00	1,300.97
6	Karimnagar, Telangana	15	Solar Energy	11-11-2016	23,742	89.84	47.34
7	Ranga Reddy, Telangana	5	Solar Energy	27-01-2016	6,889	26.90	14.35
8	Medak, Telangana	7	Solar Energy	26-11-2015	2,239	39.90	20.61
9	Karimnagar, Telangana	15	Solar Energy	11-11-2016	24,460	89.84	47.36
10	Chitradurga, Karnataka	30	Solar Energy	17-04-2017	32,883	150.39	80.85
11	Mumbai, Maharashtra	NA	Low carbon Transport	31-12-2018	Project under Construction	29,985.32	1,574.14
12	Mandsaur, Madhya Pradesh	20	Wind Energy	28-01-2016	18,032	86.63	35.27
Total					9,64,899	33,487.74	3,415.76

B. USD 750 million Green Bond

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2025	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2025 (₹ in crore)
1	Mumbai, Maharashtra	NA	Low carbon Transport	27-05-2022	Project under Construction	29,985.32	521.84
2	Tuticorin, Thoothukudi, Tamil Nadu	540	Wind Energy	28-05-2021	Project under Construction	2,564.73	2,561.68
3	Dharapuram, Tirupur, Tamil Nadu	270	Wind Energy	19-07-2021	Project under Construction	647.00	647.00
4	Gadag, Karnataka	560	Solar-Wind Hybrid Power Project	24-06-2023	Project under Construction	3,081.30	2,636.30
Total						36,278.35	6,366.82

C. JPY 61.10 billion Green Bond

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2025	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2025 (₹ in crore)
1	Gadag, Karnataka	560	Generation Renewables-Hybrid	24-06-2023	Project under Construction	3,081.30	198.79
2	Banka, Bihar	50	Generation Renewables-Solar	26-07-2023	77,271	220.52	197.35
3	Jaisalmer, Rajasthan	900	Generation Renewables-Solar	20-12-2023	Project under Construction	4,751.50	3,520.00



Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2025	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2025 (₹ in crore)
4	Raisar, Rajasthan	300	Generation Renewables-Solar	10-03-2021	2,08,365	1,519.00	1.68
5	Kutch, Gujarat	167	Generation Renewables-Solar	20-12-2023	1,72,918	845.75	640.00
6	Mumbai, Maharashtra	NA	Low carbon Transport	27-05-2022	Project under Construction	29,985.32	607.68
		Total			4,58,554	40,403.39	5,165.50

D. USD 500 million Green Bond

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2025	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2025 (₹ in crore)
1	Kadapa, Andhra Pradesh	50	Generation Renewables-Solar	29-01-2024	Project under Construction	241.00	209.12
2	Muktsar, Punjab	28	Generation Renewables-Solar	29-01-2024	42,306	155.00	142.29
3	Nagpur, Maharashtra	7	Generation Renewables-Solar	29-01-2024	11,028	29.00	26.42
4	Jodhpur, Rajasthan	130	Generation Renewables-Solar	29-01-2024	2,86,235	568.00	552.78
5	Jalaun, Uttar Pradesh	40	Generation Renewables-Solar	29-01-2024	65,980	248.86	163.19
6	Tumkur, Karnataka	100	Generation Renewables-Solar	29-01-2024	2,27,410	357.00	348.11
7	Bhavnagar, Gujarat	260	Generation Renewables-Solar	29-01-2024	5,01,543	884.00	861.99
8	Kutch, Gujarat	900	Generation Renewables-Solar	16-07-2024	Project under Construction	5,302.30	1,550.85
9	Neemuch, Madhya Pradesh	1,440	Generation Renewables-Pumped Storage	15-11-2022	Project under Construction	7,910.85	3,611.00
10	Tuticorin, Tamil Nadu	540	Generation Renewables-Wind	16-06-2021	Project under Construction	2,886.00	180.00
11	Jalna, Maharashtra	126	Generation Renewables-Solar	25-06-2024	Project under Construction	354.88	148.85
12	Nanded, Maharashtra	285	Generation Renewables-Solar	25-06-2024	Project under Construction	802.70	304.22
13	Hyderabad, Telangana	NA	Generation Renewables-e-vehicle	21-11-2023	NA - E-Mobility	494.55	211.28

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2025	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2025 (₹ in crore)
14	Mumbai, Maharashtra	NA	Low Carbon Transport	27-05-2022	NA - Metro project	29,985.32	500.00
15	Jaisalmer, Rajasthan	300	Generation Renewables-Solar	26-03-2021	2,08,365	1,519.48	6.26
16	Jhansi, Uttar Pradesh	600	Generation Renewables-Solar	27-10-2022	NA-Solar Park Infra	140.47	64.08
17	Pune, Maharashtra	NA	Generation Renewables-Biomass	16-01-2024	NA-CBG Project	52.75	10.01
18	Nilgiris, Tamil Nadu	500	Generation-Hydro	30-06-2023	Project under Construction	1,207.82	229.50
19	Akola, Maharashtra	204	Generation Renewables-Solar	25-06-2024	Project under Construction	574.56	215.27
20	Eluru, Andhra Pradesh	960	Generation-Hydro	28-02-2017	Project under Construction	3,965.11	2,450.74
21	Kishtwar, Jammu & Kashmir	624	Generation-Hydro	29-02-2024	Project under Construction	883.07	631.57
22	Belagavi, Karnataka	1600	Generation Renewables-Pumped Storage	12-12-2023	Project under Construction	8,536.00	1,334.20
Total					13,42,867	67,098.72	13,751.73

Note: Loan amount sanction of ₹29,985.32 crore, ₹3,081.30 crore & ₹1,519 crore towards clean transport for Mumbai - Maharashtra, hybrid projects for Gadag, Karnataka and solar project for Raisar, Rajasthan has been partially utilised for disbursement from proceeds of USD 750 million Bond, JPY 61.10 billion Bond and USD 500 million as detailed in table B, C & D.



Khavda Renewable Energy Park, Gujarat financed by REC



MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management of the Company is pleased to present its report on the business environment & industry scenario, industry risks, opportunities and the Company's financial & operational performance during the financial year 2024-25.

BUSINESS ENVIRONMENT

Global Business Environment

The global economy is at a critical juncture. Signs of stabilization were emerging through much of 2024, after a prolonged and challenging period of unprecedented shocks. Inflation was down from multidecade highs, Labor markets normalized, with unemployment and vacancy rates returning to pre-pandemic levels. However, the landscape has changed as Governments around the world reorder policy priorities and uncertainties have climbed to new highs.

Major policy shifts are resetting the global trade system and giving rise to uncertainty that is once again testing the resilience of the global economy. Since February, 2025, the United States has announced multiple waves of tariffs against trading partners, some of which have invoked countermeasures. Markets first took the announcements mostly in stride, until the United States' near-universal application of tariffs on April 2, 2025 which triggered historic drops in major equity indices and spikes in bond yields. The degree of the surge varies across countries, depending on exposures to protectionist measures through trade and financial linkages as well as broader geopolitical relationships. The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity.

According to International Monetary Fund (IMF) World Economic Outlook report of April, 2025, Global growth is projected to fall from 3.3% in 2024 to 2.8% in 2025, before recovering to 3% in 2026. For advanced economies, growth is projected to drop from 1.8% in 2024 to 1.4% in 2025 and 1.5% in 2026. For emerging market and developing economies, growth is projected to drop from 4.3% in 2024 to 3.7% in 2025 and will increase to 3.9% in 2026.

IMF: World Economic Outlook Projections

Global Growth	Projections		
	2024	2025	2026
World	3.3	2.8	3.0
1. Advanced Economies (AE)	1.8	1.4	1.5
US	2.8	1.8	1.7
EU Area	0.9	0.8	1.2
UK	1.1	1.1	1.4
Japan	0.1	0.6	0.6
2. Emerging Market and Developing Economies	4.3	3.7	3.9
India	6.5	6.2	6.3
China	5.0	4.0	4.0
Brazil	3.4	2.0	2.0
Sub-Saharan Africa	4.0	3.8	4.2
Middle East and Cental Asian	2.4	3.0	3.5

Global headline inflation is expected to decline to 4.3% in 2025 and to 3.6% in 2026. Inflation is projected to converge back to target earlier in advanced economies, reaching 2.2% in 2026, compared with emerging market and developing economies, for which it declines to 4.6% over the same time horizon. In particular, the effects of recently imposed tariffs on inflation across countries will depend on whether the tariffs are perceived to be temporary or permanent, the extent to which firms adjust margins to offset increased import costs and whether imports are invoiced in US dollars or local currency. Cross-Country implication will differ too.

Global economic growth is projected to remain weak at 3.2% for the next five years, falling short of the 2000-2019 average of 3.7%. A major factor in this sluggish outlook is demographics, with population aging expected to negatively impact productivity, labor force participation and overall growth.

The global electricity sector is undergoing a period of significant transformation, driven by surging demand and the rapid expansion of renewable energy sources. Reflecting this momentum, global electricity consumption is experiencing its most rapid growth in years, with demand projected to soar through 2027. Global electricity demand increased by 4.3% in 2024 and is forecasted to maintain a growth rate of nearly 4% annually through 2027. This translates to an unprecedented increase of 3,500 TWh in global electricity consumption over the next three years. This surge is attributed to several factors, including expanding industrial production, increased adoption of air conditioning, accelerating electrification across sectors and the growing energy demands of data centres worldwide.

Renewable energy sources are playing an increasingly dominant role in meeting this rising demand. In 2025, renewables are forecast to generate more than one-third of total electricity globally, surpassing coal for the first time. Overall, renewables are expected to meet approximately 95% of the growth in electricity demand, with solar PV and wind leading this expansion and displacing generation from fossil fuels. Concurrently, nuclear power generation is also on the rise, with output expected to reach a new high in 2025 and continue to grow in the coming years.

It is important to note that the sector faces challenges, particularly concerning the growing impact of extreme weather events. In 2024, storms, droughts and heatwaves caused widespread power disruptions, underscoring the critical need to enhance grid resilience. As both electricity supply and demand become increasingly influenced by weather patterns, building resilience to these impacts is paramount to ensuring energy security.

Indian Business Environment

India is poised to lead the global economy once again, with the IMF projecting it to remain the fastest growing major economy over the next two years. According to April, 2025, edition of the IMF World Economic Outlook report, India's economy is expected to grow by 6.2% in 2025 and 6.3% in 2026, maintaining a solid lead over global and regional peers. Supported by strong fundamentals and strategic Government initiatives, the Country is well-positioned to navigate the challenges ahead and India continues to enhance its role as a key driver of global economic activity with reforms in infrastructure, innovation and financial inclusion.

Economic Growth and Outlook

According to the Reserve Bank of India (RBI), real GDP is grown at 6.5% in the financial year 2024-25, following a 9.2% growth rate in the previous year. For the financial year 2025-26, real GDP growth is projected at 6.5%, with quarterly projections for Q1 at 6.5%; Q2 at 6.7%; Q3 at 6.6% and Q4 at 6.3%. The prospects for the agriculture sector remain positive, driven by healthy reservoir levels and strong crop production. Manufacturing activity is showing signs of recovery and the services sector remains resilient. Factors such as sustained demand from rural areas, an expected revival in urban consumption, recovery in fixed capital formation aided by increased Government capital expenditure, higher capacity utilization and healthy corporate and bank balance sheets are expected to support growth. However, global trade disruptions continue to pose downside risks.

Inflation Trends

Headline inflation moderated during January-February, 2025, following a sharp correction in food inflation. The outlook for food inflation has turned positive, with uncertainties around rabi crops subsiding and second advance estimates pointing to record wheat production. CPI inflation for the financial year 2025-26 is projected at 4%, with Q1 at 3.6%; Q2 at 3.9%; Q3 at 3.8% and Q4 at 4.4%. Household's perception of current inflation declined to 7.8% and inflation expectations for the next three months and one year ahead also decreased. Upside risks to the inflation trajectory remain, including concerns about global market uncertainties and adverse weather-related supply disruptions.

Adaptation towards Climate Change

India has been working diligently towards adapting to climate change while mitigating the risks from them. India's climate actions for energy conservation have been on track as compared to other emerging market economies. India's economy has become increasingly energy-efficient, with energy intensity reducing from 0.27 Mega Joules / ₹ in 2014-15 to 0.22 Mega Joules / ₹ in 2023-24. The major energy conservation programmes being implemented by the Government include Perform, Achieve and Trade (PAT) scheme for energy-intensive industries; standards and labelling scheme for appliances by the Bureau of Energy Efficiency (BEE); Unnat Jyoti by Affordable LEDs for All (UJALA) scheme and adoption of electric mobility.

Resilience and Future Outlook

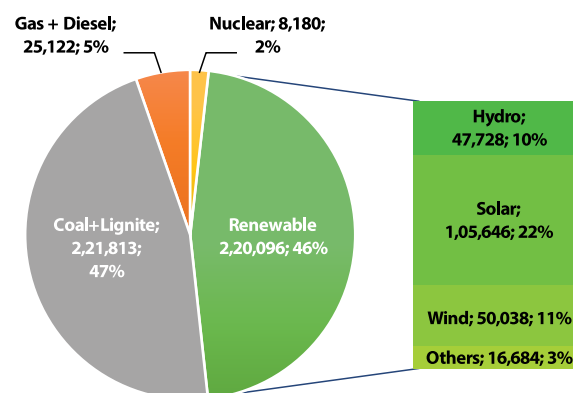
The Indian economy demonstrates resilience amidst global uncertainties. The Monetary Policy Committee (MPC) on June 6, 2025 decided to reduce the policy repo rate by 50 basis points to 5.50%, reflecting a focus on supporting growth while remaining vigilant on inflation. India's external sector remains robust, with resilient services exports and stable foreign exchange reserves. The RBI emphasizes its commitment to maintaining macro-economic and financial stability through agile and decisive policy measures.

INDUSTRY STRUCTURE AND DEVELOPMENT

Industry Overview

Aided by rising demand and a focus on energy transition, India's Power Sector demonstrated significant activity. Key indicators included a 5% rise in total power generation during the financial year 2024-25, reaching 1,830 Billion Units (BU). Non-fossil sources played a larger role, with their generation growing 12% YoY and their share climbing to 25% of the total mix. Infrastructure also expanded, with about 33 GW added (including a record 30 GW in Renewables), bringing total installed capacity to 475 GW by March, 2025. This growth increased the non-fossil capacity share from 45% to 48%. The period also saw peak electricity demand meet a new record of 250 GW, signifying robust overall sector growth.

Installed Capacity as on March 31, 2025: 4,75,211 MW



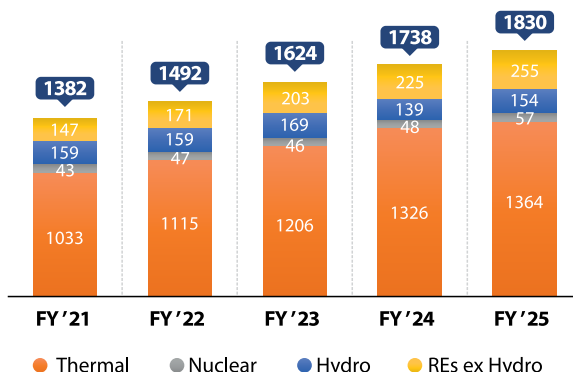
Industry-Structure

Generation

As on March 31, 2025, the installed power generating capacity in the Country was 475 GW comprising of 106 GW in the Central Sector, 112 GW in the State Sector and 257 GW in the Private Sector. In terms of generation capacity by type, the conventional thermal / fossil capacity was 247 GW, Hydro 48 GW, Nuclear 8 GW and Renewables ex Hydro comprised 172 GW. The Plant Load Factor (PLF) for thermal power plants across the Country improved to 69.47% against 69.07% over last year. Central sector thermal stations achieved a PLF of 75.09%, whereas state sector and IPP sector achieved PLF of 64.81% and 67.47%, respectively.

India's total electricity generation reached 1,830 BU in the financial year 2024-25, marking a 5% increase over the previous year. While thermal generation (including coal, lignite and gas) saw modest growth of 3% YoY, its contribution to the overall generation mix decreased by 1%. Conversely, the share of non-fossil fuel sources rose by 1% to account for 25% of the total electricity generated. This shift was driven by strong growth across all non-fossil segments: nuclear generation surged by 19%, large hydro (including imports from Bhutan) increased by 11% and other renewables (excluding large hydro) grew by a significant 13%. Looking ahead, the Central Electricity Authority (CEA) has set a generation target of 1,725 BU for the financial year 2025-26, specifically from thermal, nuclear and large hydro sources combined.

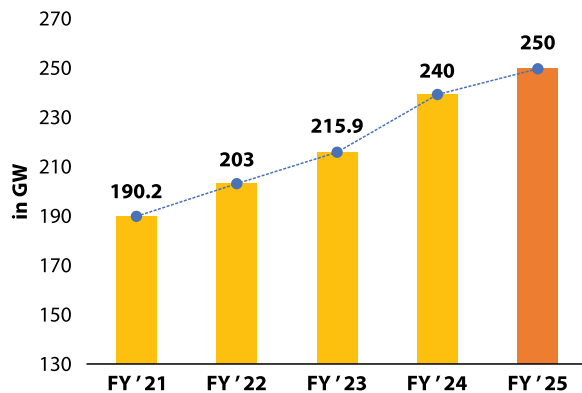
All India Energy Generation Scenario (in BU)



Underscoring a consistent pattern of growth, India's peak electricity demand met climbed to a new all-time high of 250 GW in May, 2024, exceeding the prior record of 240 GW set in September, 2023. As per mid-term review of 20th Electric Power Survey, the All India Peak Demand of the Country is expected to be 277 GW in the financial year 2025-26. The Country is confident to meet this projected demand with optimal usage of existing and under construction capacities. Increasing total electricity generation and new highs in peak demand correlate strongly with the healthy performance of the Indian economy.



Increasing trend in All India Peak Demand Met



Coal

The Government of India has implemented several initiatives, including Commercial Coal Mining, streamlining regulations, allowing captive mines to sell a portion of their production and Mission Coking Coal, etc. to enhance domestic coal production and reduce imports. These efforts have also led to an encouraging 5% YoY growth in Country's domestic coal production during the financial year 2024-25, as the domestic coal production reached record yearly production of 1,048 MT. Production from Commercial & Captive and other entities also saw a remarkable surge, reaching 198 MT, 28% increase from 154 MT recorded in the previous year. Coal dispatch has crossed the One BT milestone, with total dispatch reaching 1,025 MT in the financial year 2024-25, up by 5% from 973 MT in the financial year 2023-24. Out of the total dispatched coal, 843 MT (i.e. 82%) has been dispatched to the Power Sector Utilities alone.

India's coal sector plays a pivotal role in supporting its rapidly growing economy, with coal serving as a primary energy source for critical industries like power generation, steel production and cement manufacturing etc. However, the Country faces a significant challenge in meeting its domestic coal demand, especially for coking coal and high-grade thermal coal, which are in short supply within the Country's reserves. As a result, coal imports have been vital to meet the needs of key sectors, including steel production.

The Ministry of Coal has been implementing strategic measures to strengthen domestic production and ensure a secure coal

supply, aligning with India's goals of reducing coal imports and enhancing energy security. By prioritizing domestic coal output, the Government aims to march ahead towards Viksit Bharat goal by building a self-reliant, sustainable energy framework that supports long-term economic growth.

Renewable Energy Sources

India achieved historic growth in its Renewable Energy (RE) capacity during the financial year 2024-25, adding a record 30 GW. This brought the total installed RE capacity to approximately 220 GW by the end of the financial year. This strong performance signifies steady progress towards India's ambitious target of 500 GW of non-fossil fuel-based capacity by 2030, a key commitment under its 'Panchamrit' goals.

Solar energy spearheaded this expansion, contributing 24 GW of the new capacity in the financial year 2024-25, a substantial increase from the 15 GW added the previous year. This pushed total installed solar capacity to 106 GW (comprising 81 GW ground-mounted, 17 GW rooftop, 3 GW in hybrid projects and 5 GW off-grid), reflecting continued growth across both utility-scale and distributed solar segments.

Wind energy also demonstrated sustained progress, adding 4 GW of new capacity during the year (up from 3 GW previously), bringing its total cumulative installed capacity to 50 GW. Alongside these, Large Hydro capacity reached 48 GW (increasing by 0.8 GW), Small Hydro stood at 5 GW and Bio Power (including waste-to-energy) accounted for 12 GW. Collectively, these advancements contributed to reaching a total Renewable Energy capacity (potentially including large hydro based on reported figures) of around 220 GW by the end of the financial year 2024-25.

Transmission & Distribution

Transmission

Transmission infrastructure is fundamental to India's power delivery system, connecting geographically dispersed generation sources to millions of consumers. This crucial network facilitates the bulk transfer of power through the Inter-State Transmission System (ISTS), managed primarily by the Central Transmission Utility (CTU) and distributes it within states via Intra-State Transmission Systems (InSTS) operated by State Transmission Utilities (STUs). To meet India's growing energy demands, effectively integrate large-scale renewable energy projects and ensure equitable power distribution across all regions, commensurate strengthening of the intra-state grid is essential.

The current status of the Indian transmission is highlighted here:

Transmission status as on March 31, 2025	HVDC			EHV AC			Total
	± 800 kV	± 500 kV	± 320 kV	765 kV	400 kV	230/220 kV	
Lines added in financial year 2024-25 (in cKM)	Nil	Nil	Nil	2,158	2,954	3,718	8,830
Total Line Length at the end of financial year 2024-25 (in cKM)	9,655	9,432	288	56,955	2,06,792	2,11,252	4,94,374
Transformation capacity added in financial year 2024-25 (in MVA)	Nil	Nil	Nil	21,000	40,540	24,893	86,433
Total Transformation capacity at the end of financial year 2024-25 (in MVA)	18,000	13,500	2,000	3,15,700	4,98,473	4,89,840	13,37,513

India's transmission network saw continued expansion in the financial year 2024-25. While the addition of transmission lines (8,830 cKM) decreased by approximately 33% as compared to the previous financial year, the addition of transformation capacity significantly increased by 22% YoY, reaching 86,433 MVA. As of March 31, 2025, the nation's cumulative transmission infrastructure comprised 4,94,374 cKM of transmission lines and 13,37,513 MVA of transformation capacity.

Looking ahead, CEA with the aim of transmitting of 500 GW of Renewable Energy installed capacity by the year 2030 and over 600 GW of Renewable Energy installed capacity by the year 2032, prepared the detailed Nation Electricity Plan (Transmission) in consultation with various Stakeholders.

As per the National Electricity Plan, over 1,91,000 cKM of transmission lines and 1,270 GVA of transformation capacity is planned to be added during the ten years period from 2022-23 to 2031-32 (at 220 kV and above voltage level). In addition, 33 GW of HVDC bi-pole links are also planned. The inter-regional transmission capacity is planned to increase to 143 GW by the year 2027 and further to 168 GW by the year 2032, from the present level of 119 GW. The plan has also taken into consideration the requirement of storage systems viz. 47 GW of Battery Energy Storage Systems and 31 GW of Pumped Storage Plants to be developed along with Renewable Energy. Transmission system has also been planned for delivery of power to the Green Hydrogen / Green Ammonia Manufacturing hubs at coastal locations like Mundra, Kandla, Gopalpur, Paradeep, Tuticorin, Vizag, Mangalore etc.

The transmission plan highlights new technology options in transmission sector like Hybrid Sub-stations, Monopole Structures, Insulated Cross Arms, Dynamic Line Rating, High Performance Conductors and Upgradation of maximum operating voltage to 1,200 kV AC as well as skill development in Transmission Sector. With several transmission schemes under construction, several transmission schemes under bidding and several other transmission schemes in pipeline, the transmission plan provides visibility to the investors of the massive investment opportunity of over ₹9,15,000 crore in Transmission Sector till the year 2032.

Distribution

Power distribution is the final and most crucial link in the electricity supply value chain which is directly connected to the consumers. Over the years, India's power distribution sector has witnessed remarkable improvement in terms of quality of electricity supplied, increase in number of hours of supply of electricity and also towards improving the infrastructure for supply of electricity. Performance improvement of power distribution sector is one of the top priorities of the Ministry of Power (MoP). Power distribution sector has received great attention from the MoP in the last decade and various reforms measures/ rules have been notified for improving financial viability of distribution utilities (DISCOMs). Some of the key initiatives of MoP, for power distribution sector include Integrated Power Development Scheme (IPDS, 2014) which introduced IT and ERP systems in DISCOMs, Ujjwal DISCOM Assurance Yojana (UDAY, 2015) which provided for gradual takeover of DISCOMs debt by State Governments, Revamped Distribution Sector Scheme (RDSS, 2021) which targets nationwide deployment of prepaid smart meters along with other performance improvement measures, Electricity (Right of Consumers) Rules 2020, Electricity Late Payment Surcharge and Related Matters (LPS Rules) 2022, Green Open Access Rules 2022, Electricity Distribution (Accounts and Additional

Disclosure) Rules 2024, Standard Operating Procedures for subsidy accounting, pass-through of fuel costs, resource adequacy, time-of-day tariffs and the list goes on.

As all these reform measures were largely aimed at improving the financial health of DISCOMs, which eventually lead to a reduction in outstanding dues to Power Generating Companies (GENCOs). The outstanding dues of DISCOMs to GENCOs have declined from ₹1,39,947 crore as on June 3, 2022 to ₹22,209 crore as on April 1, 2025 which is expected to add to the overall health of the power sector. Late Payment Surcharge Rules drove reduction in payables to generation and transmission companies. Days Receivable reduced from 118 days in the financial year 2022-23 to 115 days in the financial year 2023-24. AT&C losses during the financial year 2023-24 grew from 15.3% to 16.3%, driven by 1.2% points decrease in collection efficiency, Billing Efficiency improved to 86.9% in the financial year 2023-24 from 86.8% in the financial year 2022-23 and Collection Efficiency remained high at 97.3%.

Realizing the importance of the requirement of Distribution infrastructure for meeting the load up to 2030, CEA in consultation with distribution utilities prepared the Distribution Perspective Plan upto the financial year 2029-30, based on the information received from the DISCOMs. This Plan has included the DISCOM wise and All India level Distribution infrastructure planned by DISCOMs to meet the projected demand by the financial year 2029-30. The details of the new technologies available for introduction of Smart Distribution and a chapter on Capacity Building for distribution utilities have been included for guidance of the distribution utilities. The DPP has also included AT&C loss Reduction trajectory till the year 2030 for 71 DISCOMs nationwide.

It has been estimated that funds requirement for Distribution Infrastructure upgradation during the period 2022-2027 would be ₹4.28 lakh crore, out of which ₹1.89 lakh crore will be available with the DISCOMs from various sources including RDSS. An additional ₹2.86 lakh crore investment is further estimated to be required for the period 2027-30.

Power Sector Policy Environment

India has demonstrated a firm commitment towards achieving the ambitious energy transition goals announced by the Prime Minister at COP26. These goals include a target to achieve 500 GW of renewable energy and a 50% share from renewable sources by 2030. The Government has also pledged to achieve net-zero emissions by 2070, which reflects its determination to promote sustainable development and reduce the Country's carbon footprint. A major focus was laid on capturing emerging energy transition trends - from Renewables to Hydrogen and even Smart Metering.

Further, the recent Union Budget 2025-26 helps carry forward the momentum in the energy transition of the Country by pushing the nuclear sector forward by announcing the Nuclear Energy Mission for Viksit Bharat which includes the following:

- Amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act to be taken up.
- Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) with an outlay of ₹20,000 crore to be set up, 5 indigenously developed SMRs to be operational by 2033.

Government has taken many initiatives to foster the growth of Country's renewable energy sector and to fuel the clean energy



transition which includes the following:

- Government of India ("GoI") has initiated the Production Linked Incentive (PLI) Scheme with a budget outlay of ₹24,000 crore to boost the domestic manufacturing of High Efficiency Solar PV Modules. In a strong push towards Atmanirbhar, India's solar module manufacturing capacity nearly doubled from 38 GW in March, 2024 to 74 GW in March, 2025, while solar PV cell manufacturing capacity tripled from 9 GW to 25 GW. Additionally, the Country's first ingot-wafer manufacturing facility (2 GW) commenced production in the financial year 2025.
- The Union Cabinet approved the Viability Gap Funding (VGF) Scheme for Battery Energy Storage Systems (BESS) in September, 2023, to support the development of BESS. As per the Scheme, VGF support will be provided for BESS approved during 2023-26. With the decline in battery prices, the scheme capacity has been increased from 4,000 MWh to 13,200 MWh while staying within the approved budgetary allocation of ₹3,760 crore. Further, the Government has launched the VGF scheme phase-2 in June, 2025 to support for 30 GWh of new standalone BESS system.
- Government has put in place Renewable Purchase Obligation targets for the DISCOMs, wherein progressive targets are in place i.e. 29.91% in the financial year 2025 to 43.33% by the financial year 2030.
- GoI has established Green Energy Corridors to develop intra-state transmission systems for renewable energy projects. Financial Assistance is being given to support transmission infrastructure setup in ten RE rich states for RE power evacuation. Currently, inter-regional transmission capacity stands at 112 GW, set to expand to 144 GW by the year 2027 for seamless renewable energy evacuation and transfer to any part of the Country.
- Government has initiated schemes like PM-KUSUM, Rooftop Solar Programme to boost Country's decentralized generation from solar power.
- To establish India as a global hub for green hydrogen production, GoI has launched National Green Hydrogen Mission with an outlay of ₹19,744 crore.

Through these schemes and policies, the GoI has fostered a conducive environment for the growth of the clean energy sectors.

Revamped Distribution Sector Scheme

The Central Government has approved a Revamped Distribution Sector Scheme (RDSS), a Reforms-based and Results-linked Scheme with an outlay of ₹3,03,758 crore over a period of five years from the financial year 2021-22 to the financial year 2025-26 with the objective to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. DISCOMs/Power Departments would be able to access funds under the Scheme for Pre-paid Smart Metering, System Metering and Distribution infrastructure works for loss reduction and modernization. The objectives of the scheme are:

- a. To improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.
- b. To reduce the AT&C losses to pan-India levels of 12-15% by the financial year 2024-25.

- c. To reduce the ACS-ARR gap to zero by the financial year 2024-25.

The Scheme provides for annual appraisal of the DISCOM performance against predefined and agreed upon performance trajectories including AT&C losses, ACS-ARR gaps, infrastructure upgrade performance, consumer services, hours of supply, corporate governance, etc. DISCOMs have to score a minimum of 60% of marks and clear a minimum bar in respect to certain parameters to be able to be eligible for funding against the Scheme in that year. Implementation of the Scheme would lead to consumer empowerment by way of prepaid Smart Metering to be implemented in Public-Private-Partnership (PPP) mode and leveraging Artificial Intelligence to analyse data generated through Information Technology and Operational Technology (IT/OT) devices including System Meters, prepaid Smart meters to prepare system generated energy accounting reports every month to enable DISCOMs to take informed decisions on loss reduction, demand forecasting, Time of Day (ToD) tariff, Renewable Energy (RE) Integration and for other predictive analysis.

RDSS lays special emphasis on leveraging advanced technologies to analyze data generated through IT/OT devices, including system meters and prepaid smart meters, to materialize the envisaged goal i.e. introducing advanced technologies like AI/ML (Artificial Intelligence and Machine Learning) in power distribution, by leveraging partnerships and consultations.

PM Surya Ghar Muft Bijli Yojana

The Union Cabinet, chaired by the Hon'ble Prime Minister of India has approved PM Surya Ghar Muft Bijli Yojana with a total outlay of ₹75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for one crore households. The Prime Minister had launched the scheme on February 13, 2024.

The scheme provides a Central Financial Assistance (CFA) of 60% of system cost for 2 kW systems and 40% of additional system cost for systems between 2 to 3 kW capacity. The CFA will be capped at 3 kW. At current benchmark prices, this will mean ₹30,000 subsidy for 1 kW system, ₹60,000 for 2 kW systems and ₹78,000 for 3 kW systems or higher. The Subsidy for special category states is higher than normal state, being ₹33,000/kWp for first 2 kWp of RTS capacity and ₹19,800/kWp with additional RTS capacity of 1 kWp.

A national portal (<https://pmsuryaghar.gov.in>) has been developed for this purpose, through which, the households can apply for subsidy and will be able to select a suitable vendor for installing rooftop solar. Households will be able to access collateral-free low-interest loan products for installation of residential RTS systems.

The proposed scheme is estimated to have an addition of 30 GW of solar capacity through rooftop solar in the residential sector, generating 1,000 BUs of electricity and resulting in reduction of 720 million tonnes of CO₂ equivalent emissions over the 25-year lifetime of rooftop systems.

The PM Surya Ghar Muft Bijli Yojana witnessed impressive progress, benefiting over 11.05 lakh households by March 31, 2025. Under the scheme, ₹5,437.21 crore has been disbursed as CFA significantly promoting the adoption of rooftop solar.

Under the "Model Solar Village" component of the scheme, the focus is on establishing one Model Solar Village per district throughout India. This initiative aims to promote solar energy adoption and empower village communities to achieve energy self-reliance. An

allocation of ₹800 crore has been designated for this component, with ₹1 crore provided to each selected Model Solar Village.

National Green Hydrogen Mission

The Union Cabinet had earlier (in January, 2023) approved the National Green Hydrogen Mission with an allocation of ₹19,744 crore, aimed at producing 5 million ton of green hydrogen annually by the year 2030, with the intended objectives of making India a leading producer and supplier of Green Hydrogen in the world. The Mission outlay includes, ₹17,490 crore for the Strategic Interventions for Green Hydrogen Transition Programme (SIGHT), ₹1,466 crore for pilot projects, ₹400 crore for R&D and ₹388 crore towards other Mission components.

India's Green Hydrogen sector also saw significant developments. Incentives worth ₹2,220 crore were awarded for 1,500 MW per annum of electrolyser manufacturing, while an additional ₹2,239 crore was allocated for 4,50,000 Tons-Per-Annum (TPA) of Green Hydrogen production. Under the National Green Hydrogen Mission, seven pilot projects were funded with ₹454 crore for decarbonizing the steel sector. Additionally, five pilot projects in the transport sector, with ₹208 crore in funding, will introduce 37 hydrogen-fuelled vehicles and nine hydrogen refuelling stations.

Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM-KUSUM)

Launched in March 2019, the PM-KUSUM Scheme supports farmers by offering financial assistance for installing solar-powered irrigation systems, including solar pumps and grid-connected solar power plants. By shifting to solar energy, the scheme also helps to reduce carbon emissions and improve energy access in rural agricultural areas. Under the Scheme, Central Government subsidy upto 30% or 50% of the total cost is given for the installation of standalone solar pumps and for the solarization of existing grid-connected agricultural pumps. The Scheme consists of three components:

- **Component-A:** 10,000 MW of Decentralized Ground Mounted Grid Connected Solar Power Plants.
- **Component-B:** Installation of 14 lakh standalone Solar Powered Agriculture Pumps.
- **Component-C:** Solarization of 35 lakh existing Grid-connected Agriculture Pumps.

As on March 31, 2025, under the PM-KUSUM scheme, grid-connected solar power plants of 563 MW capacity have been installed and 7.71 lakh standalone agriculture pumps have been solarized and another 3.33 lakh agriculture pumps has been solarised under Feeder Level Solarisation.

The PM-KUSUM Scheme witnessed a record progress. In Component B, 4.4 lakh pumps were installed in the financial year 2024-25, a 4.2-fold increase over the previous financial year. In Component C, 2.6 lakh pumps were solarized, 25 times more than in the financial year 2024-25. The total number of solar pumps installed/solarized under the scheme has now exceeded 10 lakh. Financial expenditure for PM-KUSUM surged to ₹2,680 crore, a 268% increase from the previous year.

Carbon Credit Trading Scheme

Towards India's commitment on emission intensity reduction, Gol

has already notified The Carbon Credit Trading Scheme, 2023 (CCTS) in June, 2023 and laid the foundation for the Indian Carbon Market (ICM) by establishing the institutional framework, including the National Steering Committee for Indian Carbon Market (NSCICM). In December, 2023, the scheme was amended to introduce the Offset Mechanism enabling participation from non-obligated entities through voluntary climate mitigation projects.

BEE under MoP has been designated as the scheme administrator and made responsible for identifying sectors, developing targets, issuing carbon credits, developing market stability mechanisms and accrediting verification agencies.

The Government in July, 2024 has notified the Detailed Procedure for Compliance Mechanism under CCTS and mandated Nine energy-intensive sectors, including Aluminium, Cement, Steel, Paper, Chlor-Alkali, Fertiliser, Refinery, Petrochemical and Textile, for inclusion under the compliance mechanism of the CCTS.

Moving the journey of carbon market forward, the Gol has now approved the Detailed Procedure for the Offset Mechanism and eight different methodologies under Offset Mechanism including methodologies for renewable energy (including Hydro and Pumped storage), green hydrogen production, industrial energy efficiency, landfill methane recovery and mangrove afforestation & reforestation. This marks a major step forward in the operationalization of the Offset Mechanism under ICM.

The Offset Mechanism will encourage voluntary participation by entities for developing projects that reduce, remove or avoid Green House Gas (GHG) emissions. This mechanism will enable our Country to tap climate change mitigation from sectors not covered under the compliance mechanism and can incentivize actions in such sectors.

Major Prospects of Indian Infrastructure

The infrastructure sector plays a pivotal role in driving India's economic growth and overall development. As the Country continues its path towards becoming a global economic powerhouse, the need for robust infrastructure becomes increasingly apparent. The recent Union Budget of 2025-26 helps carry forward the momentum in the energy transition of the Country by pushing the nuclear sector forward by following announcements:

- **Shipbuilding:** The Shipbuilding Financial Assistance Policy to be revamped and Large ships above a specified size to be included in the infrastructure harmonized master list.
- **Maritime Development Fund:** A Maritime Development Fund with a corpus of ₹25,000 crore to be set up, with up to 49% contribution by the Government and the balance from ports and private sector.
- **UDAN - Regional Connectivity Scheme:** A modified UDAN scheme announced to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years and also to support helipads and smaller airports in hilly, North-East region districts.
- **Urban Challenge Fund:** An Urban Challenge Fund of ₹1 lakh crore announced to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation', allocation of ₹10,000 crore proposed for the financial year 2025-26.



Driving a major transformation, India's infrastructure is key to the "Make in India" initiative. The Government is spearheading projects like Bharatmala, Sagarmala, Smart Cities Mission and PM Gati Shakti to enhance transportation, logistics and urban facilities, creating an efficient and sustainable India. This ambition is showcased through engineering marvels such as the Atal Tunnel, Chenab Bridge, Statue of Unity and Zojila Tunnel, alongside new freight corridors, airports and renewable energy grids. This integrated approach is fostering investment, employment and innovation, solidifying India's position as a global manufacturing and logistics hub.

National Industrial Corridor Development Programme (NICDP):

It is an initiative to develop world-class industrial infrastructure and promote planned urbanization across India. By integrating smart technologies and multi-modal connectivity, the program aims to create globally competitive manufacturing hubs, fostering economic growth and employment. These industrial corridors are being developed in collaboration with State Governments for efficient planning.

- In August 2024, the Cabinet Committee on Economic Affairs approved 12 new industrial areas across 10 states under NICDP, with an investment of ₹28,602 crore.
- These industrial nodes, planned along six major corridors, will strengthen India's manufacturing ecosystem and boost its global competitiveness.

PM Gati Shakti National Master Plan: Launched in 2021 to support Make in India, this digital platform coordinates 16 ministries for world-class infrastructure, using geospatial mapping to improve logistics and reduce project delays; all projects over ₹500 crore are reviewed by the Network Planning Group.

- As of March 13, 2025, 115 National Highway and road projects (approximately 13,500 km, ₹6.38 lakh crore investment) have been evaluated under this initiative, leading to more efficient infrastructure development.

Bharatmala Pariyojana: Approved in 2017, the scheme is enhancing India's infrastructure by addressing critical gaps with economic corridors and expressways, supporting "Make in India" by improving logistics and connectivity for industrial growth.

- By February 28, 2025, 26,425 km of projects were awarded (of 34,800 km planned) and 19,826 km were constructed, with a total expenditure of ₹4,92,562 crore.
- Up to February, 2025, 6,669 km of high-speed greenfield corridors were awarded and 4,610 km were completed.

National Highway Network: India's National Highway network has undergone a remarkable transformation over the past decade, driven by higher budget allocations and accelerated construction. The network has expanded from 91,287 km in 2014 to 1,46,145 km in 2024, marking a 60% increase. This expansion has significantly improved connectivity, reduced travel time and boosted economic activities across the Country.

Sagarmala: Launched in 2015, the Sagarmala Programme supports "Make in India" by fostering port-led development. It leverages India's coastline and waterways to reduce logistics costs, boosting manufacturing and exports. Key areas include improving port infrastructure, connectivity and creating coastal economic zones. Initiatives like Ro-Pax ferries and skill development further

strengthen a self-reliant maritime ecosystem, aiding India's goal of becoming a global manufacturing hub.

As of March 19, 2025, the Sagarmala Programme has identified 839 projects worth ₹5.79 lakh crore, completing 272 projects valued at ₹1.41 lakh crore to enhance port connectivity and coastal infrastructure for improved maritime trade efficiency.

Railways: India's rail infrastructure is rapidly advancing, with Vande Bharat trains and metro expansion boosting connectivity and urban mobility under the "Make in India" initiative.

Vande Bharat: Launched in 2019, 136 Vande Bharat trains are now operational across India as of March 18, 2025, demonstrating indigenous engineering capability. These semi-high-speed trains offer premium amenities, advanced safety and reduced travel times. Additionally, the Vande Bharat Sleeper Train Set successfully completed trials on the Mumbai-Ahmedabad route on January 15, 2025, promising enhanced long-distance travel.

Amrit Bharat Station Scheme: It is a long-term plan to modernize Indian railway stations, focusing on continuous development to enhance passenger amenities, multimodal connectivity and overall infrastructure, transforming them into modern transit hubs. As of March 12, 2025, 1,337 stations are identified for upgrade, ensuring improved accessibility, facilities and travel experience.

Metro: India's Metro Rail system has significantly transformed urban transport, expanding from 248 km in 2014 to 1,011 km by March 2025, now covering over 20 cities. Additionally, the introduction of the Regional Rapid Transit System (RRTS), exemplified by India's first Namo Bharat train on the Delhi-Meerut corridor, further enhances regional connectivity.

Aviation: India's aviation sector has experienced unprecedented growth, becoming the third-largest domestic market globally. This expansion is evident through several key milestones: operational airports increased from 74 in 2014 to 159 by March 2025, significantly boosting regional connectivity. A new record was set on November 17, 2024, with domestic air passenger traffic surpassing 5 lakh in a single day.

India's journey towards becoming a developed nation by 2047 hinges significantly on improving its infrastructure, a cornerstone for fostering liveable, climate-resilient and inclusive cities that drive economic growth.

OPPORTUNITIES AND STRENGTHS

Opportunities

- REC plays a key role in implementation of flagship schemes of GoI and financing India's power sector.
- Rising energy demand in a fast-growing economy augurs well for future business growth.
- Significant investments are required as per the generation capacity expansion planning report by CEA. Installed generation capacity by end of financial year 2027 is projected to be 610 GW requiring investments of ₹14.54 lakh crore during the period 2022-27. In further by financial year 2032, the installed capacity is expected to be 900 GW which corresponds to additional fund requirement of ₹19.06 lakh crore during the period 2027-32.
- Counter-part funding in schemes like RDSS.

- MoP has permitted REC to lend to infrastructure & logistics sector also subject to certain limits. This opens up another large universe of financing avenues for REC.

Strengths

- REC holds a strategic position, given REC's role in financing power sector & implementing policies and flagship programs of the Govt.
- Strong financial position and well capitalized.
- REC has a diversified asset portfolio with no single borrower with more than 10% asset portfolio.
- REC has an experienced talent pool and required skill sets for business.
- Strong relationship & network with stakeholders in Central & State Government.

THREATS, RISKS AND CONCERNS

- Competition from other banks and financial institutions in power, infrastructure and logistics sector may require lending at fine rates resulting in flat margins.
- Evolving regulatory provisions poses concern.

SEGMENT-WISE OR PRODUCT - WISE PERFORMANCE

REC is a leading Non-Banking Financial Company categorized as Infrastructure Finance Company by the RBI, servicing the financing needs of entire power sector value chain.

During the financial year 2024-25, the Company sanctioned total loan assistance of ₹3,37,179 crore towards various projects and schemes. The same includes ₹89,632 crore towards conventional generation projects, ₹1,05,259 crore towards renewable energy projects (including Large Hydro), ₹85,040 crore towards T&D projects, ₹43,239 crore towards Infrastructure & Logistics projects and ₹14,009 crore towards other loans such as short-term loans and medium-term loans etc.

During the financial year 2024-25, the Company disbursed total loans of ₹1,91,185 crore, which included ₹27,478 crore towards generation projects, ₹26,186 crore towards renewable energy (including Hydro) projects, ₹1,07,841 crore towards T&D projects, ₹18,621 crore towards Infrastructure & Logistics projects and ₹11,059 crore towards other loans such as short-term loans and medium-term loans etc.

OUTLOOK

India remains the world's fastest-growing major economy, driving a continuous rise in power demand. To meet this, capacity addition across conventional, renewable, transmission and distribution sectors is crucial. While renewables are expected to dominate new generation, thermal power remains vital in the near term, with hydro and nuclear sectors poised to be key drivers in India's long-term energy transition.

Generation

Considering the energy transition goals of the Country and also the growing energy demand to sustain Country's growth momentum, CEA has estimated in its National Electricity Plan (Generation), 2022-

32 that the installed capacity is likely to reach 900 GW by the year 2032, comprising of 284 GW of thermal capacity, 20 GW nuclear capacity and 596 GW RE capacity including Hydro. Moreover, Peak demand of the country is ever growing and likely to reach 366 GW by the year 2032 from current level of 250 GW.

In order to meet this estimated electricity demand to ensure uninterrupted power supply for the nation's growth the following capacities are under construction and the balance capacities are likely to be implemented at the later stages:

- Thermal Capacity:** 34,560 MW of Thermal Capacity is under construction
- Hydro Power Capacity:** Presently 25 number of hydroelectric projects (above 25 MW) totalling to 13,037.5 MW are under construction
- Nuclear:** The Government has initiated steps to increase nuclear power capacity from the current 8,180 MW to 22,480 MW by the financial year 2031-32. This expansion includes the construction and commissioning of ten reactors, totalling 8,000 MW, across Gujarat, Rajasthan, Tamil Nadu, Haryana, Karnataka and Madhya Pradesh. Additionally, pre-project activities for ten more reactors have commenced, with plans for progressive completion by the financial year 2031-32. The Government has set an ambitious target of 100 GW nuclear power capacity by the year 2047, positioning nuclear energy as a major pillar in India's energy mix.
- Renewable Energy:** India has 169 GW of renewable energy projects under implementation and 65 GW already tendered. This includes 65 GW from emerging solutions such as hybrid systems, Round-The-Clock (RTC) power, peaking power and thermal + RE bundling projects.

All these indicates a positive momentum of the power sector and also indicates considerable investment requirement in generation segment in Indian Power sector.

Transmission & Distribution

Comprehensive transmission planning and execution to evacuate power from renewable-rich regions to the rest of the nation is also in progress. As per CEA's estimate, ₹4.25 lakh crore is expected to be required for augmentation of additional transmission infrastructure in the Country during the period of 2022-27. Distribution sector is also expected to witness a substantial uplift in the coming days with improved infrastructure, financial health and AT&C loss trajectory. CEA has also estimated a fund requirement of ₹4.28 lakh crore for Distribution Infrastructure upgradation during the period of 2022-2027.

New & Clean Energy segment

Energy Storage: Utility-scale energy storage and pumped hydro storage projects are likely to play an important role in enhancing the flexibility of the system. CEA has estimated that about 14 GW of Pumped hydro and 41 GW of BESS projects are likely to be added by the year 2030.

Pumped Hydro plants are vital for the energy transition, as they allow excess electricity generated during off-peak hours to be stored in the form of water in elevated reservoirs. This stored energy can be used back during non-solar hours peak demand periods, ensuring a reliable, consistent and flexible power supply.



In addition to the installed Pumped hydro storage capacity of 4.7 GW, at present 8 projects of 10 GW is under construction and DPR has been concurred for 3 projects of around 3 GW. In addition to this, 49 projects of 66 GW are under survey and investigation.

MoU RATING AND AWARDS

The Memorandum of Understanding (MoU) serves as a key policy instrument through which the GoI undertakes regular performance evaluation of CPSEs, fostering a culture of continuous improvement.

The performance of the Company in terms of MoU signed under the Guidelines of the Department of Public Enterprises (DPE), for the financial year 2024-25 is likely to be "Excellent" subject to final evaluation by DPE. For the financial year 2023-24, REC has been rated as "Excellent" owing to its excellent financial and operational performances.

During the financial year, REC has been conferred with various awards and accolades for its stellar performance across various parameters such as Financial, Operational, Governance, Sustainability, CSR, etc.

ENVIRONMENT, SOCIAL AND GOVERNANCE

REC's Environmental Social and Governance (ESG) strategy is embedded in our value-creation roadmap and enterprise risk architecture, governed by a Board-approved ESG Policy Framework. A phased, data-driven programme-encompassing gap analysis, global benchmarking, science-based target setting and quarterly oversight by the Board's Risk Management Committee anchors disciplined execution and measurable outcomes.

Environment

In line with India's Panchamrit commitments and the Nationally Determined Contributions (NDCs), REC is actively working to decarbonise its operations and expand its green financing footprint. A baseline assessment of Scope 1 and 2 GHG emissions was completed in the financial year 2023-24, establishing the foundation for targeted emissions reduction initiatives. As part of this initiative, REC, along with its subsidiary REC Power Development and Consultancy Limited, is developing a 1 MWp captive solar power facility in addition to the existing 979 KWp rooftop solar plant at REC's Corporate Office. This initiative is expected to significantly reduce electricity related emissions, which currently account for approximately 85% of our overall operational carbon footprint. Additionally, the Company has secured approval from Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) to procure 100% renewable electricity for REC's Corporate Headquarters, marking a significant step towards reducing grid-related carbon emissions. Further, energy efficiency improvements include an automated lighting and building energy management system that optimises energy use based on occupancy. These efforts are complemented by our phased fleet electrification strategy, with 76% of our official vehicles now electric, supported by on-site charging stations.

REC's commitment to environmental stewardship extends through its financing operations, where we have witnessed a 63% YoY growth in renewable energy disbursements and a 49% increase in our renewable energy loan portfolio. These efforts have contributed to the avoidance of approximately 6.1 million tonnes of CO₂ emissions in financial year 2024-25, based on the globally recognized PCAF methodology. These achievements not only position REC as a leader in India's clean energy transition but also

highlight our strategic role in decarbonizing the nation's energy sector.

Social

Social sustainability remains integral to REC's strategy, focusing on empowering individuals and communities while fostering inclusivity. We engage with stakeholders-employees, customers, vendors and the broader community with a strong emphasis on fairness, transparency and collaboration. Our social initiatives include the implementation of a comprehensive Occupational Health and Safety (OHS) Policy aligned with ISO 45001 standards, as well as training programs through the REC Institute of Power Management and Training RECIPMT, delivering 18,935 man-days of education on health, human rights and Diversity, Equity & Inclusion. Furthermore, REC has expanded its in-house wellness infrastructure, offering on-site gym, yoga sessions, dietician and access to medical practitioners, ensuring that employee well-being is prioritised. In terms of stakeholder engagement, REC has institutionalised a multi-channel feedback mechanism to ensure transparency and enhance service delivery. Additionally, REC has upheld consumer rights with zero unresolved grievances and zero data breaches, demonstrating its commitment to responsible service.

Governance

Governance excellence remains at the core of REC's operations, with a firm commitment to ethical standards and robust risk management. REC diligently focuses on accurate, transparent and timely disclosure of all material information to key stakeholders. ESG criteria have been fully integrated into our loan appraisal system, vendor prequalification processes and procurement evaluations. This ensures that both environmental and social impacts are considered at every level of decision-making. Our governance advancements have been recognized externally, with REC receiving the prestigious Golden Peacock Award 2024 for excellence in Corporate Governance. This recognition highlights REC's dedication to integrity, transparency and sustainable practices.

Looking forward

REC is focused on scaling its green investments, with particular emphasis on emerging sectors such as distributed solar energy, green hydrogen and energy storage. Operationally, we are committed to achieving net-zero emissions, supported by renewable energy procurement, fleet electrification and energy-efficient infrastructure upgrades. We are also driving social equity through targeted employee engagement, gender parity initiatives and community-focused CSR programs that align with national development goals. To further enhance governance, REC plans to implement digital oversight tools for improved compliance monitoring, reinforcing our commitment to ethics-first leadership and efficient governance practices.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate system of internal controls in commensuration with size, scale and complexity of its operations, including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with applicable laws, regulations, Guidelines and Company's policies. Suitable delegation of powers and Guidelines for accounting have been issued for uniform compliance. REC also has in ERP solution and NIC e-office system, to ensure IT based operations with minimum manual interventions. In order to ensure that adequate checks and balances are in place and

internal control systems remain effective, the Company conducts regular and exhaustive internal audits of its various divisions and offices, either through the in-house Internal Audit Division or external professional audit firms.

Further, review audits of Regional and State Offices are carried out by the in-house Internal Audit Team during the year following the audit conducted by external professional firms. The internal audit covers all major operational areas of the Company, including identified critical and risk areas, as per the Annual Internal Audit Programme. Significant audit findings are periodically reviewed by the Audit Committee, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has implemented a Board-approved Risk-Based Internal Audit (RBIA) framework, which includes independent risk assessments, identification of the audit universe, development of a risk matrix, preparation of an annual RBIA Plan and execution of internal audits as per the frequency defined in the policy.

FINANCIAL & OPERATIONAL PERFORMANCE

The Company achieved impressive performance during the financial year 2024-25. The operating income of the Company on a standalone basis was ₹55,911.12 crore, which was 18.59% higher than last year (i.e. ₹47,146.3 crore). The Profit Before Tax for the financial year 2024-25 was ₹19,859.78 crore, which was 11.69% higher than last year (i.e. ₹17,780.64 crore). Net Profit for the financial year 2024-25 stood at ₹15,713.21 crore, which was 12.08% higher than last year (i.e. ₹14,019.21 crore). The Net Worth as on March 31, 2025, stood at ₹77,637.97 crore, which was 12.87% higher than last year (i.e. ₹68,783.15 crore).

The Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2024-25, the Company recovered ₹1,79,694.70 crore, against the total sum of ₹1,80,907.83 crore due for recovery, including interest for Standard Assets (Stage I & II), thereby achieving a recovery rate of 99.33%.

The financial statements of the Company are prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, as amended, from time to time.

KEY FINANCIAL RATIOS:

The details of changes in key financial ratios applicable and specific to the Company, are given herein below:

Particulars	FY 2024-25	FY 2023-24
Interest Coverage ratio (times)	1.58	1.59
Debt Equity ratio (times)	6.29	6.37
Operating Profit Margin (%)	35.40	37.57
Net Profit Margin (%)	28.07	29.69
Gross Credit Impaired Assets (Stage-III) (%)	1.35	2.71
Net Credit Impaired Assets (Stage-III) (%)	0.38	0.86
Return on Net Worth (PAT/Average Net Worth) (%)	21.46	22.17

There was no significant change in the key financial ratios for the financial year 2024-25 vis-à-vis the last financial year 2023-24.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on March 31, 2025, total manpower of the Company was 575 employees, which includes 556 executives and 19 non-executives. The industrial relations scenario continued to be on a cordial and harmonious note. During the financial year 2024-25, there was no loss of man-days on account of industrial unrest.

Employee training and development continued to receive key focus. During the financial year 2024-25, total 416 employees of the Company attended various training programmes, workshops, webinars etc., achieving 2,346 training man-days in total.

In order to equip the employees professionally, 68 executives were deputed for training programmes abroad.

CORPORATE SOCIAL RESPONSIBILITY

REC's Corporate Social Responsibility initiatives are pursued with a key focus on addressing community based, societal and environmental concerns. REC undertakes its CSR activities through 'REC Foundation', a registered Society under the Societies Registration Act, 1860. REC Foundation is governed by Governing Body comprising of nominated officials of REC.

During the financial year 2024-25, the Board approved a CSR budget of ₹288.48 crore, towards various new CSR initiatives in the fields of health care (including for elderly and persons with special abilities), safe drinking water and sanitation facilities, employment enhancing vocational skills, education, environmental sustainability, rural development projects etc. The implementation of CSR projects is done in project mode with clear objectives, baseline survey, implementation plan, specific timelines, identified milestones, monitoring of progress and impact assessment. During the year, the Company exceeded the allocated budget, spending a total of ₹294.01 crore (including excess spent of ₹5.15 crore from previous financial year) across multiple thematic areas. Notable contributions includes ₹50 crore to the PM CARES Fund, ₹35 crore to the Clean Ganga Fund and ₹31 crore to the Swachh Bharat Kosh.

RISK MANAGEMENT FRAMEWORK

The Company has an Integrated Risk Management Policy approved by the Board, covering credit risk, operational risk, liquidity risk and market risk. The Company has constituted a Risk Management Committee, the main functions of which are to identify and monitor various risks of the organization and to suggest actions for mitigation of the same. Further, the Company has a Chief Risk Officer (CRO), as per the requirement of RBI norms.

The risks faced by REC have been categorized and are being monitored systematically. Credit risk is an inherent risk of the financing industry. It involves risk of loss arising from the diminution in credit quality of the borrower and the risk of the borrower defaulting on contractual repayments under a loan or an advance. Operational risk, on the other hand, arises from inadequate or failed internal processes, people and systems or external events. Liquidity risk is the risk of potential inability to meet the liabilities as they become due and the inability to fund increase in assets, manage unplanned changes in the funding sources and to meet obligations when required. Market risk is defined as the risk to the Company's earnings and capital due to changes in the interest rates or prices of securities, foreign exchange changes as well as volatilities of changes. ESG risk is due to environmental, social and governance factors on Company's operations, financial performance and management.



In order to mitigate credit risk, the Company follows entity appraisal and project appraisal processes, which include detailed appraisal methodology, identification of risks, suitable structuring and mitigation. The operational risks are measured and categorized as 'High', 'Moderate' or 'Low', through a comprehensive risk register covering all functional areas, namely business, compliance, finance, human resource, information technology, legal, operational etc. The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. The Integrated Risk Management Policy of the Company covers Asset Liability Management and Hedging Policy. To mitigate the relevant ESG risks, the Company has formulated & implemented an ESG policy covering the focus areas *inter-alia* including climate change strategy, corporate governance etc. The Company's Integrated Risk Management policy set up to guide its risk management operations and functions, the Risk Appetite Framework has been developed to establish what the company considers as acceptable risk in the pursuit of its business strategy and objectives. The Risk Appetite Statement is defined as a set of written risk objectives and risk limits/thresholds both quantified & non-quantified which captures comprehensive material risks of the company.

BUSINESS STRATEGY

REC continues to fund India's capacity addition across all power infrastructure segments-conventional and renewable including generation, transmission and distribution, as well as related areas like coal block linkages, pollution control (e.g., FGD installation), super-critical thermal plants, solar & wind power, green hydrogen and ammonia.

With India's increasing economic growth and infrastructure spending, REC is also focusing on financing non-power infrastructure and logistics sub-sectors, such as airports, metro rail, roads and highways, multi-modal logistics parks, ports and healthcare infrastructure.

REC will continue to seek cost-effective funding from domestic and international sources to provide competitive financing products. REC utmost priority will be on maintaining exceptional loan asset quality as it grows its loan portfolio.

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Place: Gurugram
Date: July 25, 2025



Nurturing talent to foster sporting excellence by supporting talent hunt and training camps under CSR initiatives of REC

REPORT ON CORPORATE GOVERNANCE

Since inception, REC Limited (REC) has been a cornerstone of India's energy transformation, initially focused on financing rural electrification to bridge the urban-rural divide. REC stands as a dynamic financial institution, channelling capital into power infrastructure and beyond, to build and modernize systems for power generation, transmission and distribution. Its reach extends to non-power sectors like infrastructure and logistics, fuelling progress with tailored financial solutions that drive innovation and efficiency.

REC's Governance is a model of integrity, rooted in fairness, transparency and accountability. Being a Government Company, REC is entrusted with managing public funds and delivering strategic national objectives, which places a greater onus on transparency and ethical conduct. REC has adopted a governance framework that aligns with the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprise ("DPE Guidelines on Corporate Governance"), Secretarial Standards issued by the Institute of Company Secretaries of India ("Secretarial Standards") and RBI's Master Directions, including other applicable directives/Guidelines issued by the Government of India from time to time, ensuring compliance with both statutory and sector-specific norms. Additionally, REC goes beyond these minimum requirements and meets most of the non-mandatory Guidelines set forth by Securities and Exchange Board of India (SEBI).

REC strives to create value for all its stakeholders, including

shareholders, other security holders, customers, vendors, employees, communities and the general public. During the financial year 2024-25, REC was honoured with 'Golden Peacock Award 2024' for Excellence in Corporate Governance by Institute of Directors (IOD).

A report regarding compliance of conditions of Corporate Governance during the financial year 2024-25 is provided below, followed by a Certificate on Compliance with conditions of Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At REC, the approach to Corporate Governance is comprehensive, blending ethical management with a strong commitment to sustainability and environmental awareness. The Company consistently prioritizing creating sustainable value for stakeholders while ensuring environmental stewardship within regulatory Guidelines. The Company's investment decisions are strategically driven by dedication to green energy and renewable resources, emphasizing energy conservation and efficiency. The Company's systems, policies and frameworks are regularly reviewed and upgraded to meet the challenges of a dynamic business environment.

The Corporate Governance framework at REC is based on the following guiding principles:

- Compliance of law, rules and regulations in true letter and spirit;



REC Limited was honoured with 'Golden Peacock Award 2024' for Excellence in Corporate Governance by IOD



- Appropriate systems and practices to protect, promote and safeguard the interests of all its stakeholders; and
- Establishing a climate of trust and confidence among various stakeholders by means of transparent and timely disclosure of all material information.

The above principles help in achieving the following objectives:

- To protect and enhance shareholder value;
- To protect the interest of all other stakeholders such as customers, employees and society at large;
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned;
- To ensure accountability for performance and customer service and to achieve excellence at all levels; and
- To provide corporate leadership of the highest standard for others to emulate.

Being a Non-Banking Financial Company ("NBFC"), REC has established its own "Internal Guidelines on Corporate Governance" in accordance with the norms set by the Reserve Bank of India ("RBI"). These Guidelines codify the Company's approach to Corporate Governance, outlining its philosophy, structure and framework. The Internal Guidelines on Corporate Governance can be accessed at <https://recindia.nic.in/policies>.

2. BOARD OF DIRECTORS

As per the Articles of Association of REC, the number of Directors on the Board of the Company shall not be less than 3 (Three) and not more than 15 (Fifteen). As on March 31, 2025, the Board of Directors of REC comprised of 6 (Six) Directors, including the Chairperson & Managing Director (Additional Charge); Director (Projects); Director (Finance); a Government Nominee Director from the administrative ministry i.e. the Ministry of Power (MoP), Government of India; a Nominee Director of Power Finance Corporation Limited ("PFC"), which holds majority equity stake in the Company; and 1 (One) Part-time Non-Official Independent Director.

Further, as on July 1, 2025, the Board of Directors of REC comprised of 7 (Seven) Directors, including the Chairman &

Managing Director ("CMD"), Director (Finance), a Government Nominee Director; a Nominee Director of PFC and 3 (Three) Part-time Non-Official Independent Directors (including a Woman Independent Director).

REC being a Central Public Sector Enterprises (CPSE) and Government Company within the meaning of Section 2(45) of the Act, the power to appoint Directors on the Board of REC vests with the President of India acting through the administrative ministry i.e. MoP.

In the beginning of financial year 2024-25, the Board of REC was in compliance of Regulation 17 of Listing Regulation. During the financial year 2024-25, Shri Harsh Baweja was appointed as Director (Finance) w.e.f. May 14, 2024 and tenure of two Independent Directors was ended on November 14, 2024 and tenure of one Independent Director was ended on December 26, 2024 which resulted in shortfall of requisite number of Independent Directors on the Board of REC, as on March 31, 2025.

Further, w.e.f. April 17, 2025, MoP has appointed Dr. Gambheer Singh and Dr. Durgesh Nandini as Independent Directors on the Board of REC and the matter of appointment of remaining requisite number of Independent Directors is under active consideration of MoP. Once the requisite number of Independent Directors are appointed, the Company will be in compliance of all the applicable statutory provisions.

The Directors of REC are well equipped with the necessary skills and knowledge to efficiently and effectively run the Company's operations. They work together to offer the strategic direction and support needed to achieve the Company's goals and objectives.

REC has a Policy on "Diversity & skills of the Board, criteria for appointing Senior Management Personnel and remuneration to Directors, KMPs and other employees". Additionally, following the RBI's Master Directions and based on the recommendation of the NRC, the Board has also implemented a "Policy on fit & proper criteria of Directors", which outlines the internal process for assessing Directors' qualifications, expertise, track record, integrity and other relevant factors to determine their suitability as a Director. The Policies can be accessed at <https://recindia.nic.in/policies>.

(a) Composition of Board

The composition of the Board as on July 1, 2025 and other relevant information, is outlined below:

Sl. No.	Name of the Director	DIN	Position in the Company
Whole-time Directors (Executive Directors)			
1	Shri Jitendra Srivastava	06817799	Chairman & Managing Director w.e.f. April 22, 2025 and Director (Projects) (Additional Charge) w.e.f. July 1, 2025
2	Shri Harsh Baweja	09769272	Director (Finance) & CFO
Non-Executive Directors (Nominee Directors)			
3	Shri Shashank Misra	08364288	Government Nominee Director
4	Shri Manoj Sharma	06822395	PFC Nominee Director
Non-Executive Directors (Independent Directors)			
5	Shri Narayanan Thirupathy	10063245	Independent Director
6	Dr. Gambheer Singh	02003319	Independent Director (w.e.f. April 17, 2025)
7	Dr. Durgesh Nandini	09398540	Independent Director (w.e.f. April 17, 2025)

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

Sl. No.	Name of the Director	DIN	Position in the Company	No. of other Directorships held in other companies	Directorships held in other listed entities and category of Directorship	No. of Committee positions held in other companies	
						Chair-person	Member
Whole-time Directors (Executive Directors)							
1	Smt. Parminder Chopra	08530587	Chairperson & Managing Director (Additional Charge) (from March 21, 2025 to April 21, 2025)	4	PFC (Chairperson & Managing Director)	-	-
2	Shri Vijay Kumar Singh	02772733	Director (Projects)	2	-	-	-
3	Shri Harsh Baweja	09769272	Director (Finance) & CFO (w.e.f. May 14, 2024)	3	-	-	-
Non-Executive Directors (Nominee Directors)							
4	Shri Shashank Misra	08364288	Government Nominee Director	1	PFC (Government Nominee Director)	2	-
5	Shri Manoj Sharma	06822395	PFC Nominee Director	7	PFC (Whole-time Director)	-	1
Non-Executive Director (Independent Director)							
6	Shri Narayanan Thirupathy	10063245	Independent Director	-	-	-	-

In line with Regulation 26 of Listing Regulations, only chairpersonship / membership in Audit Committee and Stakeholders Relationship Committee in Indian public limited companies (other than REC) and high value debt listed entities have been taken into consideration. Further, none of the Directors is a member of more than 10 (ten) such committees nor a Chairperson of more than 5 (five) such committees.

(b) Changes in composition of the Board during the financial year 2024-25

- Pursuant to MoP Order dated May 14, 2024, Shri Harsh Baweja (DIN: 09769272), has been appointed as Director (Finance) & CFO (KMP) of REC w.e.f. May 14, 2024.
- Dr. Gambheer Singh (DIN: 02003319) and Shri Manoj Manohar Pande (DIN: 09388430), Part-time Non-Official Independent Directors of the Company, have completed their tenure on November 14, 2024 and accordingly, were ceased to be the Independent Directors of REC w.e.f. November 15, 2024.
- Dr. Durgesh Nandini (DIN: 09398540), Part-time Non-Official Independent Director of the Company has completed her tenure on December 26, 2024 and accordingly, she has ceased to be the Independent Director of REC w.e.f. December 27, 2024.
- Pursuant to MoP Order dated March 20, 2025, tenure of Shri Vivek Kumar Dewangan (DIN: 01377212) as CMD, REC was completed on March 20, 2025 and accordingly, has ceased to be CMD & KMP of REC w.e.f. March 21, 2025.
- Pursuant to MoP Order dated March 20, 2025, Smt. Parminder Chopra (DIN: 08530587), CMD, PFC has been assigned additional charge of the post of CMD, REC w.e.f. March 21, 2025.

(c) Changes in the composition of the Board after March 31, 2025

- Pursuant to MoP Order dated April 17, 2025 read with corrigendum dated May 21, 2025, Dr. Gambheer Singh (DIN: 02003319) and Dr. Durgesh Nandini (DIN: 09398540), have been appointed as Part-time Non-Official Independent Directors (Additional Directors) of REC w.e.f. April 17, 2025 for a period of one year from the date of notification of their re-appointment, or until further orders, whichever is earlier.
- Pursuant to a communication dated April 18, 2025 issued by the Appointments Committee of the Cabinet (ACC) read with MoP Order dated April 21, 2025, Shri Jitendra Srivastava (DIN: 06817799), has been appointed as Chairman and Managing Director (Additional Director), KMP on the Board of REC w.e.f. April 22, 2025. Consequently, Smt. Parminder Chopra, CMD, PFC ceased to be CMD & KMP of REC w.e.f. April 22, 2025.
- Shri Vijay Kumar Singh (DIN: 02772733), who held the post of Director (Projects), REC, has superannuated from the services of the Company on June 30, 2025 and accordingly, ceased to be the Director and KMP of REC w.e.f. July 1, 2025.



4. Pursuant to MoP order dated June 27, 2025, Shri Jitendra Srivastava, IAS (DIN: 06817799), CMD has been assigned additional charge of the post of Director (Projects) for the period of 3 months w.e.f. July 1, 2025 or until the appointment of a regular incumbent to the post of Director (Projects) or until further orders, whichever is earlier.

(d) Other provisions as to Board and its Committees

(i) Board procedures

The Company follows a structured approach of holding Board and Committee meetings, with the aim of maximizing participation, promoting a paperless environment and ensuring compliance with statutory provisions. The Company operates with a systematic process for conducting Board and Committee meetings. In order to ensure the full participation and presence of all Directors, the meeting dates are agreed upon well in advance through consultation with all the Directors. The agenda notes are sent to the Directors within the time frame set by relevant statutory provisions, using either electronic or physical methods based on the Director's preference. For added convenience and to promote a paperless environment, the Company uses a secure platform to send the agenda notes to the Directors. Additionally, to maintain confidentiality, Unpublished Price Sensitive Information (UPSI) is shared in password-protected files / documents, ensuring secure communication channels.

Resolutions may be passed through circulation as required by business needs and are recorded in the next Board meeting, in line with provisions of the Act. Further, in cases of urgent business needs, meetings may be called on shorter notice, following the prescribed procedures.

The Company uses e-office application designed by National Informatics Centre (NIC), Ministry of Electronics and Information Technology, Government of India wherein *inter-alia* all approvals related to UPSI are shared with concerned persons and maintained with audit trails & time stamp. The said e-office can be login by the respective user only and it has highest security with two level authentication.

The inclusion of any item on the agenda for Board or Committee meetings is determined through an established internal process and decided by the CMD. The agenda notes include an executive summary in a standard format, as well as detailed information about the proposal, including draft resolution(s) to be approved.

Board and Committee meetings are ordinarily held at the Corporate office/Registered office of the Company during regular business hours and also through video conferencing in order to facilitate larger participation. If necessary, Senior Management officials are invited to attend and make presentations or offer additional

insights on the agenda items. A comprehensive system of follow-up in the form of an Action Taken Report (ATR) is employed after each meeting, which chronicles the steps taken based on earlier decisions and discussions by the Board or Committees. The Company strictly adheres to the Secretarial Standards issued by the ICSI.

(ii) Details of Board meetings held during the financial year 2024-25

During the financial year 2024-25, meeting of the Board of Directors were held 15 (Fifteen) times, on the following dates:

Q1	Q2	Q3	Q4
30-Apr-2024	27-Jul-2024	26-Oct-2024	6-Feb-2025
31-May-2024	20-Aug-2024	30-Nov-2024	15-Feb-2025**
29-Jun-2024	2-Sep-2024	6-Dec-2024	7-Mar-2025
	30-Sep-2024	24-Dec-2024	19-Mar-2025
		30-Dec-2024*	26-Mar-2025

*The Adjourned Board meeting held on December 30, 2024 was part of original Board meeting held on December 24, 2024.

**The Adjourned Board meeting held on February 15, 2025 was part of original Board meeting held on February 6, 2025.

The minimum and maximum gap between any two Board meetings held during the financial year was 5 (Five) days and 37 (Thirty-seven) days, respectively. Further, gap between the first Board meeting of financial year 2024-25 from the last Board meeting of financial year 2023-24 was 33 (Thirty-three) days.

(iii) Information placed before the Board of Directors

The Board of Directors has complete and unrestricted access to comprehensive Company information, exceeding the regulatory requirements. The information placed before the Board includes annual plans, financial updates, fund-raising proposals, financial results, Committee minutes, minutes of subsidiary(ies) Board meetings and Senior Management appointments, Changes in Key Managerial Positions and other disclosures. Additionally, it covers information relating to legal notices, accidents, defaults, liability claims, joint ventures, significant transactions, labour/manpower issues asset sales, regulatory compliance and investor reports, if any. The Board receives quarterly reports on various aspects such as foreign exchange exposure, reporting of status of frauds, compliance report of various statutory provisions, share capital, borrowing, investments, relaxations and modifications granted, Half-yearly reports include long term investments, whistle-blower policy, status of business operations and fair practices compliance. Periodic reports cover delegation of powers and action taken on earlier decisions. Other pertinent information is also presented to the Board from time to time.

(iv) Details of Directors' attendance at Board meetings and Annual General Meeting (AGM) held during the financial year 2024-25.

Sl. No.	Name and Designation of the Director	Date of Board meeting and attendance thereat									
		1	2	3	4	5	6	7	8	9	10
		30-Apr-2024	31-May-2024	29-Jun-2024	27-Jul-2024	20-Aug-2024	2-Sep-2024	30-Sep-2024	26-Oct-2024	30-Nov-2024	6-Dec-2024
1	Shri Vivek Kumar Dewangan Chairman & Managing Director (upto March 20, 2025)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤
2	Smt. Parminder Chopra Chairperson & Managing Director (from March 21, 2025 to April 21, 2025)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Shri Vijay Kumar Singh Director (Projects)	👤	👤	👤	👤	👤	👤	📺	👤	👤	👤
4	Shri Harsh Baweja Director (Finance) (w.e.f. May 14, 2024)	N.A.	👤	👤	👤	👤	👤	👤	👤	👤	👤
5	Shri Shashank Misra Government Nominee Director	👤	LoA	👤	👤	👤	👤	👤	📺*	👤	📺
6	Shri Manoj Sharma PFC Nominee Director	👤	👤	👤	👤	👤	👤	👤	👤	👤	📺
7	Shri Narayanan Thirupathy Independent Director	👤	👤	👤	👤	👤	👤	👤	👤	👤	📺
8	Dr. Gambheer Singh Independent Director (upto November 14, 2024 & appointed again w.e.f. April 17, 2025)	👤	👤	📺	👤	👤	📺	📺	👤	N.A.	N.A.
9	Dr. Durgesh Nandini Independent Director (upto December 26, 2024 & appointed again w.e.f. April 17, 2025)	👤	👤	👤	👤	👤	📺	👤	👤	👤	📺
10	Dr. Manoj Manohar Pande Independent Director (upto November 14, 2024)	👤	👤	👤	👤	👤	👤	👤	👤	N.A.	N.A.

👤 Present in person 📺 Present through video conferencing N.A. Not Applicable LoA Leave of Absence

*Shri Shashank Misra was present only for two agenda items in the Board meeting held on October 26, 2024.

**The Board meeting held on December 30, 2024 was part of original Board meeting held on December 24, 2024. Hence, not considered as separate meeting for the purpose of computing attendance.

***The Board meeting held on February 15, 2025 was part of original Board meeting held on February 6, 2025. Hence, not considered as separate meeting for the purpose of computing attendance.



Date of Board meeting and attendance thereat							Total number of meetings			Attendance at 55 th AGM held on 20-Aug-2024
11	12		13	14	15	Held during tenure	Attended by Director	% of attendance		
24-Dec-2024	30-Dec-2024 (Adjourned)**	6-Feb-2025	15-Feb-2025 (Adjourned)***	7-Mar-2025	19-Mar-2025				26-Mar-2025	
						N.A.	14	14	100	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		1	1	100	N.A.
							15	15	100	
							14	14	100	
					LoA		15	13	86.67	
							15	15	100	
							15	15	100	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8	8	100	
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	11	11	100	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8	8	100	

(v) Retirement by rotation at the ensuing 56th AGM

In accordance with the provisions of the Act and Article 91 (iv) of the Articles of Association of the Company, Shri Shashank Mishra, Government Nominee Director, shall retire by rotation at the ensuing 56th Annual General Meeting (AGM) of the Company and being eligible, offers himself for re-appointment. The brief resume of Shri Shashank Mishra, including his expertise in various functional areas and other relevant information, is appearing in the Notice of the 56th AGM forming part of this Annual Report.

(vi) Resume of Director

Brief resume of Director(s) seeking appointment or re-appointment at the AGM is appended to the Notice calling the AGM.

(vii) Inter-se relationship between Directors

There is no *inter-se* relationship between the Directors of the Company.

(viii) Share and convertible instruments held by Non-Executive Directors

As on March 31, 2025, none of the Non-Executive Directors held any shares or convertible instruments in the Company.

(ix) Information related to Independent Directors

During the financial year 2024-25, none of the Independent Directors has resigned from the Board of REC.

All Independent Directors of REC are registered in the database for Independent Directors maintained by the Indian Institute of Corporate Affairs. Further, all Independent Directors have submitted the requisite declaration(s), that they meet the criteria of independence specified under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations.

In view of the Board, Independent Directors of the Company have strong moral character and the necessary skills & experience required for making valuable contributions to the Company and to be free from any ties or connections to the management.

(x) Separate meeting of Independent Directors

In accordance with the provisions of Listing Regulations and the Act, a separate meeting of the Independent Directors of REC was held on October 19, 2024, which was attended by all the then Independent Directors of the Company.

(xi) Key skills, expertise, competencies and attributes of the Board

The Board of Directors at REC is comprised of highly qualified individuals who possess the necessary skills, expertise and competence to effectively manage the Company and make valuable contributions to the Board and its Committees. The Board members are dedicated to ensure that REC adheres to the highest standards of Corporate Governance.

In light of the complexities of REC's business and the broader power sector, the Board has identified key skills, expertise, competencies and attributes that are critical for its effective functioning:

Area of skill or expertise	Description
Financial Management 	Planning, organizing, directing and controlling the financial activities which include mobilization and utilization of funds, financial accounting and management control systems, financial planning, liquidity & fund management, working capital management, treasury & forex management, tax planning and liaising with financial institutions, etc.
Power Sector Domain Expertise 	A significant background in technology and in-depth insight into the various elements of power generation, transmission & distribution, renewable energy sector and the challenges / aspects / nuances of power sector in India and abroad, knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Project Appraisal 	Systematic and comprehensive review of the technical parameters, social impact, economic, environmental, financial and other such aspects of a project, to determine if it meets its objectives.
Corporate Planning & Strategy 	Management activities that are used to set priorities, focus energy and resources, strengthen operations and ensure that employees and other stakeholders are working towards common goals by establishing agreement on intended outcomes / results; and assess and adjust the organization's direction in response to a changing environment.
Risk Management 	Forecasting and evaluation of operational risk, credit risk, market risk, interest rate risk, liquidity risk, foreign currency risk and other financial risks, together with the identification of procedures to avoid or minimize their impact. Identifying any potential threats that may occur during the investment / financing process and mitigation of the same. Cybersecurity and mitigation of risks related to IT environment.
Leadership 	Extended leadership experience for establishing a clear vision, providing guidance, knowledge and methods to realize that vision, involving setting and achieving organizational goals and taking actions for achievement of such goals.
Board Practices & Governance 	Experience in developing insights about maintaining board and management accountability, protecting interests of the shareholders and observing appropriate governance practices.
Business Development 	Experience in developing strategies to increase business and market share, build brand awareness and enhance corporate reputation by creating long-term value for borrowers/ investors, markets and all other stakeholders.



Area of skill or expertise		Description
Environment, Social & Sustainability (ESS)		Sustainability is not just a compliance requirement but a strategic imperative that drives long-term value and resilience. Directors with ESS expertise ensure that the Company integrates sustainable practices into its operations, reducing environmental impact, ecological sensitivity and promoting corporate responsibility. They oversee policies related to climate action, ethical sourcing, carbon footprint reduction and sustainable business models. On the social front, Board members address issues such as diversity, equity and inclusion, as well as ethical labor practices. They champion community engagement and ensure the organization upholds its social responsibilities.
Stakeholder Engagement		It involves actively collaborating with stakeholders rather than just consulting them. Effective engagement improves the Company's reputation and boost investor confidence.
Human Resource Management (HRM)		HRM expertise contribute to key areas such as leadership development, talent acquisition, succession planning and employee engagement. They ensure that the organization fosters a positive workplace culture, attracts top talent and retains key personnel. Additionally, they oversee executive compensation and ethical workplace practices, aligning HR strategies with Corporate Governance.

In the table set out below, the specific areas of expertise of individual Board members as on March 31, 2025 and the Board members appointed subsequently, have been highlighted:

Name of the Director	Key qualifications of the Board										
	Area of expertise										
	 Financial Management	 Power Sector Domain Expertise	 Project Appraisal	 Corporate Planning & Strategy	 Risk Management	 Leadership	 Board Practices & Governance	 Business Development	 Environment, Social & Sustainability	 Stakeholder Engagement	 Human Resource Management
Board members as on March 31, 2025											
Smt. Parminder Chopra ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Vijay Kumar Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Harsh Baweja	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Narayanan Thirupathy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Board members appointed after March 31, 2025											
Shri Jitendra Srivastava ²	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Durgesh Nandini ³	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Dr. Gambheer Singh ⁴	✓	✓	✓	✓	✓	✓	✓	✓	✓		

¹Appointed w.e.f. March 21, 2025 & upto April 21, 2025.

²Appointed w.e.f. April 22, 2025.

^{3&4}Appointed again w.e.f. April 17, 2025.

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

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors functions as full Board and through various Committees constituted to oversee specific areas of business and governance. Each Committee is guided by its terms of reference approved by the Board, which define its composition, scope and powers. The Committees meet regularly and as per requirement, to make informed decisions under their assigned area of work, within the authority delegated to them.

The Board has the following Committees & Composition as on July 1, 2025:

1. Audit Committee	2. Nomination & Remuneration Committee	3. Stakeholders' Relationship Committee	4. Risk Management Committee
Shri Narayanan Thirupathy (C)	Dr. Gambheer Singh (C)	Dr. Durgesh Nandini (C)	Dr. Gambheer Singh (C)
Dr. Durgesh Nandini (M)	Dr. Durgesh Nandini (M)	Director (Projects) (M)	Director (Projects) (M)
Shri Manoj Sharma (M)	Shri Narayanan Thirupathy (M)	Director (Finance) (M)	Director (Finance) (M)
			Shri Narayanan Thirupathy (M)
5. CSR Committee	6. Committee for Investment / Deployment of Surplus Funds	7. Asset Liability Management Committee (ALCO)	8. IT Strategy Committee
Dr. Gambheer Singh (C)	Shri Jitendra Srivastava (C)	Shri Jitendra Srivastava (C)	Shri Narayanan Thirupathy (C)
Director (Projects) (M)	Director (Projects) (M)	Director (Projects) (M)	Director (Projects) (M)
Director (Finance) (M)	Director (Finance) (M)	Director (Finance) (M)	Director (Finance) (M)
9. Sub-committee to ensure compliance of GoI directives on 'Make in India'	10. Review Committee on Wilful Defaulter		
Shri Shashank Misra (C)	Shri Jitendra Srivastava (C)		
Shri Harsh Baweja (M)	Dr. Durgesh Nandini (M)		
Shri Manoj Sharma (M)	Dr. Gambheer Singh (M)		

C: Chairperson M: Member

Note: Some of the above Committees includes Permanent / Standing / other Invitees.

The minutes of meetings of all Committees are placed before the Board for information and noting, in terms of Article 105 of the Articles of Association of the Company and applicable statutory requirements. Detailed terms of reference of each Committee, including details of meetings, attendance etc., are appearing in the subsequent paras.

3.1 Audit Committee

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Act, Regulation 18 of Listing Regulations and DPE Guidelines on Corporate Governance. The terms of reference of the Audit Committee are as follows:

- To comply with the requirements in accordance with Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- To comply with the requirements relating to Audit Committee as envisaged in Listing Regulations, as amended from time to time;

- To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time; and
- To comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

The Audit Committee carries out its role as per its terms of reference and reviews the information prescribed under the applicable statutory provisions.

During the year under review, the Audit Committee met 8 (Eight) times. The composition of Audit Committee and details of attendance at its meetings held during the financial year 2024-25, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat								Total number of meetings		
			30-Apr-2024	31-May-2024	28-Jun-2024	27-Jul-2024	26-Oct-2024	13-Nov-2024	6-Dec-2024	6-Feb-2025	Held during tenure	Attendance	% of attendance
1	Shri Narayanan Thirupathy Independent Director	Chairperson (w.e.f. November 26, 2024)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	🗓️	👤	2	2	100
2	Dr. Gambheer Singh Independent Director	Chairperson (upto November 14, 2024)	👤	👤	🗓️	👤	👤	👤	N.A.	N.A.	6	6	100



Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat							Total number of meetings			
			30-Apr-2024	31-May-2024	28-Jun-2024	27-Jul-2024	26-Oct-2024	13-Nov-2024	6-Dec-2024	6-Feb-2025	Held during tenure	Attendance	% of attendance
3	Dr. Durgesh Nandini Independent Director	Member (upto December 26, 2024 & again appointed w.e.f. April 17, 2025)	👤	👤	👤	👤	👤	📺	📺	N.A.	7	7	100
4	Shri Manoj Sharma PFC Nominee Director	Member	👤	👤	📺	👤	👤	📺	📺	👤	8	8	100
5	Shri Shashank Misra Government Nominee Director	Member (from December 27, 2024 to April 16, 2025)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤 *	1	1	100

👤 Present in person

📺 Present through video conferencing

N.A. Not Applicable

* Shri Shashank Misra was present for one agenda item in the Audit Committee meeting held on February 6, 2025.

The maximum gap between any two meetings of the Audit Committee was not more than 120 days.

The quorum for meetings of Audit Committee is two members or one third of the total number of members, whichever is greater, with at least two Independent Directors present. Further, Director (Finance), Head of Internal Audit function and representatives of Statutory Auditors of the Company are also invited to the meetings of the Audit Committee, as and when required. The Company Secretary acts as Secretary to the Committee.

All the members of the Audit Committee are financially literate and at least one member of the Audit Committee had accounting or related financial management expertise. Further, the Chairperson of Audit Committee was present at the last AGM held on August 20, 2024, to answer the queries of shareholders.

3.2 Nomination and Remuneration Committee

REC being a CPSE and as per the Articles of Association of the Company, the appointment, tenure and remuneration of Whole-time Directors including CMD and other Directors are decided by the President of India and communicated by the administrative ministry i.e. MoP.

The Company has constituted a Nomination and Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Act, Regulation 19 of Listing Regulations, RBI's norms for NBFCs and DPE Guidelines on Corporate Governance. The terms of reference of NRC, to the extent applicable to REC, are as follows:

- To comply with the requirements in accordance with Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- To comply with the requirements relating to Nomination and Remuneration Committee as envisaged in Listing Regulations, as amended from time to time; and
- To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 including to decide the quantum of annual bonus, variable pay and policy for ESOP scheme, pension scheme, etc. within the prescribed limits across Whole-time Directors, executive and non-unionized supervisors, as notified by the DPE and as amended from time to time.

During the year under review, the NRC met 5 (Five) times. The composition of NRC and details of attendance at its meetings held during the financial year 2024-25, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat					Total number of meetings		
			29-Apr-2024	31-May-2024	24-Dec-2024	5-Feb-2025	26-Mar-2025	Held during tenure	Attendance	% of attendance
1	Dr. Gambheer Singh Independent Director	Chairperson (w.e.f. April 17, 2025 and Member upto November 14, 2024)	👤	👤	N.A.	N.A.	N.A.	2	2	100

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat					Total number of meetings		
			29-Apr-2024	31-May-2024	24-Dec-2024	5-Feb-2025	26-Mar-2025	Held during tenure	Attendance	% of attendance
2	Dr. Manoj Manohar Pande Independent Director	Chairperson (upto November 14, 2024)	○	○	N.A.	N.A.	N.A.	2	2	100
3	Dr. Durgesh Nandini Independent Director	Member (upto December 26, 2024 & again appointed w.e.f. April 17, 2025)	○	○	○	N.A.	N.A.	3	3	100
4	Shri Narayanan Thirupathy Independent Director	Member (upto November 25, 2024 and appointed as Chairperson w.e.f. November 26, 2024 and appointed as Member w.e.f. April 17, 2025)	○	○	○	○	○	5	5	100
5	Shri Manoj Sharma PFC Nominee Director	Member (from November 26, 2024 to April 16, 2025)	N.A.	N.A.	○	○	○	3	3	100
6	Shri Shashank Misra Government Nominee Director	Member (from December 27, 2024 to April 16, 2025)	N.A.	N.A.	N.A.	LoA	○	2	1	50
○ Present in person			N.A. Not Applicable			LoA Leave of Absence				

The quorum for meetings of NRC is two members, including the Chairperson of the Committee. Further, Director (Finance), Director (Projects) and Executive Director (HR) / Head of Division (HR), are also standing invitees to the meetings of NRC. The Company Secretary acts as the Secretary to the Committee.

The Ministry of Corporate Affairs (MCA) vide notification dated June 5, 2015, had exempted Government Companies from the requirement related to formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors and policy relating to remuneration of Directors. Further, MCA vide notification dated July 5, 2017, had prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, as prescribed in Schedule IV of the Act, are also not applicable to Government companies. The performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, i.e. MoP as per its internal Guidelines. Moreover, the Company enters into Memorandum of Understanding (MoU) for the financial year with its Holding Company, i.e. PFC and the key

parameters of which are finalized in consultation with the MoP. The performance of the Company is evaluated *vis-à-vis* the MoU parameters, as per the framework prescribed under MoU Guidelines issued by DPE.

Being a CPSE, the remuneration of Functional Directors, Key Managerial Personnel and other employees of the Company including Senior Management personnel, is determined as per the extant Guidelines on pay, perquisites, allowances etc. issued by the DPE and/or Government of India from time to time. Non-executive Directors (including Independent Directors) are eligible to receive sitting fees for attending the meetings of Board or Committees thereof, which is within the limits prescribed under the Act. The Government Nominee Director is not entitled to receive any sitting fees from the Company, as per the norms of Government of India. The Board has adopted a Policy on diversity and skills of the Board, criteria for appointing Senior Management Personnel and remuneration to Directors, KMPs and other employees, which is available at <https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf>



Details regarding remuneration paid to Functional Directors of the Company during the financial year 2024-25, were as follows:

(Amount in ₹)

Sl. No.	Name & Designation	Salary & Allowances	Performance Linked Incentive	Perquisites	Other Benefits included in Form 16	Leave Encashment	CPF Contribution	Pension Fund Contribution	Total
1	Shri Vivek Kumar Dewangan Chairman & Managing Director (from April 1, 2024 to March 20, 2025)	41,40,180	-	-	97,350	-	-	-	42,37,530
2	Shri Vijay Kumar Singh Director (Projects)	63,39,532	29,40,939	38,412	40,000	23,91,227	5,34,181	5,34,181	1,28,18,472
3	Shri Harsh Baweja Director (Finance) & CFO (w.e.f. May 14, 2024)	53,15,063	22,24,644	65,540	1,07,434	-	4,50,774	4,50,774	86,14,229

Notes:

- REC has not paid any remuneration to Smt. Parminder Chopra, CMD (Additional Charge), REC during her tenure in the financial year 2024-25.
- Other benefits included in Form 16 exclude the reimbursement(s) towards uniform, entertainment, electricity, water and attendant charges and exempt medical expenses/reimbursement.
- In the financial year 2024-25, pension contribution was deposited in NPS account. Hence, the Employer Pension Contribution is part of salary u/s 17(1) of the Income Tax Act, 1961 in Form 16.
- Total remuneration includes allowances exempt u/s 10 of the Income Tax Act, 1961 and excludes employer's contribution into REC Gratuity Fund, based on actuarial valuation.
- The Company has not given any stock options. Further, the appointment of Directors and terms of appointment including remuneration, notice period, severance fees etc. if any, are decided by President of India.

Remuneration of Non-Executive Directors

The Non-Executive Directors (except Government Nominee Director) are paid sitting fee of ₹40,000/- for attending each meeting of the Board of Directors and ₹30,000/- for attending each meeting of the Committee(s) thereof, which is well within the limits prescribed under the Act and Rules made thereunder.

During the financial year 2024-25, the details of remuneration paid to Non-Executive Directors towards sitting fee (excluding GST), were as under:

(Amount in ₹)

Sl. No.	Name of Non-Executive Director	Sitting fees		Total
		Board meetings	Committee meetings	
1	Shri Manoj Sharma* Nominee Director of PFC	6,00,000	4,50,000	10,50,000
2	Dr. Gambheer Singh Independent Director (from April 1, 2024 to Nov 14, 2024)	3,20,000	4,80,000	8,00,000
3	Dr. Manoj Manohar Pande Independent Director (from April 1, 2024 to Nov 14, 2024)	3,20,000	4,20,000	7,40,000
4	Dr. Durgesh Nandini Independent Director (from April 1, 2024 to Dec 26, 2024)	4,40,000	5,40,000	9,80,000
5	Shri Narayanan Thirupathy Independent Director	6,00,000	4,20,000	10,20,000
	Total	22,80,000	23,10,000	45,90,000

* The Nominee Director of PFC is entitled to receive sitting fee for attending the Board and Committee meetings of REC, which is paid to PFC.

Apart from the above, the Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company, except to the extent of payment / reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc., if applicable, in respect of attending the meetings of the Board or Committees thereof. Further, the Government Nominee Director is not entitled to receive any sitting fees from the Company, as per the norms of Government of India.

Senior Management:

The details of Senior Management as on March 31, 2025, are as follows:

Sl. No.	Name
Chief Vigilance Officer (CVO)	
1	Smt. Rashmita Jha
Executive Directors	
2	Shri T. S. C. Bosh
3	Shri J.S. Amitabh
4	Shri Rameshwar Prasad Vaishnav
5	Smt. Valli Natarajan
6	Shri Rahul Dwivedi
7	Shri Rajesh Kumar
8	Shri N. Venkatesan
9	Shri Arun Kumar Tyagi
10	Shri Kuldeep Rai
11	Shri Saurabh Rastogi
12	Shri Dharmendra Nagpal
13	Shri Prabhat Kumar Singh
14	Shri J. K. Nayak
15	Shri Pradeep Fellows
16	Shri D. B. Londhe
17	Shri M. L. Kumawat
18	Shri Subrata Aich (Chief Risk Officer)
19	Shri Narendra Kumar Maurya
20	Shri Chandra Sekhar Sakhamuri
21	Smt. Saraswathi
Chief General Manager	
22	Shri Hemant Kumar (Chief Compliance Officer)

Changes during the financial year 2024-25:

Sl. No.	Name	Date of Change	Reason of Change
1	Shri J.K. Nayak	May 15, 2024	Promotion
2	Shri Subhash Chandra Garg	June 1, 2024	Promotion
3	Shri Fuzail Ahmed	June 1, 2024	Superannuation
4	Shri Pradeep Fellows	August 14, 2024	Promotion
5	Shri Daljeet Singh Khatri	August 14, 2024	Separation
6	Shri M. L. Kumawat	October 1, 2024	Promotion
7	Shri D. B. Londhe	October 1, 2024	Promotion
8	Shri Sanjay Kumar	October 1, 2024	Superannuation
9	Smt. Taruna Gupta	October 1, 2024	Superannuation
10	Shri Virender Kumar Adhana	October 28, 2024	Completion of tenure
11	Shri Subrata Aich	November 1, 2024	Promotion
12	Shri Subhash Chandra Garg	November 1, 2024	Superannuation
13	Smt. Rashmita Jha	November 29, 2024	Appointment
14	Smt. Malathi Sundararajan	December 1, 2024	Superannuation
15	Shri Narendra Kumar Maurya	December 1, 2024	Promotion
16	Shri Chandra Sekhar Sakhamuri	January 14, 2025	Appointment
17	Smt. Saraswathi	February 1, 2025	Promotion
18	Shri Ajay Mathur	February 1, 2025	Superannuation

3.3 Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee (SRC), in terms of the provisions of Section 178 of the Act, Regulation 20 of Listing Regulations and other applicable laws. The SRC looks specifically into the redressal of requests, complaints or grievances from various security holders including shareholders and debenture-holders, such as non-receipt of dividend / warrants, non-receipt of interest on debentures, Annual Report of the Company etc.

During the year under review, the SRC met 2 (Two) times. The composition of SRC and details of attendance at its meetings held during the financial year 2024-25, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			29-Apr-2024	29-Nov-2024	Held during tenure	Attendance	% of attendance
1	Dr. Durgesh Nandini Independent Director	Chairperson (upto December 26, 2024 and again appointed w.e.f. April 17, 2025)	☹	☹	2	2	100
2	Shri Manoj Sharma PFC Nominee Director	Member (upto May 14, 2024 and further appointed as Chairperson from December 27, 2024 to April 16, 2025)	☹	N.A.	1	1	100



Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			29-Apr-2024	29-Nov-2024	Held during tenure	Attendance	% of attendance
3	Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)			2	2	100
4	Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	N.A.		1	1	100

Present in person Present through video conferencing N.A. Not Applicable

Note: Shri Narayanan Thirupathy, Independent Director was member of SRC from December 27, 2024 to April 16, 2025.

The Company Secretary, acts as the Secretary to the Committee. He is also the Compliance Officer of the Company in terms of Listing Regulations.

The quorum for meetings of SRC is two members including the Chairperson of the Committee. Further, representatives of the Registrar & Transfer Agents appointed by the Company for various securities including shares, debentures, bonds etc., are invitees to the meetings of the SRC, if needed. The Chairperson of the Committee was present at the last AGM of the Company held on August 20, 2024 to answer the queries of shareholders and others.

Requests & grievances of shareholders / debenture - holders

In order to promptly redress the requests & grievances of shareholders, debenture-holders etc. the Company has established a three-tier mechanism i.e. support service from the respective Registrars, in-house investor cell and direct supervision by the SRC, which has resulted in timely resolution of all requests & grievances.

NSE and BSE provide a comprehensive web-based complaints redressal system, complemented by SEBI's dedicated platform, known as SCORES (SEBI Complaints Redressal System), through which investors can formally lodge complaints against a company to address their grievances. This online system allows investors to monitor the status of their complaints in real-time, including details such as the entity with whom the complaint is pending, the party responsible for resolving it and the duration for which the complaint has been pending. Additionally, investors have the

option to send reminders for their complaints through the SCORES platform to ensure timely action. For investors who are not familiar with SCORES or the NSE and BSE web-based systems, or those who do not have access to these digital platforms, alternative avenues are available. They can submit their complaints in physical form by sending written correspondence or may opt to send an email directly to the Registrar and Transfer Agent (RTA) of the Company or to the Company itself for prompt redressal of their grievances.

SEBI vide Circular dated July 31, 2023 and August 4, 2023, read with Master Circular (updated from time to time), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website at <https://recindia.nic.in/smart-odr-portal>.

The Company and its RTA attends all investor requests & grievances promptly and on an expeditious basis, to the satisfaction of the investors. A quarterly update on the status of investor requests & grievances is filed with the Stock Exchanges and also placed before the Board. Pursuant to Regulation 13(3) of Listing Regulations, the status of shareholder's / investor's grievances for the financial year 2024-25 was as under:

Particulars of grievances	Equity Shares	Debt Securities	Total
Pending as on April 1, 2024	0	0	0
Received during the financial year	21	287	308
Disposed of during the financial year	21	287	308
Remaining unresolved as on March 31, 2025	0	0	0

3.4 Risk Management Committee

The Risk Management Committee (RMC) has been constituted in line with the provisions of Regulation 21 of Listing Regulations, to manage the integrated risk of the organization. The terms of reference of RMC are as under:

- To manage the integrated risk;
- To identify various risks likely to arise, evaluate overall risks faced by the Company including liquidity risk, monitor and review the risk management plan, policies and practices followed by the Company from time to time;
- To oversee the mitigation of various risks and to perform all other risk management functions, which shall also cover cyber security; and
- To perform any other function, as may be required for compliance of applicable statutory provisions issued by RBI, SEBI, MCA and/or any other agencies, from time to time.

During the year under review, the RMC met 4 (Four) times. The composition of RMC and details of attendance at its meetings held during the financial year 2024-25, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat				Total number of meetings		
			9-May-2024	22-Jul-2024	25-Oct-2024	19-Feb-2025	Held during tenure	Attendance	% of attendance
1	Shri Vivek Kumar Dewangan Chairman & Managing Director	Chairperson (upto March 20, 2025)	👤	👤	📺	👤	4	4	100
2	Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	👤	👤	📺	👤	4	4	100
3	Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	N.A.	👤	📺	👤	3	3	100
4	Dr. Manoj Manohar Pande Independent Director	Member (upto November 14, 2024)	📺	📺	📺	N.A.	3	3	100
5	Dr. Gambheer Singh Independent Director	Member (upto November 14, 2024)	📺	📺	📺	N.A.	3	3	100
6	Shri Narayanan Thirupathy Independent Director	Member (w.e.f. November 26, 2024)	N.A.	N.A.	N.A.	👤	1	1	100
7	Shri Manoj Sharma PFC Nominee Director	Member (from November 26, 2024 to June 25, 2025)	N.A.	N.A.	N.A.	👤	1	1	100

👤 Present in person 📺 Present through video conferencing N.A. Not Applicable

Notes:

1. Dr. Gambheer Singh, Independent Director appointed as Chairperson of the Committee w.e.f. June 25, 2025.
2. Shri Jitendra Srivastava, Chairman & Managing Director is the Chairperson of the Committee from April 22, 2025 to June 24, 2025.
3. Smt. Parminder Chopra, Chairperson & Managing Director was the Chairperson of the Committee from March 21, 2025 to April 21, 2025.

The Company has appointed a Chief Risk Officer (CRO) as prescribed by RBI. The CRO acts as the convener to RMC.

The quorum for meetings of Risk Management Committee is three members, including the Chairperson of the Committee. Further, various Executive Directors from different divisions are standing invitees to the meetings of the Risk Management Committee.

- c) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- d) To recommend / review CSR projects / programs / proposals, falling within the purview of Schedule VII of the Act;
- e) To institute a transparent monitoring mechanism for implementation of the CSR projects / programmes / activities undertaken by the Company;
- f) To assist the Board of Directors to formulate strategies on CSR initiatives of the Company;
- g) To approve the content of Annual Report on CSR Activities as per performa given in the Rules, *inter-alia* covering responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;
- h) To periodically submit the reports to the Board of Directors for their information, consideration and necessary directions; and
- i) To comply with the other requirements on Corporate Social Responsibility Policy, as amended from time to time.

3.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Act and Rules made thereunder and Guidelines on Corporate Social Responsibility for CPSEs issued by the DPE, the Board of Directors of the Company has constituted a 'Corporate Social Responsibility Committee' (CSR Committee), the terms of reference of which are as under:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b) To monitor the Corporate Social Responsibility Policy of the Company from time to time;

During the year under review, the CSR Committee met 12 (Twelve) times. The composition of CSR Committee and details of attendance at its meetings held during the financial year 2024-25, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat												Total number of meetings		
			29-Apr-2024	31-May-2024	28-Jun-2024	26-Jul-2024	20-Aug-2024	30-Sep-2024	19-Oct-2024	13-Nov-2024	29-Nov-2024	23-Dec-2024	5-Feb-2025	7-Mar-2025	Held during tenure	Attendance	% of attendance
1	Shri Manoj Sharma PFC Nominee Director	Chairperson (from December 27, 2024 to April 16, 2025)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	☹	☹	2	2	100
2	Dr. Durgesh Nandini Independent Director	Member (upto May 14, 2024 and again appointed as Chairperson from November 26, 2024 to December 26, 2024)	☹	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	☹	☹	N.A.	N.A.	3	3	100
3	Dr. Manoj Manohar Pande Independent Director	Chairperson (upto November 14, 2024)	☹	☹	☹	☹	☹	☹	☹	☹	N.A.	N.A.	N.A.	N.A.	8	8	100
4	Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	☹	☹	☹	☹	☹	☹	☹	☹	☹	☹	☹	☹	12	12	100
5	Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	N.A.	☹	☹	☹	☹	☹	☹	☹	☹	☹	☹	☹	11	11	100
6	Shri Narayanan Thirupathy Independent Director	Member (from December 27, 2024 to April 16, 2025)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	☹	☹	2	2	100
☹	Present in person	☹ Present through video conferencing	N.A.												Not Applicable		

Note: Dr. Gambheer Singh, Independent Director is the Chairperson of the CSR Committee w.e.f. April 17, 2025.

The quorum for meetings of CSR Committee is two members, including the Chairperson of the Committee. The Company Secretary acts as the Secretary to the Committee. The Corporate Social Responsibility & Sustainability Policy of the Company is available at <https://recindia.nic.in/policies>



3.6 Committee for Investment / Deployment of Surplus Funds

The Committee for Investment / Deployment of Surplus Funds has been constituted for the purpose of approving investment / deployment of short-term surplus funds of ₹1,000 crore and above in single instance in Certificate of Deposits or ₹2,000 crore and above in Mutual Funds and Fixed Deposits at any time. The Committee comprises of the CMD as Chairperson; Director (Projects) and Director (Finance) as members. The quorum for meetings of the said Committee is two members, including CMD. Further, total 4 meetings were held on April 26, 2024, July 18, 2024, March 1, 2025 and March 19, 2025 attended by all Directors, during the financial year 2024-25.

3.7 Asset Liability Management Committee (ALCO)

In pursuance to RBI Guidelines on Asset Liability Management (ALM) system for NBFCs, the Company has constituted an Asset Liability Management Committee (ALCO). The ALCO monitors risks related to liquidity, interest rates and currency rates with the help of ALM support group, which provides various reports on liquidity gap analysis, interest rate sensitivity analysis and foreign currency movements, etc. ALCO meets every quarter to review the position of above risks. ALCO is headed by the CMD, with members including Director (Projects), Director (Finance) and Executive Directors (EDs) / HoDs from the Finance and Operating Divisions of the Company & CRO of the Company.

During the year under review, the ALCO met 5 (Five) times. The composition of ALCO and details of attendance at its meetings held during the financial year 2024-25, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat					Total number of meetings		
			09-Apr-2024	24-May-2024	19-Sep-2024	12-Dec-2024	26-Mar-2025	Held during tenure	Attendance	% of attendance
1	Smt. Parminder Chopra Chairperson & Managing Director	Chairperson (from March 21, 2025 to April 21, 2025)	N.A.	N.A.	N.A.	N.A.	○	1	1	100
2	Shri Vivek Kumar Dewangan Chairman & Managing Director	Chairperson (upto March 20, 2025)	○	○	○	○	N.A.	4	4	100
3	Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	○	○	○	○	○	5	5	100
4	Shri Harsh Baweja Director (Finance)	Member	N.A.	LoA	○	○	○	4	3	75

○ Present in person LoA Leave of Absence N.A. Not applicable

Notes:

1. Shri Jitendra Srivastava, Chairman & Managing Director is the Chairperson of the Committee w.e.f. April 22, 2025.
2. Further, various Executive Directors and CRO are also the members of the Committee and have attended all the aforementioned meetings of ALCO.

The quorum for meetings of ALCO is three members, including CMD and the Director (Finance). The ED/HoD (ALM) acts as the convener of ALCO. Other senior officials of the Company are also invited to meetings of ALCO, as per requirement. The CMD may authorize a Whole-time Director to chair the meeting of ALCO in his absence. The CMD may also authorize a backup executive for each of the members and convener of ALCO, in case of need.

3.8 IT Strategy Committee

In compliance of RBI's Master Directions for NBFCs, the Board of Directors has constituted a Board Level IT Strategy

Committee (ITSC). The ITSC Committee was reconstituted on November 26, 2024, comprising of one Independent Director as the Chairperson, Director (Projects) and Director (Finance) as members. The role of ITSC includes monitoring the methods to determine the IT resources needed to achieve strategic goals and to provide high-level direction for sourcing and use of IT resources, ensuring cyber security, internal controls, Governance, approving IT strategy, policy documents and best practices, envisaged under the RBI's Master Directions.

During the year under review, the ITSC met 3 (Three) times.



The composition of ITSC and details of attendance at its meetings held during the year 2024-25 were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat			Total number of meetings		
			10-Jun-2024	28-Sep-2024	28-Jan-2025	Held during tenure	Attendance	% of attendance
1	Shri Narayanan Thirupathy Independent Director	Chairperson	👤	👤	👤	3	3	100
2	Dr. Gambheer Singh Independent Director	Member (upto Nov 14, 2024)	👤	📺	N.A.	2	2	100
3	Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	LoA	👤	👤	3	2	66.67
4	Shri Harsh Baweja Director (Finance)	Member (w.e.f. November 26, 2024)	N.A.	N.A.	📺	1	1	100
👤 Present in person 📺 Present through video conferencing N.A. Not Applicable LoA Leave of Absence								

Note: Executive Director (IT) (CIO), CGM / HoD (IT) (CTO) and HoD (CISO) were also the members of the Committee upto November 25, 2024 and have attended all the aforementioned meetings of ITSC. Further, upon reconstitution of Committee with effect from November 26, 2024, Executive Director (IT) (CIO), CGM / HoD (IT) (CTO) are invitees of the Committee and HoD (CISO) is the permanent invitee.

3.9 Sub-committee to ensure compliance of Gol directives on 'Make in India'

The Board of REC has constituted Sub-committee to ensure compliance of Gol directives on 'Make in India', comprising of the Government Nominee Director as Chairperson, Director (Finance) and Nominee Director of PFC as its members, to *inter-alia*, scrutiny/review the tender notices, as and when being floated by REC or its subsidiaries, valuing ₹250 crore or above. Further, no meeting of the said Sub-committee was held during the financial year 2024-25.

3.10 Review Committee on Wilful Defaulter

The Board of REC has constituted Review Committee on Wilful Defaulter headed by CMD with two Independent Directors in compliance of the Reserve Bank of India's Master Direction on Wilful Defaulter dated July 1, 2015.

During the financial year 2024-25, Review Committee on Wilful Defaulter met 2 (Two) times. The first meeting was held on August 6, 2024 and second meeting was held on October 29, 2024. The meetings were headed by Shri Vivek Kumar Dewangan and Dr. Gambheer Singh & Dr. Durgesh Nandini were present through video conferencing as members of the Committee.

4. OTHER COMMITTEES

In addition to the abovementioned Committees, the Board of Directors has also constituted some additional Committees to look into specific matters, details of which are provided below:

4.1 Perpetual Debt Instrument Committee

In line with the Board-approved "Perpetual Debt Instrument Policy", the Company has raised Perpetual Debt Instruments to the tune of ₹558.40 crore in January, 2021, which are unsecured, subordinated, non-convertible instruments. In compliance of the said policy, a Committee comprising of CMD, Director (Projects) and Director (Finance) has been constituted, to decide upon the payment/non-payment of coupon on the Perpetual Debt Instruments after taking into account different factors. The quorum for meetings of the Committee is at least two members.

During the financial year 2024-25, 1 (One) meeting of the Perpetual Debt Instrument Committee was held on November 19, 2024, which was attended by CMD, Director (Finance) and Director (Projects).

4.2 Share Transfer Committee

The Share Transfer Committee considers requests for transmission, transposition, splitting and consolidation of shares exceeding 500 equity shares per individual in each case under the physical segment and for issue of duplicate share certificates. As on March 31, 2025, the Share Transfer Committee comprised of Company Secretary and other senior officials of the Company, as members. Further, no meeting of the said Committee was held during the financial year 2024-25.

5. SUBSIDIARY COMPANIES

REC has a wholly owned subsidiary, namely, REC Power Development and Consultancy Limited ("RECPDCL"). RECPDCL *inter-alia* acts as the "Bid Process Coordinator" for selection of Transmission Service Providers through Tariff Based Competitive Bidding ("TBCB") process, for independent inter-state and intra-state transmission projects assigned by the MoP and State Governments from time to time. In order to initiate development of each such project, RECPDCL incorporates project specific Special Purpose Vehicles ("SPVs"), as its wholly owned subsidiaries.

Such project specific SPVs are also associates of REC as per the provisions of Ind AS 110. Further, subsidiaries of RECPDCL are also subsidiaries of REC in terms of Section 2(87) of the Act. After selection of the successful bidder in accordance with the TBCB Guidelines, such subsidiaries are transferred to the successful bidder along with all assets & liabilities.

Detailed information about the SPVs / subsidiaries is appearing in the Board's Report forming part of this Annual Report.

The minutes of Board meetings of all subsidiary companies are placed before the Board of Directors of REC. The financial statements of unlisted subsidiary companies, in particular the investments made by them, are reviewed by the Audit Committee of REC. The audited financial statements and related information of RECPDCL and other

subsidiaries, is available on the website of the Company at <https://recindia.nic.in/recpdcl>.

The Company does not have any “material subsidiary” as defined under the Listing Regulations. Further, the Company has devised a Policy on Materiality of Subsidiaries as required under the said Regulations. The said policy is available at <https://recindia.nic.in/policies>.

6. GENERAL BODY MEETINGS

The details of the last three AGMs of the Company and special resolutions passed thereat, are as follows:

Financial Year	Date of AGM	Time	Venue
2021-22	16-Sep-2022	11:00 A.M	Through VC/ OAVM
2022-23	6-Sep-2023	11:00 A.M	Through VC/ OAVM
2023-24	20-Aug-2024	11:00 A.M	Through VC/ OAVM

All resolutions moved at the AGMs were passed through remote e-voting by the requisite majority of members. The following are the special resolution(s) passed at the previous three AGMs.

AGM No.	Special Resolution(s) passed
53 rd	- To increase the overall Borrowing Limit of the Company. - To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. - Approval for private placement of securities.
54 th	- Appointment of Shri Narayanan Thirupathy (DIN: 10063245) as Non-Executive Independent Director. - To increase the overall Borrowing Limit of the Company. - To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. - Approval for private placement of securities.
55 th	- To increase the overall Borrowing Limit of the Company. - To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. - Approval for private placement of securities.

The Ministry of Corporate Affairs (MCA) has issued a General Circular no. 09/2024 dated September 19, 2024 and SEBI has issued circular dated October 3, 2024 pursuant to which the ensuing 56th AGM of REC will be held on August 27, 2025 through VC/OAVM mode. The Company will provide the facility of electronic participation and e-voting for the said AGM to the shareholders and relevant details of which are appearing in the Notice of the 56th AGM forming part of this Annual Report.

Further, in light of the said MCA General Circular read with SEBI Circular dated January 5, 2024, the Annual Report of the Company for financial year 2024-25 is being sent in soft copy to those shareholders and holders of non-convertible securities of the Company, whose email addresses are registered with the Company / Registrars / Depositories / Depository Participants.

Extra-Ordinary General Meeting (EGM)

No EGM was held during the financial year 2024-25.

7. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

REC has been effecting electronic delivery of documents such as Notice of AGM, Annual Report etc. since financial year 2010-11, to those shareholders whose email IDs are registered with the respective Depository Participants (DPs) or RTA. The intimation of credit of Dividend (interim or final) and deduction of TDS, if any, is also being sent electronically to those shareholders, whose email IDs are registered.

In line with the circulars issued by MCA and SEBI, Notice of the 56th AGM of the Company along with Annual Report for the financial year 2024-25, would be sent by e-mail to all those shareholders and holders of non-convertible securities, whose e-mail IDs are registered with the Company.

The Company has published advertisements in newspapers, to encourage the shareholders holding shares in physical and electronic form to register or update their email IDs, for receiving Annual Report and other communications of the Company for the financial year 2024-25. Those shareholders who have still not registered or updated their e-mail IDs, may follow the process mentioned in the Notice of 56th AGM, for registration of e-mail ID and procuring the User ID and Password for e-voting at the ensuing AGM.

7.1 Postal Ballot

No postal ballot was conducted during the financial year 2024-25.

Further, no special resolution is proposed/ expected to be passed through postal ballot during the financial year 2025-26.

8. SECRETARIAL AUDIT

M/s. Agarwal S. & Associates, Company Secretaries, have conducted the Secretarial Audit of the Company for the financial year 2024-25 and have submitted their report to the Company. A copy of the Secretarial Audit Report is annexed in this Annual Report for information of the stakeholders. Further, observations of the Secretarial Auditor and Management's Reply thereto, are appearing in the Board's Report forming part of this Annual Report.

9. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on “Materiality of Related Party Transactions and Dealing with Related Party Transactions”, as per the latest provisions of Listing Regulations. In line with the said Policy, all related party transactions are approved by the Audit Committee and / or the Board of Directors or Shareholders, as the case may be. The transactions with related parties are included in the Notes to Accounts as per the applicable provisions of Act. The Policy is available at <https://recindia.nic.in/policies>.

Further, the particulars of Related Party Transactions, if any, are given in form AOC-2 annexed to the Boards' Report.



10. DISCLOSURES

1. There were no instances of non-compliance related to the Capital Markets during the last three years and the Company has complied with all requirements of the Listing Regulations, the Act and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time, except related to the composition of Board & Committees thereof for a specific period of time, due to non-availability of requisite number of Independent Directors on the Board of the Company.

Due to the aforesaid non-compliances, NSE & BSE have imposed fines, details of which are available on the website of the Company. However REC has requested NSE & BSE for the waiver of fines, as REC being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India, acting through the administrative ministry i.e. MoP. The Company has been requesting the appointing authority i.e. MoP for appointment of requisite number of Independent Directors and the Company has no role in the appointment of Directors or maintaining the Composition of its Board, as it is beyond the control of the Company.

2. As required under statutory provisions, all returns, reports and disclosures were filed with the Stock Exchanges and other authorities within the stipulated timelines.
3. The Company has complied with the requirements of Regulation 17 to 27 of Listing Regulations relating to Board, Committees and Corporate Governance, as amended from time to time; and maintaining & updating the website of the Company as required under Regulation 46 of Listing Regulations, except where the Company did not have requisite number of Independent Directors, as detailed in point no. 1 above.

The Company has also complied with the disclosure requirements under Corporate Governance Report as per Part C of Schedule V of the Listing Regulations. Further, in compliance of Regulation 46 and Regulation 62 of Listing Regulations, the Company has *inter-alia*, disclosed the relevant information on its website at <https://recindia.nic.in/disclosures-under-regulation-46-of-sebi>.

4. The Company adheres to a Board-approved Integrated Risk Management (IRM) Policy, which includes a Hedging Policy designed to mitigate foreign currency exchange risk. This policy establishes a framework for managing fluctuations in exchange rates that could negatively affect the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. Various hedging techniques are employed to effectively manage this risk.

Appropriate disclosures concerning the foreign currency risks are provided in the Notes to Accounts, forming an integral part of the Audited Financial Statements. The nature of business of the Company is not such, as may give rise to any commodity price risk.

5. The Company has laid down the procedure to inform the Board about risk assessment and mitigation. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework. Further, a Risk Management Committee of the Board is also in place.

6. To indemnify the Directors and Officers, the Company has obtained a 'Director's and Officer's (D&O) Liability Insurance Policy', which comprehensively covers the liabilities that may arise against Directors and Officers of the Company. The insurance policy covers the Board of Directors of REC including Independent Directors, Company Secretary, other Key Managerial Personnel and all Manager and above level Officials of the Company.
7. There were no materially significant transactions with related parties i.e. Promoters, Directors or Management, conflicting with the Company's interest. Further, the Independent Directors do not hold any equity shares of the Company.
8. The Company has not entered into any material, financial or commercial transaction(s) with the Director(s) or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners.
9. All members of Senior Management have made disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.) and there was no such instance of conflict during the financial year 2024-25.
10. During the financial year 2024-25, the Company and its subsidiaries did not provide any loans or advances in the nature of loans to firms & companies in which the Directors are interested.
11. The administrative and office expenses for the financial year 2024-25 have increased to ₹185.97 crore as compared to ₹164.21 crore during the previous financial year, which is a minor variation in line with normal increase in business activities of the Company. Administrative and office expenses as a percentage of total expenses for the financial year 2024-25 were 0.51% (previous financial year 0.56%).
12. The Company has not incurred any expenditure which is 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 Senior Management.
13. The Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity and Cash Flow Statement for the financial year 2024-25 have been prepared as per the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
14. There are no audit qualifications by the Statutory Auditors in their report pertaining to financial year 2024-25. Further, the Company has informed the Stock Exchanges that the Statutory Auditors have furnished Audit Report on Standalone and Consolidated Financial Results with unmodified opinion, in line with the provisions of the Listing Regulations.
15. The Company has not issued any Stock Options / ESOPs during the financial year 2024-25.
16. Pursuant to DPE Guidelines on Corporate Governance,

quarterly compliance report is being submitted to MoP, through DPE, within the stipulated time. The details of submission of the compliance report to DPE during the financial year 2024-25 were as follows:

Report for Quarter ended	Date of submission of the report
June 30, 2024	July 15, 2024
September 30, 2024	October 10, 2024
December 31, 2024	January 6, 2025
March 31, 2025	April 7, 2025

Further, the Report containing Annual Score (consolidated score of four quarters) is now automatically generated on the DPE website, based on the score of four quarters.

The Company has also submitted to the Stock Exchanges, quarterly compliance reports on Corporate Governance under Regulation 27(2)(a) of Listing Regulations, for all the quarters of financial year 2024-25 within the stipulated timelines.

17. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the disclosure regarding complaints under the said Act during the financial year 2024-25, is as follows:

Sl. No.	Particulars	Number of complaints
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed off during the financial year	Nil
3.	Number of complaints pending as on the end of the financial year	Nil

18. During the financial year 2024-25 and in the last three years, the Company has not received any Presidential Directives.
19. REC being a CPSE and Government Company within the meaning of Section 2(45) of the Act, the power to appoint Independent Directors on the Board of REC vests with the President of India acting through the administrative ministry i.e. MoP. As and when new Independent Director is appointed on the Board of REC, the Company familiarizes its Independent Director about the nature of business & operations, strategy and performance of the Company, their roles & responsibilities as Independent Director and other relevant topics from time to time. During the financial year 2024-25, the Company conducted 2 (Two) such training programmes for its Independent Directors. In addition to the same, the Company also provided them with necessary documents, reports, internal policies etc., to familiarize them with the Company's procedures and practices.

Further, with the help of presentations at the Board & Committee meetings, regular interactions with Directors, Senior Management Personnel and other officials of the Company, efforts are made to provide all relevant information to the Independent Directors. The details of familiarization programmes conducted for Independent Directors of the Company are available at <https://recindia.nic.in/uploads/files/co-cs-famlriztn-prgrme-indpndt-dirctrs-dt040625.pdf>.

Further, as per the requirement of DPE Guidelines on Corporate Governance, the Company has formulated a Policy for Training of Board Members. Based on their requirement, the Board members attend various seminars, conferences and training programmes etc. from time to time.

20. The Company has adopted all mandatory items (except for having requisite number of Independent Directors on the Board) and also some of the non-mandatory items on Corporate Governance, as prescribed under the Listing Regulations, status of which is as under:
- The Board: The Company is headed by an Executive Chairman;
 - Shareholder Rights: The Company is making all relevant information available to the shareholders / investors in a timely manner, to enable them to be sufficiently informed of the major decisions of the Company;
 - Modified opinion in audit report: There are no audit qualifications / modified opinion pertaining to financial year 2024-25. It is always the Company's endeavour to maintain unqualified Financial Statements;
 - Separate posts of Chairman and MD or CEO: There are no separate posts of Chairman and CEO;
 - Reporting of Internal Auditor: The Head of Internal Audit function of the Company directly reports to the Audit Committee and is invited in the meetings of the Audit Committee.
21. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) and Regulation 52(7) of the Listing Regulations was not applicable during the financial year under review. Further, there was no variation in use of issue proceeds of private placement of bonds during the financial year 2024-25.
22. The credit rating of REC are as follows:

Particulars	Credit Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short term Borrowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)

23. On an annual basis, the Company obtains from each Director, *inter-alia*, the details of Board and Committee positions occupied by them in other companies and changes therein, if any. Further, M/s. Agarwal S. & Associates, Company Secretaries have provided a certificate confirming that none of the Directors on the Board of the Company is debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI, Ministry of Corporate Affairs or



any other statutory authority. Copy of the said certificate is placed at Annexure-A to this report.

24. To oversee specific operational areas, the Board of Directors of the Company has constituted various Board-level Committees and delegated certain functions to these Committees. The respective Committee(s) focus on their assigned areas and make informed decisions and wherever required, make recommendations for further consideration of the Board of Directors. During the financial year 2024-25, there was no instance where the Board of Directors did not accept the recommendation given by any Board-level Committee of the Company.
25. As per information available, no agreement has been entered as referred under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations by the parties referred therein.

11. COMPLIANCE WITH APPLICABLE LAWS

Reserve Bank of India (RBI) in April 2022 has issued Guidelines on 'Compliance Function' and role of Chief Compliance Officer (CCO) for NBFCs. Accordingly, a dedicated Compliance Division has been setup, which is headed by the CCO. The CCO is entrusted with the overall responsibility for coordinating the identification and management of the compliance risk and supervising the activities of compliance function and functions independently with reporting to the CMD/Board.

The Company has a comprehensive Board approved Compliance Policy, clearly defining the roles and responsibility of the Compliance Division and provide the necessary framework for ensuring compliance related risk identification, measurement, monitoring, review, assessment and reporting. As per the framework, Compliance Division compiles and present the status of the statutory, policy and related procedural compliances to the senior management/Board for periodic review, in order to ensure proper compliance of all laws applicable to the Company. The Company has in-house workflow-based ERP system in place for monitoring the compliances with respect to applicable laws, related statutory and procedural compliances.

As per requirements of RBI, the Company is onboarded on RBI portals such as DAKSH- Reserve Bank Supervisory Advance Monitoring System and Centralised Information Management System (CIMS) for submitting various returns/compliances, through the portal.

12. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has a "Code of Business Conduct and Ethics for Board Members and Senior Management", which is applicable to all Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The said Code is aligned with the Company's mission / vision and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

The Code is available at <https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf>.

Further, based on the affirmations received from all the Board members and Senior Management Personnel, a declaration by the CMD of the Company is enclosed at Annexure B of this Report.

13. CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING TRADING BY DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES AND FOR FAIR DISCLOSURE

The Company has a "Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure", framed with an aim that the Designated Persons and their immediate relatives, as defined in the said Code, do not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in the public domain and thus, constitutes insider information. The Company Secretary has been appointed as the Compliance Officer of the Company and is responsible for adherence of the said Code. The said Code is available at <https://recindia.nic.in/policies>.

The said Code sets up policies and procedures which aims to prevent leakage of UPSI and to institute adequate mechanism of Internal Controls to preserve confidentiality of the sensitive information. Further, it also prescribes the practices, procedures and norms to be followed for fair disclosure of UPSI and to prescribe legitimate purposes, subject to which the UPSI can be shared with any stakeholder or business partner of REC. The Code lays down the procedures to be followed and disclosures to be made while dealing in the equity shares/ securities of the Company and the consequences of non-compliance.

In line with the requirement of the said Code, whenever any UPSI is submitted to the Board for consideration and approval including consideration of quarterly results, the trading window is closed and notice of such closure of trading window is issued to the designated employees and concerned persons well in advance. Further, proper announcements are also made on the website of the Company as well as to the Stock Exchanges where the shares of the Company are listed, restraining designated employees and their declared immediate relatives from dealing in listed securities of the Company, when the trading window is closed.

14. POLICY FOR PREVENTION OF FRAUD

The Company has a robust "Policy for Prevention of Fraud" aimed at establishing a systematic approach for detecting and preventing fraudulent activities, ensuring fair dealing and ethical conduct within the organization. The policy encompasses various key aspects, including delineating management's responsibilities in fraud detection and prevention, providing clear Guidelines to employees and stakeholders on forbidding involvement in fraudulent activities and outlining the necessary actions to be taken if fraudulent activity is suspected. It mandates a timeline and specifies details for reporting fraud to the designated Nodal Officer, along with conducting thorough investigations into any suspected fraudulent activities. Further, REC has a zero-tolerance approach towards fraud in any form against the Company. The said policy is available at <https://recindia.nic.in/policies>

15. WHISTLE BLOWER POLICY

The Company has in place a "Whistle Blower Policy", in compliance of the provisions of the Act, Listing Regulations and DPE Guidelines on Corporate Governance. The Whistle Blower Policy enables the Directors / employees of REC and/ or its subsidiaries to raise concerns regarding any alleged malpractice or wrong doing, which could affect the business or reputation of the Company. The manner and competent authority for making complaint is prescribed under the Policy. The policy is available at <https://recindia.nic.in/policies>.

Further, it is affirmed that no personnel has been denied access to the Audit Committee. Pursuant to the Whistle Blower Policy, no complaint was received during the year under review and necessary system has been put in place to provide protection to the complainant, wherever required.

In addition to the above, REC has also adopted Whistle Blower Policy (PIDPI Resolution) issued by the Central Vigilance Commission vide Office Order dated May 17, 2004 and the same is incorporated in the "Vigilance Hand Book" of the Company.

16. TOTAL FEES PAID TO AUDITORS

Details of the total fees for all services paid by REC and its subsidiaries, on a consolidated basis, to the Statutory Auditors of REC and all entities in the network firm / network entity of which the Statutory Auditors are a part, are as follows:

(₹ in crore)			
Sl. No.	Particulars	FY 2024-25	FY 2023-24
A.	Fee paid to Statutory Auditor:		
(i)	For Audit fees	0.68	0.68
(ii)	For Taxation matters	0.16	0.16
(iii)	For Company law matters (includes limited review fees)	0.37	0.36
(iv)	For other services	0.18	0.38
(v)	For reimbursement of expenses	0.20	0.05
	Sub-total	1.59	1.63
B.	Non-recoverable tax credit in respect of fees paid to auditors	0.13	0.13
	Total (Auditors fee and expenses)	1.72	1.76

17. MEANS OF COMMUNICATION

The Company recognizes that timely communication of relevant information with all stakeholders is a key element of its overall Corporate Governance framework. The Company communicates with its shareholders, bondholders and other stakeholders through various means of communication spanning across various platforms, ensuring a broad and inclusive reach.

Traditional methods such as newspaper and magazine advertisements, events & exhibitions and press meets allow the Company to disseminate information widely and effectively. The Company also engages in media interactions and investor meets to maintain transparency and foster trust within the investor community. Further, REC engages with its

stakeholders regularly on social media, enabling it to connect with its stakeholders on a more personal and immediate level. REC is committed to maintaining strong and open lines of dialogue with all its stakeholders.

Latest updates and relevant corporate disclosures made to the Stock Exchanges from time to time, quarterly and annual financial results, shareholding pattern, annual reports and other relevant information, including official news releases and result presentations made to institutional investors or analysts are available on REC's website i.e. <https://recindia.nic.in/disclosuresunder-regulation-46-of-sebi>, under the Investors section.

Further, the financial results of the Company are published in national newspapers like Economic Times (English), Mint (English), Financial Express (English), Navbharat Times (Hindi), Hindustan (Hindi) and Jansatta (Hindi) among others.

The Company has designated telephone numbers and e-mail IDs for addressing the queries of its shareholders and bondholders. Such details can be accessed at <https://recindia.nic.in/investors-contact>.

18. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, a Certificate on financial reporting and internal controls to the Board, duly signed by the Chairman & Managing Director and Director (Finance) of the Company, was placed before the Board in its meeting held on May 8, 2025, along with the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2025. A copy of the said certificate is enclosed at Annexure-C to this report.

19. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting for the financial year 2024-25

The ensuing 56th Annual General Meeting (AGM) of shareholders for the Company will be held through Video Conferencing / Other Audio Visual Means (VC/OAVM) on the following day, date and time:

Day, Date	Wednesday, August 27, 2025
Time	11:00 A.M. (IST)

Details regarding participation in the said meeting and other relevant information of shareholders, are appearing in the Notice of the 56th AGM of the Company forming part of this Annual Report.

ii. Financial Calendar (financial year 2024-25 vis-à-vis financial year 2025-26)

The financial calendar for the last / completed financial year 2024-25 vis-à-vis the next / ongoing financial year 2025-26, is as follows:

Financial Year	FY 2024-25		FY 2025-26	
Accounting Period	1-Apr-2024 to 31-Mar-2025		1-Apr-2025 to 31-Mar-2026	
Announcement of Financial Results	Q1	27-Jul-2024	Q1	
	Q2	26-Oct-2024	Q2	Within 45 days from end of quarter
	Q3	6-Feb-2025	Q3	
	Q4 & Annual	8-May-2025	Q4 & Annual	Within 60 days from end of financial year
Date of AGM	August 27, 2025		August, 2026	



iii. Dividend

(a) Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance of Regulation 43A of the Listing 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. Further, the policy can be accessed at <https://recindia.nic.in/policies>

(b) Dividend for the financial year 2024-25

In pursuance of Article 114 of the Articles of Association of the Company read with Section 123 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time, the Company has paid interim dividend for the financial year 2024-25, as detailed hereunder:

(Amount in ₹)		
Particulars	Date of Dividend Payment	Dividend per Equity Share
1 st Interim Dividend	23-Aug-2024	3.50/-
2 nd Interim Dividend	22-Nov-2024	4.00/-
3 rd Interim Dividend	6-Mar-2025	4.30/-
4 th Interim Dividend	16-Apr-2025	3.60/-
Final Dividend	30 days from the date of declaration*	2.60/-
TOTAL		18.00/-

*Subject to the approval of shareholders in 56th AGM.

Dividend history for the last five financial years

Financial Year	Total paid-up Share Capital (₹ in crore)	Total Dividend paid (₹ in crore)	Rate of Dividend (%)	Date of payment	Dividend per Equity Share of ₹10/- each
2019-20	1,974.92	2,172.41	110.00	24-Feb-2020	Interim Dividend (₹11.00)
2020-21	1,974.92	2,510.12	127.10	3-Dec-2020	1 st Interim Dividend (₹6.00)
				30-Mar-2021	2 nd Interim Dividend (₹5.00)
				21-Oct-2021	Final Dividend (₹1.71)
2021-22	1,974.92	3,021.63	153.00	2-Sep-2021	1 st Interim Dividend (₹2.00)
				25-Nov-2021	2 nd Interim Dividend (₹2.50)
				3-Mar-2022	3 rd Interim Dividend (₹6.00)
				13-Oct-2022	Final Dividend (₹4.80)
2022-23	2,633.22	3,317.86	126.00	24-Nov-2022	1 st Interim Dividend (₹5.00)
				28-Feb-2023	2 nd Interim Dividend (₹3.25)
				05-Oct-2023	Final Dividend (₹4.35)
2023-24	2,633.22	4,213.16	160.00	24-Aug-2023	1 st Interim Dividend (₹3.00)
				30-Nov-2023	2 nd Interim Dividend (₹3.50)
				16-Apr-2024	3 rd Interim Dividend (₹4.50)
				18-Sep-2024	Final Dividend (₹5.00)

(c) Unpaid/Unclaimed Dividend w.r.t Equity Shares and Unpaid/Unclaimed Principal/Interest w.r.t Debentures etc. and Equity Shares and Debentures' Principal and Interest transferred to the Investor Education & Protection Fund (IEPF)

Amounts transferred to IEPF

Pursuant to Section 124(5) of the Act, the dividend amounts and amounts of principal and interest thereon in respect of debt securities, which remain unpaid/unclaimed for a period of seven years, are transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the financial year 2024-25, the following amounts of dividend became due for transfer to IEPF,

which were deposited as per details given below:

Particulars	Date of IEPF Transfer	Amount in (₹)
Interim Dividend for the financial year 2016-17	2-Apr-2024	57,54,889
Final Dividend for the financial year 2016-17	20-Nov-2024	35,36,912
TOTAL		92,91,801

Note: In addition to above, ₹68,86,248 has also been transferred to IEPF on account of Interim Dividend for the financial year 2017-18 on April 4, 2025.

The Company has been issuing notices in the newspapers from time to time, in order to invite

attention of shareholders to submit their claims towards the unpaid/unclaimed dividend. It is again advised to all shareholders encash their warrants relating to dividend immediately or write to the RTA of the Company for revalidation or issue of Demand Drafts or online payment in place of old warrants.

As per Section 125 of Act read with Rules of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 {IEPF Rules}, all the matured debentures alongwith interest accrued on the debentures which has remained unclaimed and unpaid for a period of seven years from the date it became due for payment shall be transferred to IEPF. Accordingly, the following amount has been transferred to IEPF in the financial year 2024-25 w.r.t. Unclaimed Principal/Interest on Debentures:

Particulars	Date of IEPF Transfer	Amount in (₹)
Interest Infra Bonds	18-Apr-2024	3,240
Interest 54 EC Bonds	19-Apr-2024	24,904
Maturity & Interest - 54 EC Bonds	22-May-2024	4,03,487
Maturity & Interest - 54 EC Bonds	29-Aug-2024	15,97,644
Interest 54 EC Bonds	25-Sep-2024	1,42,915
Interest 54 EC Bonds	24-Oct-2024	45,600
Interest 54 EC Bonds	11-Nov-2024	45,000
Interest 54 EC Bonds	24-Dec-2024	3,00,000
Interest 54 EC Bonds	13-Jan-2025	53,975
Interest 54 EC Bonds	24-Feb-2025	2,34,658
Maturity & Interest - 54 EC Bonds	28-Mar-2025	17,74,439
TOTAL		46,25,862

Equity Shares transferred to IEPF

As per the provisions of Section 124(6) of the Act read with Rule 6 of 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.

During the financial year 2024-25, the following equity shares became due for transfer to IEPF, which were deposited as per details given below:

Particulars	Date of Transfer of Shares to IEPF	No. of Shares
Interim Dividend for the financial year 2016-17	11-Apr-2024	16,612
Final Dividend for the financial year 2016-17	20-Nov-2024	33,499
TOTAL		50,111

Note: In addition to the above, 16,033 equity shares has been transferred on account of Interim Dividend financial year 2017-18 on April 4, 2025.

As on March 31, 2025, the number of equity shares of REC held in Demat account of IEPF Authority were 2,55,153.

The members who have a claim on the above dividends and/or shares or Interest and/or Principal of Debentures may write an e-mail at complianceofficer@recindia.com, stating the requirement of issuing an entitlement letter. The entitlement letter will contain the information of amounts/dividend amount and/or share transferred by the Company to IEPF having completed 7 years. After issuance of the entitlement letter, an online application in the prescribed Form No. IEPF-5 available on the website www.mca.gov.in shall be filed and self-attested physical copy of the form, challan, Indemnity Bond and all other requisite documents enumerated in Form No. IEPF-5, shall be sent in an envelope marked "Claim for refund from IEPF Authority", to the Company Secretary at the Corporate Office for shares and/or dividend and to ED (Finance) - Resources for interest and/or principal for Debentures.

Claim forms complete in all aspects will be verified and on the basis of Company's verification report, refund will be processed by IEPF Authority in favor of claimants' Aadhaar-linked bank account, through electronic transfer and credit of shares in the demat account. No claims shall lie against the Company in respect of the dividends / shares so transferred to the IEPF Authority, as per the provisions of the Act.

Nodal /Deputy Nodal Officer

Pursuant to Rule 7(2A) of the IEPF Rules, the following persons are the Nodal /Deputy Nodal Officers of the Company in respect of IEPF matters:

Particulars	Name and Designation
Nodal Officer	Shri J. S. Amitabh Executive Director & Company Secretary
Deputy Nodal Officer for Debentures/Bonds	Shri Rajesh Kumar Executive Director (Finance) Shri Awanish Kumar Bharati General Manager (Finance)
Deputy Nodal Officer for Equity Shares	Shri Dinesh Garg General Manager (Company Secretary)

The Company will upload the details of unclaimed/unpaid amounts pertaining to shareholders / bondholders of the Company containing information like name, address, amount due to be transferred to IEPF and due date of transfer of amount to IEPF, on its website at <https://recindia.nic.in/unpaid-dividend>, within 60 days from AGM. Further, the shareholder-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are also available on REC's website i.e. <https://recindia.nic.in/iepf-details>. The investor-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are also available on REC's website i.e. <https://recindia.nic.in/iepf-details>.



iv. Listing of Equity Shares & Debt Securities

Equity Shares of REC are listed on the following Stock Exchanges:

Particulars	NSE	BSE
Scrip Code	RECLTD	532955
Address	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400001
Telephone	+91-22-2659 8100/8114	+91-22-2272 1233/34
Email	cmli@nse.co.in	corp.comm@bseindia.com
Website	www.nseindia.com	www.bseindia.com

Further, various Non-Convertible Debt Securities of the Company are also listed on the Stock Exchanges, details of which are appearing as an Annexure to the Board's Report.

v. International Securities Identification Number (ISIN)

ISIN of the Equity Shares of REC is INE020B01018. Further, details of ISIN of various debt securities issued by the Company are given as an Annexure to the Board's Report.

vi. Registrar and Transfer Agent (RTA) contact details

RTA for Equity Shares		
Address	Alankit Assignments Limited 205-208, Anarkali Complex Jhandewalan Extension New Delhi -110055	
Telephone	011-42541234	
Email	rta@alankit.com	
Website	www.alankitassignments.com	
RTA(s) for various Debt Securities		
Address	KFin Technologies Limited Selenium Tower B, Plot 31&32 Gachibowli, Financial District, Nanakramguda, Hyderabad-500032	Beetal Financial & Computer Services (P) Limited Beetal House, 3 rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062
Telephone	1-800-309-4001	+91-11-2996 1281-83
Email	einward.ris@kfintech.com gopalakrishna.kvs@kfintech.com	recbonds3@gmail.com , beetal@beetalfinancial.com
Website	https://www.kfintech.com/	https://www.beetalfinancial.com/

Alankit Assignments Limited was appointed as the RTA for certain debt securities issued during the period April to July 2024. The RTA for these issuances has since been changed to KFin Technologies Limited and the electronic data has been migrated. Necessary intimations regarding change of RTA during financial year 2024-25 has been made to respective stock exchanges and the information in this regard was also made available on the website of the Company.

For Debt Securities issued on or after April 1, 2025, the RTA shall continue to be KFin Technologies Limited and Beetal Financial & Computer Services (P) Limited.

vii. Share transfer system

SEBI vide its Circular dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further, SEBI vide its circular dated May 18, 2022, has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://recindia.nic.in/forms> and on the website of the Company's RTA, Alankit Assignments at <https://alankitassignments.com/investor-charter>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

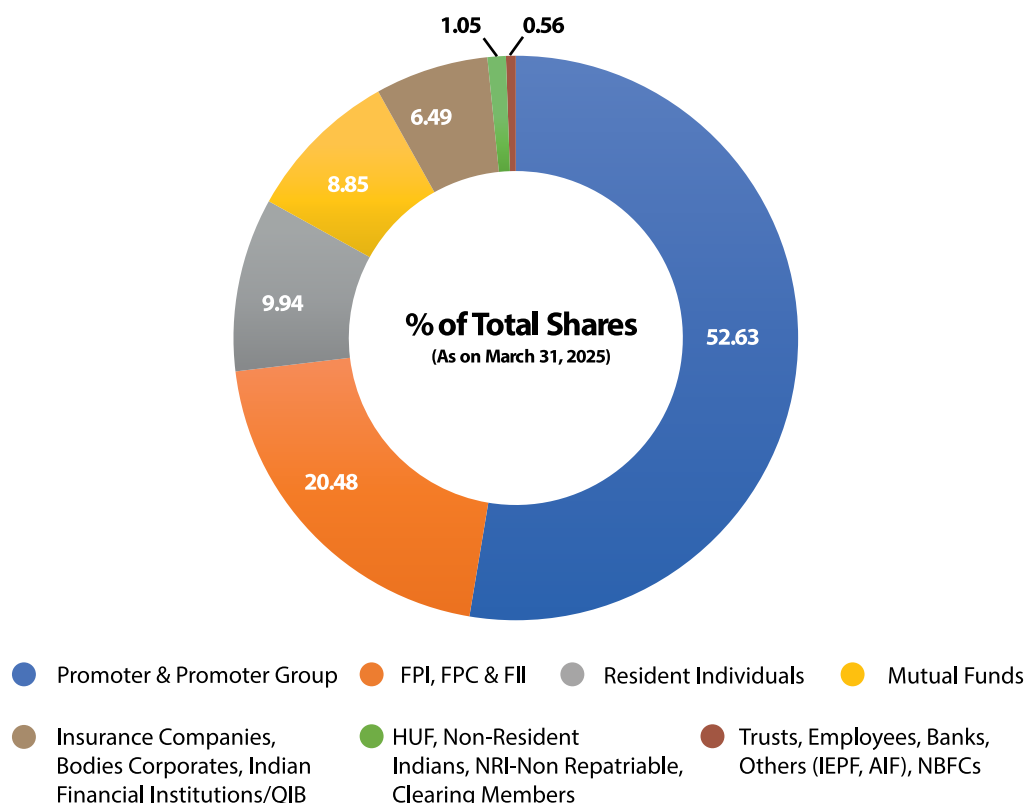
Further, in terms of SEBI circular dated March 16, 2023, Company has sent intimations to the shareholders, who are holding the shares in physical form to furnish/update PAN, e-mail address, mobile number, bank account and nomination details and the said intimation has also been sent to Stock Exchanges for dissemination.

viii. Shareholding Pattern / Distribution of Shareholding

(a) Shareholding Pattern on the basis of Ownership

The category-wise shareholding pattern of the Company as on March 31, 2025, *vis-à-vis* last year i.e. as on March 31, 2024, was as follows:

Particulars	As on March 31, 2025		As on March 31, 2024	
	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Promoter & Promoter Group	1,38,59,93,662	52.63	1,38,59,93,662	52.63
FPI, FPC & FII	53,92,73,627	20.48	52,44,89,512	19.92
Resident Individuals	26,17,12,630	9.94	25,44,62,707	9.66
Mutual Funds	23,29,29,477	8.85	24,97,60,921	9.48
Insurance Companies	11,78,46,570	4.48	11,76,17,199	4.47
Bodies Corporates	2,69,31,041	1.02	3,19,34,601	1.21
Indian Financial Institutions/QIB	2,59,26,865	0.99	1,79,26,960	0.68
HUF	1,09,48,616	0.41	1,13,73,727	0.43
Non-Resident Indians	97,75,783	0.37	95,55,526	0.36
NRI-Non Repatriable	47,85,082	0.18	51,34,770	0.20
Clearing Members	22,74,626	0.09	16,32,232	0.06
Trusts	14,36,059	0.05	12,99,237	0.05
Employees	4,60,499	0.02	5,19,354	0.02
Banks	22,64,068	0.09	1,39,218	0.01
Others (IEPF, AIF)	1,06,02,071	0.40	2,13,62,115	0.82
NBFCs	63,324	Negligible	22,259	Negligible
TOTAL	2,63,32,24,000	100	2,63,32,24,000	100





(b) Distribution of Shareholding as on March 31, 2025

The distribution of shareholding as on March 31, 2025 by number of shares held, was as follows:

Particulars	Number of Shareholders	% of Shareholders	Number of Shares held	% of Total Shares
1-5,000	11,18,680	99.30	19,01,43,158	7.22
5,001 -10,000	3,883	0.35	2,76,34,911	1.05
10,001-20,000	1,814	0.16	2,57,48,490	0.98
20,001-30,000	496	0.04	1,22,65,598	0.47
30,001-40,000	268	0.03	92,72,893	0.35
40,001-50,000	181	0.02	82,51,546	0.31
50,001-1,00,000	391	0.03	2,82,98,811	1.07
1,00,001 & above	805	0.07	2,33,16,08,593	88.55
TOTAL	11,26,518	100.00	2,63,32,24,000	100.00

Note: Shareholders can have multiple demat accounts under a single PAN leading to difference in total no. of shareholders. The total no. of shareholders on basis of PAN is 10,82,798.

ix. Liquidity

The shares of the Company are in compulsory dematerialized segment and available for trading under systems of both Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The correspondence details of the depositories are as follows:

Particulars	NSDL	CDSL
Address	3 rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051	Marathon Futurex A-Wing, 25 th Floor, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra - 400 013
Telephone	+91-22- 4886 7000	1-800-21-09911
Email	relations@nsdl.com info@nsdl.com	helpdesk@cdslindia.com complaints@cdslindia.com
Website	www.nsdl.co.in	www.cdslindia.com

The details of number of shares held in dematerialized and physical form as on March 31, 2025 were as follows:

Particulars	Number of Shareholders	Number of Shares held	% of Total Shares
NSDL (Demat)	3,34,542	2,48,10,31,943	94.22
CDSL (Demat)	7,81,715	15,21,73,284	5.78
Physical	10,261	18,773	Negligible
TOTAL	11,26,518	2,63,32,24,000	100.00

Note: Shareholders can have multiple demat accounts under a single PAN leading to difference in total no. of shareholders. The total no. of shareholders on basis of PAN is 10,82,798.

x. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, M/s. Agarwal S. & Associates, Practicing Company Secretaries, had issued Reconciliation of Share Capital Audit Report for every quarter of the financial year 2024-25, after carrying out audits to reconcile the total admitted, issued and listed share capital of the Company with NSDL and CDSL. The reports confirmed that the total issued / paid up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The said reports were submitted by the Company to the Stock Exchanges within the stipulated time.

xi. Details of Demat Suspense Account

The details of Equity Shares of the Company in Demat Suspense in accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, are as follows:

Particulars	Number of cases	Number of shares involved
Aggregate number of shareholders and outstanding unclaimed shares in the Suspense Account as on April 1, 2024	32	6,644
Number of shareholders who approached the Company for transfer of unclaimed shares from the Suspense account during the financial year	Nil	Nil

Particulars	Number of cases	Number of shares involved
Number of shareholders to whom unclaimed shares were transferred from the Suspense Account during the financial year	Nil	Nil
Aggregate number of shareholders and the outstanding unclaimed shares in the Suspense Account as on March 31, 2025	32	6,644

Notes: The voting rights on the shares outstanding in the suspense account as on March 31, 2025 shall remain frozen till the time rightful owner of such shares claims the same and all the above cases are pertaining to IPO and there are no cases of unclaimed shares pertaining to the FPO.

xii. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion dates and likely impact on equity

No GDRs / ADRs / Warrants or any convertible instruments have been issued by the Company.

xiii. Annual Listing Fee to Stock Exchanges

The Company has paid the Annual Listing Fee for the financial year 2025-26 to National Stock Exchange of India Limited and BSE Limited, in relation to its listed securities.

xiv. Annual Custodial Fee to Depositories

The Company has paid the Annual Custodial Fee for the financial year 2025-26 to National Securities Depository Limited and Central Depository Services (India) Limited.

xv. Plant Locations

REC is a NBFC categorized as Infrastructure Finance Company and it does not have any plant location(s).

However, apart from its Registered Office at New Delhi and Corporate Office at Gurugram, Haryana, the Company has various Regional Offices / State Offices across the country and a Training Institute at Hyderabad (REC Institute of Power Management and Training), details of which are appearing at the end of this Annual Report.

xvi. Corporate Identification Number (CIN)

The CIN of the Company is L40101DL1969GOI005095.

xvii. Legal Entity Identifier

The legal entity identifier of the Company is 335800B4YRYWAMIJZ374.

xviii. Corporate Website

The Corporate website of the Company is www.recindia.nic.in.

xix. Address for correspondence

The address and contact details for correspondence with the Company are:

	Registered Office	Corporate Office
Address	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003	REC Limited Plot no. I-4, Sector 29 Gurugram, Haryana-122001
Telephone	+91-11-4309 1500 +91-11-4309 1501	+91-124-271 1000 +91-124-444 1300
Email	contactus@recindia.com	

xx. Compliance Officer and Public Spokesperson

The name and contact details of Compliance Officer and Public Spokesperson of the Company are:

Name	Shri J. S. Amitabh Executive Director & Company Secretary
Address	REC Limited Plot no. I-4, Sector 29 Gurugram, Haryana-122001
Telephone	+91-124-444 1331
Email	complianceofficer@recindia.com jsamitabh@recindia.com

For and on behalf of the Board of Directors



Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Place: Gurugram
Date: July 25, 2025



Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
REC LIMITED,
Core 4, Scope Complex,
7, Lodi Road, New Delhi-110003

We have examined the relevant registers, records, forms, returns maintained by the Company and the disclosures received from the Directors of **REC Limited** having **CIN: L40101DL1969GOI005095** and having registered office at **Core 4, Scope Complex, 7, Lodi Road, New Delhi-110003** (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 clause 10 (i) of the Securities and 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/ representations furnished to us by the Company & its officers and declarations received from respective Director(s), 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, 2025 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Shri Vivek Kumar Dewangan	01377212	May 17, 2022	March 21, 2025
2	Smt. Parminder Chopra [^]	08530587	March 21, 2025	Continuing
3	Shri Vijay Kumar Singh	02772733	July 15, 2022	Continuing
4	Shri Harsh Baweja	09769272	May 14, 2024	Continuing
5	Shri Shashank Misra	08364288	August 21, 2023	Continuing
6	Shri Manoj Sharma	06822395	July 11, 2023	Continuing
7	Shri Narayanan Thirupathy	10063245	March 6, 2023	Continuing
8	Dr. Gambheer Singh ^{^^}	02003319	November 15, 2021	November 15, 2024
9	Dr. (Smt.) Durgesh Nandini ^{^^}	09398540	December 30, 2021	December 27, 2024
10	Dr. Manoj Manohar Pande	09388430	November 15, 2021	November 15, 2024

[^]ceased to be Director w.e.f. April 22, 2025. ^{^^}appointed again w.e.f. April 17, 2025.

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 the same 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 Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Date: May 23, 2025
Place: New Delhi

Sd/-
CS Sachin Agarwal
Partner
FCS No. : 5774
C.P No. : 5910
UDIN: F005774G000423510

Annexure B

Declaration under Code of Business Conduct and Ethics for Board Members and Senior Management

All Board Members and Senior Management have affirmed compliance with the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company for the financial year ended March 31, 2025.

Place: Gurugram
Date: May 16, 2025

Sd/-
Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (2) 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.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. 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.
- D. We have indicated to the auditors and the Audit Committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) 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/-
(Harsh Baweja)
Director (Finance)
DIN: 09769272
Date: May 8, 2025

Sd/-
(Jitendra Srivastava)
Chairman and Managing Director
DIN: 06817799

ANNEXURE-III TO BOARD'S REPORT

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
FOR THE FINANCIAL YEAR 2024-25**

To
The Members,
REC Limited,
Core-4, SCOPE Complex,
7, Lodi Road, New Delhi-110003

We have examined all relevant records of REC Limited ("the Company") for the purpose of certifying compliance with the conditions of the Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (the "DPE Guidelines") for the financial year ended March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review of procedures and implementations thereof. This Certificate 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.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the conditions of the Corporate Governance as stipulated under Listing Regulations and DPE Guidelines, during the financial year ended March 31, 2025 subject to the following(s):

1. The Company has not complied with the provisions of Regulation 17(1) of the Listing Regulations and Clause 3.1.4 of DPE Guidelines due to non-availability of requisite number of Independent Directors since May 14, 2024. Also, during the period from December 27, 2024 to March 31, 2025, there was no woman Independent Director on the Board of the Company.
2. The Company has not complied with the provisions of Regulation 18 and 19 of the Listing Regulations and Clauses 4.1.1 & 5.1 of DPE Guidelines as the composition of Audit Committee and Nomination & Remuneration Committee did not comprise of requisite number of Independent Directors during the period from December 27, 2024 to March 31, 2025.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
C.P No.: 5910
UDIN: F005774G000594881

Place: New Delhi
Date: June 13, 2025



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L40101DL1969GOI005095
2.	Name of the Listed Entity	REC Limited
3.	Year of incorporation	1969
4.	Registered office address	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
5.	Corporate office address	Plot no. I-4, Sector 29, Gurugram-122001
6.	E-mail	complianceofficer@recindia.com
7.	Telephone	+91-124-444 1300
8.	Website	https://recindia.nic.in/
9.	Financial year for which reporting is being done	April 1, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11.	Paid-up Capital	₹2,633.22 crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Harsh Baweja (DIN: 09769272) Director (Finance) +91-124-4441319 df@recindia.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 consolidated basis
14.	Name of assurance provider	M/s. Corporate Professionals
15.	Type of assurance obtained	Reasonable Assurance

II. Products/services

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

Sl. No.	Description of the main activity	Description of business activity	% of the turnover of the entity
1	Financial and Insurance Service	Financial and Credit leasing activities	99.88%

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

Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Other Financial Services and Activities - Other Credit Granting	64920	98.88%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	0	33*	33
International	0	0	0

*This encompasses the REC Corporate Office including our subsidiary and REC regional offices, which are situated in 23 locations throughout the country. A detailed list of these locations is provided in the Annual Report. Additionally, we have the RECPDCL offices operating in 10 locations across India.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	0

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

Not Applicable

c. A brief on types of customers

REC Limited, recognized as a prominent public sector Non-Banking Financial Company (NBFC) in India, plays an integral role in driving the nation's Power sector and broader infrastructure development initiatives. Established to support the growing energy and infrastructure demands, REC has developed a comprehensive suite of financial products tailored to meet the diverse needs of various stakeholders. These offerings include long-term, medium-term and short-term loans specifically designed to finance a wide range of projects, encompassing both conventional and renewable energy sources, as well as the critical infrastructure for power transmission and distribution.

In alignment with India's commitment to expanding access to electricity, REC actively supports rural electrification projects, which are essential for improving the quality of life and economic opportunities in underserved communities. Additionally, the Company is at the forefront of financing the development of e-mobility infrastructure, crucial for facilitating the transition towards sustainable transport solutions.

Recognizing the dynamic and growing infrastructure

landscape in India, REC has strategically diversified its portfolio beyond the power sector. This expansion includes financing for a variety of crucial infrastructure projects such as airports, metro rail systems, major roadways and highways, ports and other essential infrastructure developments that contribute to national economic growth and connectivity.

Key customer segments served by REC include:

- Government Entities:** This segment encompasses both state governments and central/state power utilities, which are the primary recipients of REC's financial assistance. These entities undertake various power and infrastructure projects that are vital for public well-being and economic stability.
- Independent Power Producers (IPPs):** REC recognises the importance of private sector involvement in the energy landscape. As such, independent power producers-private companies engaged in the generation of electricity-form a significant portion of REC's customer base, benefiting from tailored financing solutions that enable project initiation and execution.
- Private Sector Borrowers:** This category includes a broad spectrum of private enterprises participating in infrastructure and power projects, showcasing REC's commitment to fostering partnerships with diverse stakeholders to enhance overall infrastructure development.

In summary, REC Limited serves as a pivotal financial backbone for India's power and infrastructure sectors. By delivering essential funding and support across a wide array of clients and projects, it plays a crucial role in spurring economic growth and helps the nation to achieve its sustainability goals.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	573*	490	85.51	83	14.49
2.	Other than Permanent (E)	580	506	87.24	74	12.76
3.	Total employees (D + E)	1153	996	86.38	157	13.62
WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)			Not Applicable		
6.	Total workers (F + G)					

*Two employee who are on deputation is included in the category of other than permanent employees.

Note: Although our recent hiring efforts have focused on improving gender diversity, the overall women's ratio has seen a slight decrease due to a combination of factors, including a higher number of retirements among female employees. We are committed to improve ratio of our female workforce.



b. Differently abled Employees and Workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	14	13	92.86	1	7.14
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	14	13	92.86	1	7.14
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)			Not Applicable		

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.66
Key Management Personnel	5	1	20.00

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

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.06%	6.21%	6.08%	6.35%	4.23%	6.03%	10.57%	10.37%	10.54%
Permanent Workers						Not Applicable			

Note: During the financial year 2024-25, a total of 33 employees separated from the Company, out of which 27 separated due to superannuation and 6 separated due to other reasons.

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

Sl. 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 in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Power Finance Corporation Limited (PFC)	Holding	52.63 (PFC is holding 52.63% shares in REC)	Yes
2	REC Power Development and Consultancy Limited	Subsidiary	100	Yes
RECPDCL Subsidiaries				
3	Shongtong Power Transmission Limited	Subsidiary	100	No
4	Chandil Transmission Limited	Subsidiary	100	No
5	Dumka Transmission Limited	Subsidiary	100	No
6	Koderma Transmission Limited	Subsidiary	100	No
7	Mandar Transmission Limited	Subsidiary	100	No
8	Luhri Power Transmission Limited	Subsidiary	100	No
9	Kankani Power Transmission Limited	Subsidiary	100	No
10	WRNES Talegaon Power Transmission Limited	Subsidiary	100	No
11	Tuticorin Power Transmission Limited	Subsidiary	100	No
12	Rajgarh III Power Transmission Limited	Subsidiary	100	No
13	Jejuri Hinjewadi Power Transmission Limited	Subsidiary	100	No
14	Velgaon Power Transmission Limited	Subsidiary	100	No

V. CSR Details

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

(ii) Turnover (in ₹): 56,367 crore*

(iii) Net worth (in ₹): 78,376 crore*

* Figures are on consolidated basis.

VI. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place, Yes/No (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	180	4	As of May 1, 2025, no complaint is pending for resolution	88	12	12 complaints pending at the end of financial year 2023-24 have also been subsequently resolved
Investors (other than shareholders)	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	272	0	-	494	0	-
Shareholders	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	21	0	Apart from these complaints, the Company has received 1,590 requests/clarifications/queries from equity shareholders which were resolved/responded during the financial year 2024-25, except two requests/clarifications/queries which were resolved post March 31, 2025.	30	0	Apart from these grievances, the Company has received 363 requests/clarifications/Queries from equity shareholders which were resolved during the financial year 2023-24, except seven requests/clarifications/Queries which were resolved post March 31, 2024.
Employees and workers	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	0	0	-	1	0	-



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place, Yes/No (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Customers	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	0	0	-	0	0	-
Suppliers	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	1	1	The complaint raised by the supplier has been resolved.	3	0	2 claims under Vivad Se Vishwas, 1 by the Independent External Monitor of GeM.

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

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity	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	Climate change	Opportunity	Climate change allows REC to diversify its loan portfolio, improve the quality of assets in the long term and tap new types of capital like green bonds - and sustainability-linked instruments. REC can be an important force for funding next-generation infrastructure such as green ammonia, carbon capture and smart grids. It provides a strategic window for diminishing risk from carbon-intensive exposures and creating a stable, future-proof loan portfolio. By driving green financing forward, REC can access low-cost ESG capital, get ahead of regulatory requirements and reinforce its position in India's clean energy transformation-converting a global risk into a competitive strength.	-	Positive: Embracing green finance, REC can diversify its loan portfolio, reduce carbon risk and access low-cost ESG capital. This positions REC to fund future-ready infrastructure, meet regulatory demands and lead India's clean energy transition-turning climate risk into a strategic advantage.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
2	Energy and Emissions Management	Opportunity	India's ambitious climate targets, create a massive, expanding market for green and energy-efficient financing. REC, as a leading power sector financier, is ideally positioned to capture a substantial share of this growth.	-	Positive: Boosts REC's financial health by enabling substantial loan book growth in high-demand green sectors and diversifying its funding through access to cheaper, specialized green capital markets. This also improves asset quality by financing resilient projects, leading to reduced NPAs and enhanced long-term profitability.
3	Community Development	Opportunity	Community engagement and development can impact the company's social license to operate, reputation and long-term sustainability. By engaging with local communities, REC fosters positive relationships, address community concerns and promote economic development, enhancing project acceptance and minimizing social risks. Additionally, investing in community development initiatives can contribute to social stability, talent retention and overall business success.	-	Positive: Managed risks and ensure smooth project execution. Investments in local development enhance its social license to operate, support talent retention and strengthen brand reputation, driving long-term value and sustainable growth.
4	Customer satisfaction	Opportunity	Customer satisfaction is a fundamental driver of REC reputation, market position and bottom line. In a competitive and changing infrastructure finance environment, responsiveness, transparency and service quality are essential to institutional client retention and new client acquisition. Customer relationship building is not merely a matter of service delivery, it has a direct effect on deal continuity, portfolio stability and long-term client trust. By incorporating customer-focused practices within its operations, REC promotes loyalty, minimizes friction in project cycles and supports its position as a trusted financial partner in the power and infrastructure markets.	-	Positive: Customer satisfaction through responsiveness, transparency and service quality, REC enhances client retention, strengthens its market reputation and ensures portfolio stability. This approach fosters long-term trust, reduces project friction and supports sustained growth, positioning REC as a trusted partner in the infrastructure finance sector.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Diversity and Inclusion	Opportunity	Diversity and inclusion are not only corporate values, but strategic assets that have a direct impact on organizational performance and resilience. For REC, building a diverse employee base ensures access to a broader range of views, skills and experiences and this makes for greater innovation and decision-making. Inclusion extends beyond representation; it leads to employees at all levels feeling empowered, respected and engaged. This results in better collaboration, increased productivity and lower attrition. As REC is operating in an increasingly fast-changing business climate, integrating diversity and inclusion in the culture is key to capturing best talent, catalysing adaptive thinking and sustaining a competitive advantage.	-	Positive: Integrating diversity and inclusion into REC culture opens access to a broader talent pool, which fosters innovation and enhances decision-making through diverse perspectives. It promotes higher employee engagement, reduces attrition and strengthens brand reputation, making REC a more attractive and trusted employer. By prioritizing diversity, REC improves collaboration and ensures adaptability and resilience in the face of a rapidly changing business environment, ultimately securing a sustained competitive advantage.
6	Human Capital Development	Opportunity	Human capital is a core driver of REC's long-term performance and institutional resilience. A firm's ability to attract, retain and build talent directly impacts operational effectiveness, innovation and service delivery. A high-performing engaged workforce is not an accident of good culture, it is an intended consequence of strategic investments in employees' wellbeing, capability development and inclusive leadership. Mental and physical well-being support initiatives minimize absenteeism and turnover and targeted training enables staff to change to meet changing industry needs. Aligning workforce development with business objectives not only enhances productivity but also ensures that REC's human capital continues to be a primary driver of sustainable growth and competitiveness.	-	Positive: REC's investment in human capital is a strategic move to stay competitive in a rapidly evolving industry. Upskilling ensures a future-ready workforce, while well-being initiatives and inclusive leadership drive productivity and reduce attrition. These are not just positive outcomes they are critical to sustaining long-term performance and adaptability.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
7	Sustainable Supply Chain Management	Opportunity	Sustainable procurement is a key strategic tool for REC in managing environmental and social risks intrinsic to its value chain. Embedding ESG factors in purchasing decisions, REC can ensure compliance with responsible standards among vendors and service providers to lower exposure to compliance, reputation and operations risks. Additionally, by embracing preferential procurement strategies in favour of MSMEs and disadvantaged business segments, REC not only promotes economic inclusion, but it also establishes viable local supply chains. Such a strategy strengthens stakeholder trust, facilitates regulatory compliance and generates long-term shared value-making REC a responsible and forward-looking institution.		Positive: REC's sustainable procurement strategy mitigates environmental and social risks, ensures regulatory alignment and minimizes reputational and operational vulnerabilities. By integrating ESG criteria and leveraging preferential sourcing from MSMEs and underrepresented sectors, REC enhances supply chain resilience, fosters inclusive growth and generates long-term stakeholder value.
8	Digital Transformation and Innovation	Opportunity	Digitalization is a key driver for REC to promote efficiency, enhance delivery of services and compete effectively in an evolving infrastructure finance landscape. Adopting technology allows for more streamlined operations, quicker decision-making and a more individualized customer experience. Innovation enhances REC's resilience to change in borrower needs, regulation and market disruption. It also opens up the possibility of creating new financing schemes and enhancing risk management. Through investing in digital capacities, REC not only enhances operational resilience but also strengthens its position as a forward-thinking, modern institution within sustainable finance.		Positive: For REC, digitalization will streamline operations, enhance customer service and boost profitability. With automation and analytics, IT systems will improve loan origination, underwriting, collections and customer onboarding, driving efficiency and reducing costs. This will strengthen REC's competitive position and ensure smoother, more responsive services.
9	Economic Development	Opportunity	Economic development presents a significant opportunity for REC by driving demand for infrastructure, particularly in the power sector. As India grows, increased energy consumption and industrialization necessitate more generation, transmission and distribution projects, directly expanding REC's financing avenues. Furthermore, the Government's focus on sustainable and inclusive growth creates demand for smart grids and rural electrification, solidifying REC's role as a key financial enabler of national progress.		Positive: This opportunity directly leads to loan book growth and stronger financial performance due to increased demand for REC's core financing services in a growing economy.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
10	Sustainable Finance	Opportunity	Encouraging sustainable finance tools, like green loans and bonds, provides REC with a strong vehicle for linking capital to climate and development priorities. Through its Green Bond Framework, REC directs financing toward high-impact sectors of renewable energy, energy efficiency, clean transportation and pollution control, enabling both national climate objectives as well as sustainable infrastructure development. These tools not only broaden REC's capital base but also improve access to global ESG capital at competitive prices. Most importantly, having a larger portfolio of sustainability linked financial products enables REC to go beyond compliance and proactively take the lead in financing the green shift, giving environmental and social value as well as robust financial returns.	-	Positive: Stronger alignment with climate and development goals, broader access to global ESG capital and a leading role in sustainable infrastructure financing. By leveraging green finance tools, REC enhances its financial strength, supports national climate initiatives and delivers both social impact and solid financial returns.
11	Responsible Lending	Opportunity	Incorporating ESG considerations into lending provides REC with a competitive advantage in risk management and stakeholder alignment. Investors, regulators, communities and partners increasingly expect lenders to take long-term environmental and social considerations into account. Credit decisions that are informed by ESG enable REC to identify risks such as regulatory change, environmental expenditure, or local resistance earlier, lowering the risk of delays, losses and reputational damage. This strategy not only enhances portfolio robustness but also enhances REC's reputation as a socially responsible lender, in accordance with international sustainability objectives and appealing to impact-driven capital.	-	Positive: Improved risk management, enhanced portfolio resilience and a stronger reputation as a socially responsible lender. By integrating ESG considerations into lending, REC gains a competitive edge, aligns with global sustainability goals and attracts impact-driven capital while minimizing potential project delays, losses and reputational risks.
12	ESG governance and board Oversight.	Opportunity	Sustainable implementation of environmental, social and governance (ESG) principles at the most level of decision-making, REC optimizes its capacity to foresee regulatory changes, comply with investor expectations and process long-term risks better.	-	Positive: Enhanced strategic foresight and stronger long-term risk management, decision-making. REC aligns with investor expectations and reinforces its commitment to sustainable and responsible growth.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
13	ESMS (Environmental and Social Management System) Focus	Opportunity	ESMS allows the Company to mainstream sustainability in its lending process so that the projects it finances with REC meet national regulatory requirements and international best practices in environmental and social governance. The ESMS is indicative of REC's responsibility towards its financing and promoting inclusive and sustainable infrastructure development.		Positive: Enables REC to embed sustainability into its core lending practices, ensuring that financed projects comply with both national regulations and global ESG standards. This strengthens REC's commitment to responsible financing, enhances project credibility and supports inclusive, environmentally and socially sound infrastructure development.
14	Climate change	Risk	Climate change introduces physical risks (floods, droughts, cyclones), transition risks (carbon tax, clean energy standards) and reputational risks associated with ESG expectations. These have the potential to interrupt projects, raise credit risk and affect REC's ability to access capital. REC is responding to this by incorporating climate risk into project appraisals, matching regulatory requirements and green financing upscaling.	REC is advancing its ESG Journey and integrated E&S assessment in the loan appraisal process of private borrowers. We are in the process of aligning disclosures with draft RBI's framework on Climate-related Financial Risks. REC aims to expand its clean energy portfolio underscoring its commitment to India's energy transition. In the financial year 2024-25, the Company has achieved a YoY growth of renewable loan book by 49% and renewable disbursements by 63% which is the testimony of our commitment.	Negative: Potential possibility of asset stranding due to climate risk.
15	Operational eco-efficiency	Risk	As a major financier in India's power sector, REC's financial health and reputation are tied to the environmental performance of the projects it funds. Poor eco-efficiency in financed assets can lead to reputational damage, increased regulatory scrutiny, potential stranded assets and limited access to green finance.	To mitigate this, REC has adopted a comprehensive ESG Policy guiding its investments and operations. This policy enhances ESG due diligence in project appraisal, prioritizes funding for renewable and energy-efficient projects and develops green financial products. It also builds internal capacity and promotes borrower awareness of eco-efficient technologies, ensuring sustainable growth and alignment with national environmental goals.	Negative: Potential fines/ penalties in case of violations.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
16	Data Privacy and Cyber Security	Risk	As a PSU with sensitive financial and project-related information, REC has huge risks in case of breach of data privacy and cybersecurity. Any cyberattack or data breach may cripple operations, invite regulatory penalties and dent stakeholder trust. As there is more and more digitalization taking place, the threat level is also on the rise, so it becomes critical to implement stringent security protocols and adhere to regulations. Neglecting it, risks not only the continuity of business but also invalidates REC's credibility and accountability as a public sector organization.	REC, as a prominent Government of India Company, prioritizes Data Privacy and Cybersecurity with utmost diligence to protect sensitive information and maintain operational resilience. The Company has implemented a robust Information Security Management System (ISMS) to ensure the confidentiality, integrity and availability of its information assets, aligning with national cybersecurity frameworks and global best practices. Led by its Chief Information Security Officer (CISO), REC actively promotes a culture of cybersecurity awareness through continuous trainings, informative sessions, internal messages, social media campaigns and even desktop wallpapers. This commitment is further solidified by a comprehensive data privacy policy that rigorously safeguards the personal and sensitive data of all stakeholders, complemented by regular security audits and the adoption of advanced technologies to mitigate evolving cyber threats, thereby reinforcing trust and securing its vital financial and operational infrastructure.	Negative: Potential fines/ penalties in case of violations.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
17	Corporate Governance and Business Ethics	Risk	For REC, poor corporate governance and ethical misconduct are not only reputational risks-they are systemic risks that can compromise strategic decision-making, investor confidence and long-term value creation. In the current regulatory climate any case of corruption or non-compliance can lead to legal sanctions and damage stakeholder trust. Moreover, without robust governance ingrained at all levels, there is a danger of misalignment between corporate behaviour and stakeholder expectations. Thus, a culture of accountability and integrity is not a luxury, it is a necessity for REC's sustainable development.	REC's corporate governance framework is a cornerstone of its operations, reflecting its status as a Government of India company. The Company adheres rigorously to the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), alongside the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Furthermore, the vigilance division of REC functions independently under the Central Vigilance Commission, ensuring vigilance activities as per CVC Guidelines. This commitment to transparent, accountable and ethical practices, overseen by a Board with Government nominated Directors, builds trust among all stakeholders and ensures the company's long-term sustainability as a public entity.	Negative: Potential fines/ penalties in case of violations.
18	Regulatory Compliance	Risk	REC, being a government-owned enterprise, is under strict legal and regulatory compliance. Failure to comply with respective laws, financial regulations, or industry regulations can subject the company to penalties, lawsuits and business losses. Aside from fiscal impacts, regulatory violations can substantially erode REC's reputation as a credible and compliant organization. Within a strongly regulated ecosystem, stringent compliance is not just legally required but strategically imperative-vital to maintaining stakeholder trust, guaranteeing smooth operations and ensuring REC's future growth and credibility.	As a Central Public Sector Enterprise (CPSE) under the Ministry of Power, Government of India, REC's approach to regulatory risk is intrinsically linked to its public mandate. It maintains a highly vigilant compliance division that proactively monitors all governmental directives, policies and statutory changes from entities like the Ministry of Power, RBI and SEBI. This ensures not only strict adherence to extant regulations but also agile adaptation to new norms, safeguarding its critical role in national power sector development and financial stability.	Negative: Potential fines/ penalties in case of violations.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
19	Risk Management	Risk	Risk Management involves identifying, assessing and mitigating risks that affect the entire organization or industry, rather than just specific projects or investments. By effectively managing risks, REC can safeguard financial stability, reputation and long-term viability.	Implementing robust risk management processes ensures resilience in the face of uncertainties, enhances decision making and preserves stakeholder trust. It also captures REC's ability to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry.	Negative Implications.

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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Please refer to Annexure of the report								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards adopted by your entity and mapped to each principle.									ISO 27001: 2013
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	As a Central Public Sector Enterprise, REC's operational and financial aims for financial year 2024-25 are determined by the MoU Guidelines of the Department of Public Enterprises (DPE), Government of India. The MoU framework has 12 parameters with marks assigned to each, for a total of 100 marks. Several compliances are also outlined in the MoU, with negative scores for non-compliance. Guidelines governing MoU framework can be accessed from DPE website: https://dpe.gov.in The MoU document is available at the following link https://recindia.nic.in/mou								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	REC has a Memorandum of Understanding (MoU) with its holding company, PFC, according to the structure defined in MoU Guidelines released by the DPE. The MoU establishes important performance metrics for the Company, which are developed in conjunction with the Ministry of Power, Government of India and the Company's performance is evaluated in relation to these parameters. REC was rated as "Excellent" by DPE due to its excellent financial performance for financial year 2023-24 and the firm is projected to be rated as Excellent again for the financial year 2024-25, subject to final evaluation by MoP/DPE.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements

At REC, sustainability is not an after thought but a strategic priority embedded across our operations. As India progresses on its path of rapid economic growth, we are committed to ensuring that development goes hand in hand with environmental protection, social inclusion and strong governance. REC Board approved policy guides us all the way to systematically integrate Environmental, Social and Governance (ESG) principles into our core decision-making enables us to create long-term value for stakeholders while supporting the country's sustainable development goals.

Challenges and Strategic Goals

Implementing ESG at scale presents key challenges such as infrastructure gaps, technology adoption, stakeholder alignment and the need for continuous compliance and monitoring. Despite these hurdles, REC has set clear targets most notably, increasing the share of renewable energy in our loan portfolio. Our commitment extends to greening our operations through renewable-powered facilities, electric vehicle adoption and best practices in water and waste management. Furthermore, our Corporate Social Responsibility initiatives are expanding our positive impact in rural and underserved communities.

Key Achievements

REC significantly advanced its ESG commitments, making substantial progress towards Net Zero with a 1 MWp captive solar plant underway and 76% of its vehicle fleet now electric. REC has agreed with DHBVN for supplying 100% green power to our corporate office for FY 2025-26 by which it is estimate that around 85% of Scope 1 & 2 emissions will be avoided in commitment to advance India's Panchamrit goals, renewable loan disbursements grew by an impressive 63% YoY and the loan book increased by 49%, consequently avoiding an estimated 6.1 million tonnes of CO₂ emissions. Socially, REC introduced a new Occupational Health and Safety Policy and achieved zero data breaches and zero customer grievances. Governance was strengthened by integrating ESG into loan appraisals and procurement.

Governance and the Road Ahead

Governance remains the foundation of our sustainability agenda. We ensure transparency, ethical procurement and ESG aligned value chain engagement, reinforcing integrity across our value chain. With a strong governance structure and clear ESG roadmap, REC is positioned not just as a financier of India's energy and infrastructure sectors, but as a proactive enabler of the country's green and inclusive transformation. Going forward, we aim to scale our impact by embracing innovation, deepening stakeholder engagement and advancing our ESG commitments.

(Also may refer to CMD message section for Broad overview on ESG at REC)

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability-related issues? If yes, provide details	Yes. Shri Harsh Baweja (DIN: 09769272) Director (Finance) +91-124-4441319 df@recindia.com

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	Yes, review was undertaken by the Committee of the Board									On quarterly and annual basis								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Yes, review was undertaken by the Committee of the Board									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	The Board of Directors reviews all policies and processes and Senior Management reviews these processes from time to time.								

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:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not Applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership.” While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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	9	- National Guidelines on Responsible Business Conduct (NGRBC) by Industry expert at SCOPE office, New Delhi. "Directors Certification Master Class" conducted by Indian Institute of Corporate Affairs at Ooty, Tamil Nadu. "Effective Risk Governance and Boards Program" organized by the Indian Institute of Corporate Affairs at IIM Bangalore. - Various Sessions at World Energy Council at Rotterdam.	100
Key Managerial Personnel	7	- National Guidelines on Responsible Business Conduct (NGRBC) at SCOPE Office, New Delhi. "Directors Certification Master Class" conducted by Indian Institute of Corporate Affairs at Ooty, Tamil Nadu. - The Role of Climate Co-Benefit Methodologies for Strengthening Climate Action by Indian Public Sector Enterprises (PSEs) at Kolkata. - Various Sessions at World Energy Council at Rotterdam. In addition to above topics, many awareness sessions on health & Safety, POSH, Risk Management etc. been attended.	100

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
Employees other than BoD and KMPs	105	REC is committed to continuous learning and development, with training programs designed to enhance employee skills, foster a responsible business culture and address key ESG considerations. Broad categories of training undertaken during the financial year, aligning with the spirit of the National Guidelines on Responsible Business Conduct (NGRBC) principles is highlighted below : Ethical Conduct, Governance and Risk Management (P1: Ethics, Transparency & Accountability; P2: Sustainable & Safe Products; P4: Stakeholder Responsiveness; P7: Responsible Policy Engagement) Corporate Governance & Compliance: Training on NGRBC, Directors' Certification, REC Conduct Rules (including anti-corruption & bribery) and legal compliances related to employment and public procurement. Ethics & Integrity: Sessions dedicated to ethical conduct, vigilance awareness and the prevention of corruption. Risk Management: Comprehensive training on enterprise-wide risk management (including ISO 31000), market and operational risk, cybersecurity and data privacy. Sustainable Business Practices: Training on integrating sustainability into procurement, product lifecycle and overall business operations. Employee Well-being, Human Rights and Inclusivity (P3: Employee Well-being; P5: Human Rights; P8: Inclusive Growth & Equitable Development) Health & Safety: Regular awareness sessions on occupational health and safety. Human Rights & Diversity: Training on human rights, Prevention of Sexual Harassment (POSH) and policies promoting reservation and inclusivity for various groups (SC, ST, OBC, Ex-Servicemen, PwBDs, EWS). Employee Development & Welfare: Programs focused on well-being, stress management, work-life balance, emotional intelligence and leadership development. Diversity & Inclusion: Workshops specifically addressing inclusivity for different employee groups. Environmental Stewardship and Climate Action (P6: Environmental Responsibility) Climate Change & Sustainability: Training on climate co-benefit methodologies, carbon management, GHG accounting, carbon foot printing and green climate finance facilities. Energy Transition & Smart Systems: Sessions on smart distribution systems, renewable energy and hydrogen. Business Operations, Finance & Digital Transformation (General Business Acumen & Efficiency) Financial Acumen: Training on financing infrastructure projects, lending to corporates and finance for non-finance executives. Advanced Analytics & AI: Sessions on advanced Excel, data analytics and the application of Artificial Intelligence (AI) in the workplace. Operational Excellence: Programs covering strategic sourcing, contract management, e-procurement and internal audit based on risk. Communication & Leadership: Training in business presentations, public speaking and administrative leadership. In addition to above, REC celebrated ESG Awareness Week in 2nd week of December 2024. This impactful event featured expert-led sessions, active engagement from senior leadership, interactive competitions, compelling street plays (Nukkad Natak), Quiz & Essay writing competitions and a dynamic social media campaign. The initiative significantly enhanced awareness and fostered the adoption of sustainable practices among our employees and stakeholders.	99
Workers		Not Applicable	



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 entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine*	None	None*	None	None	None
Settlement	None	None	None	None	None
Compounding fee	None	None	None	None	None

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	None	None	None
Punishment	None	None	None	None

*Note: For the financial year 2024-25, NSE & BSE has imposed fine of ₹29,02,800/- for non-compliance with the provisions with respect to composition of the Board and various Board level committees as stipulated under Listing Regulations due to non-availability of requisite number of Independent Directors on the Board of the Company. It is pertinent to mention that 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). The Company has been requesting the appointing authority i.e. MoP for appointment of requisite number of Independent Directors and the Company has no role in the appointment of Directors or maintaining the Composition of its Board, as it is beyond the control of the Company.

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
None	None

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.

Yes, REC has policies and Guidelines in place to address social issues such as bribery and corruption. The REC's Conduct, Discipline and Appeal (CDA) Rules specify the code of conduct for all workers, recognizing acts of bribery, corruption and other misconduct as criminal offences if proven. The Company also has a Fraud Prevention Policy, which addresses the prevention, detection and reporting of all acts of fraud, bribery and corruption. Furthermore, REC follows CVC rules and Guidelines for anti-corruption and anti-bribery, including the PIDPI Resolution (GoI Resolution on Public Interest Disclosure and Protection of Informers relating to complaints for disclosure on any allegation of corruption or misuse of office wherein CVC is the Designated Agency). Aside from the aforementioned, REC has also adopted a Whistle blower Policy. The policy documents of REC can be found on the link <https://recindia.nic.in/policies>. The following are the links for these policy documents:

<https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf>.

https://recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

<https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf>.

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

	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	Not Applicable	Not Applicable

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

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

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

	FY 2024-25	FY 2023-24
Number of days of accounts payables	24 [*]	11 [#]

** The increase of number of days accounts payable compared to last year is primarily due to two factors related to our role as a nodal agency for government programs like RDSS. Firstly, there was a significant ~40% decrease in procurement volume (the denominator), specifically for smart metering. Secondly, accounts payable (the numerator) increased due to payments awaiting disbursement from the Government of India for these projects. These timing differences are inherent to government-led schemes and do not reflect any inefficiency. We maintain rigorous financial management, ensuring prompt payments upon receipt of funds, aligning with our robust governance and ESG objectives.*

Figures are regrouped/reclassified.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from Top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealer/ distributors as % of total sales	Not Applicable	Not Applicable
	b. Number of dealers / distributors to whom sales are made	Not Applicable	Not Applicable
	c. Sales to top 10 dealer/ distributors as % of total sales to dealer/distributors	Not Applicable	Not Applicable
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	Not Applicable	Not Applicable
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0*	0*
	d. Investments (Investments in related parties/Total Investments made)	0	0

** Total loans and advances with related party for the financial year 2024-25 is ₹13 lakh and for the financial year 2023-24 is ₹30 lakh: These amounts represent employee advances provided to Directors/KMP under the company's standard policy, which is available to all employees. These transactions are not of a business or commercial nature.*

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
1	REC actively conducted Focused Vendor Development Programs during the financial year to enhance the capacity and participation of Micro and Small Enterprises (MSEs) in public procurement. A key component of these programs included dedicated ESG sessions. These sessions aimed to sensitise vendors on BRSR principles, REC's sustainability procurement policy and REC's specific ESG expectations from its vendor partners.	100
2	Through RECIPMT, a total of 18,935 man-days of training were achieved during the financial year 2024-25 for our employees and stakeholders, as well as other private participants. This covers all clients of REC and in the financial year 2024-25, most of the state/ joint sector borrowers have taken the training on REC-sponsored trainings on electrical safety, best practices for power utilities, change management, leadership and team building.	87*

** Approximated based on loan book ratio of state/joint sector borrowers as on March 31, 2025, as these borrowers only availed REC-sponsored trainings.*



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 REC Code of Business Conduct and Ethics for Board Members and Senior Management addresses the process of managing conflicts of interest. According to the code of conduct, board members and senior management must:

- Not participate in decision-making on matters where a conflict of interest exists or may arise.
- Disclose to the Board any material financial and commercial transactions in which they have a personal interest that could potentially conflict with the interests of the Company.
- Abstain from discussions, voting, or otherwise influencing decisions on matters before the Board that involve a conflict or potential conflict of interest.
- Avoid engaging in any activities-such as providing consulting services, running a business, or accepting employment-that may interfere with their duties or responsibilities to the Company without prior approval. They should also refrain from investing in or associating themselves.

The code is available at <https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf>

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 products and processes to total R&D and CAPEX investments made by the entity, respectively.

	Amount	Percentage	Details of improvements in environmental and social impacts
R&D	0	0	Not applicable
Capex	0	0	Not applicable

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

REC is committed to a robust and comprehensive sustainable procurement policy that aligns seamlessly with our core values. This policy not only outlines our dedication to upholding exemplary standards across various domains such as economic, social, ethical and environmental, but also emphasises the importance of recognising and addressing the potential risks associated with our procurement processes.

In our efforts to cultivate Environmental, Social and Governance (ESG) awareness, we actively engage with our suppliers, encouraging them to embrace sustainable practices. We believe in the power of collaboration and aim to support our suppliers through training programs focused on skill enhancement and the adoption of sustainable methods. To ensure a consistent commitment to sustainability, we require all our suppliers to comply with our sustainable procurement policies. We also expect adherence to our supplier code of conduct, which outlines the ethical standards we uphold. Suppliers are encouraged to provide relevant ESG data to REC upon request, fostering transparency and accountability in our supply chain.

Our senior management team plays a crucial role in this endeavour, taking an active interest in overseeing the implementation of our sustainable procurement policy. This involvement ensures that our commitment to sustainability is not just a statement but a proactive approach integrated into our operational practices.

The policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Sustainable-Procurement-policy-060624.pdf>.

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

100% inputs sourced sustainably. ESG mandatory declaration is taken from all respective suppliers.

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.

Type of waste	Mechanism
Plastics (including packaging)	Due to the nature of our business and operational processes, we are proud to report that we do not produce significant amounts of plastic waste, electronic waste (e-waste), or other types of waste. Our operations are designed to minimise the generation of hazardous waste. In instances where e-waste and plastic waste are produced, they are managed responsibly and in accordance with environmental standards. we partner with authorised recyclers to ensure sustainable waste management.
E-waste	
Hazardous waste	
Other waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Extended Producer Responsibility (EPR) is not applicable to REC, as the Company operates solely as a Non-Banking Financial Company (NBFC). Its business activities are limited to providing financial services and do not involve the production, handling, or distribution of consumer goods that fall under the scope of EPR regulations. Hence, compliance with EPR-related provisions is not required for REC's operations.

LEADERSHIP INDICATORS

- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details:**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
----------	---------------------------	---------------------------------	--	---	--

Not Applicable. REC does not perform Life Cycle Assessments (LCA) for its financial products in the same manner that a manufacturing company would for physical products.

However, REC actively incorporates Environmental, Social and Governance (ESG) considerations into its project appraisal and financing processes. This strategy serves a similar purpose to that of an LCA by evaluating and mitigating the environmental impacts of the projects they finance throughout their lifecycle.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
---------------------------	-----------------------------------	--------------

REC operates in a capacity that inherently avoids significant social or environmental risks typically associated with manufacturing or physical production. As a financial entity, the Company does not engage in activities that would directly contribute to ecological degradation or social harm.

Nonetheless, REC is deeply committed to maintaining responsible financing practices that prioritize environmental integrity. During its thorough project appraisal process, the Company undertakes a systematic evaluation of the environmental risks linked to the power projects it chooses to finance. This evaluation involves meticulous due diligence, which includes a comprehensive review of all relevant environmental compliance regulations and necessary clearances to ensure that projects align with sustainability goals.

In addition to these practices, REC actively supports government initiatives aimed at enhancing environmental protection. The company plays a pivotal role in promoting the adoption of advanced pollution control technologies within thermal power plants. This encompasses financing for the installation of critical systems such as Flue Gas Desulphurization (FGD), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP). These technologies are essential for significantly reducing harmful emissions, thereby contributing to improved air quality and a healthier environment for communities surrounding these power facilities.

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24

Not Applicable. There are no primary input materials used since the nature of operations is focused on lending; furthermore, 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:**

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable, as REC does not manufacture any products, hence, there is no product or packaging material to be reclaimed.					
E-waste						
Hazardous waste						
Other waste						

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

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

Not applicable, REC does not manufacture any products; hence, there are no product or packaging materials reclaimed.



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

ESSENTIAL INDICATORS

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		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	490	490	100	490	100	NA	NA	490	100	490	100
Female	83	83	100	83	100	83	100	NA	NA	83	100
Total	573	573	100	573	100	83	100	490	100	573	100
Other than Permanent employees											
Male	506	506	100	506	100	NA	NA	0	0	0	0
Female	74	74	100	74	100	74	100	NA	NA	0	0
Total	580	580	100	580	100	74	100	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E/ A)	Number (F)	% (F / A)
Permanent workers											
Male	Not Applicable										
Female											
Total											
Other than Permanent workers											
Male	Not Applicable										
Female											
Total											

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

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the Company	0.023	0.023

2. Details of retirement benefits

Benefits	FY 2024-25			FY 2023-24		
	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.)
Provident Fund	100	NA	Yes	100	NA	Yes
Gratuity	100	NA	Yes	100	NA	Yes
ESI	NA	NA	NA	NA	NA	NA
Others-NPS/ PRMS etc	100	NA	Yes	100	NA	Yes

Note: Above data corresponds to Permanent Employees.

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.

REC has taken significant steps to ensure that its premises are fully accessible to employees with disabilities. The facilities feature spacious elevators designed to accommodate wheelchairs, as well as accessible restrooms equipped with features such as grab bars and ample manoeuvring space. Additionally, braille signage is strategically placed at key locations throughout the building to facilitate independent navigation for individuals with visual impairments.

Beyond physical accessibility, REC's corporate website exemplifies a commitment to inclusivity by adhering to the Web Content Accessibility Guidelines (WCAG) 2.0, Level AA, as established by the World Wide Web Consortium (W3C). This dedication guarantees that individuals with visual disabilities can effectively interact with the website using various assistive technologies, including advanced screen readers like JAWS, NVDA, SAFA, Supernova and Window-Eyes. By ensuring compatibility with this range of software, REC promotes a digital environment where all users are empowered to navigate its online resources with ease and confidence.

Further information about the same can be accessed at <https://recindia.nic.in/screen-reader-access>.

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.

Yes, the Company has an Equal Opportunity policy. The policy is available at <https://recindia.nic.in/uploads/files/co-hr-equal-opportunity-policy-dt230424.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%		
Female		NA*		Not Applicable
Total	100%	100%		

*No Female employee has a due to return to work after taking parental leave in the financial year 2024-25.

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

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Workers	
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, REC has a grievance redressal mechanism in place to address employee concerns. Employees can initially raise their grievances with their reporting manager. The reporting manager will attempt to resolve the issue within 7 days. If the employee is not satisfied with the resolution, they can escalate the grievance to the Head of Department (HoD) within 15 days. The HoD will then try to resolve the grievance within 7 days.
Other than Permanent Employees	If the employee remains dissatisfied with the HoD's decision or does not receive a response within the specified time frame, they can escalate the matter to the Grievance Redressal Committee. The committee will communicate its decision to the employee within 45 days. In exceptional cases, if the employee is still unsatisfied, they may appeal to the Chairman and Managing Director (CMD) within 10 days of receiving the committee's decision. The CMD will decide and inform the employee within 30 days. All grievances received are tracked and monitored regularly and decision notes are maintained for future reference.

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

Yes, REC has recognized a union of its non-supervisory permanent employees and an association of its executives. Membership details is as below:

Category	FY 2024-25			FY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	490	490	100	434	434	100
Female	83	83	100	78	78	100
Total	573	573*	100	512	512**	100



Category	FY 2024-25			FY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)

Total Permanent Workers

Male

Female

Not Applicable

Total

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)

Employees

Male	996	980	98	969	97	833	799	96	725	87
Female	157	153	97	151	96	147	142	97	132	90
Total	1,153	1,133	98	1,120	97	980	941	96	857	87

Workers

Male

Female

Not Applicable

Total

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)

Employees

Male	490	490	100	434	434	100
Female	83	83	100	78	78	100
Total	573	573	100	512	512	100

Workers

Male

Female

Not Applicable

Total

Note: Details pertain to Permanent employees.

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:

REC has established a robust occupational health and safety management system for its employees. While the nature of REC's operations as a Non-Banking Financial Company does not typically pose significant occupational health and safety hazards, the organisation takes proactive steps to ensure the safety and well-being of its workforce.

To promote workplace safety, REC has implemented a range of measures, including comprehensive inspections and diligent maintenance of essential fire safety equipment. This encompasses regular checks on fire extinguishers, ensuring that fire exits are unobstructed and accessible and verifying that first aid kits are fully stocked and readily available. Additionally, rigorous routine inspections are conducted to confirm adherence to electrical and fire safety standards, with any identified concerns addressed swiftly to mitigate risks.

To bolster awareness and preparedness among its employees, REC organises periodic internal communications that emphasise safety protocols, alongside conducting informative safety training sessions. These training sessions encompass a range of critical topics, including fire safety procedures and first aid techniques, ensuring employees are well-equipped to handle emergencies. To further enhance preparedness, the company also conducts mock evacuation drills that simulate potential emergency scenarios.

To prioritise employee wellness, REC hosts annual health check-ups and medical camps, providing employees with opportunities for health assessments and access to healthcare professionals. These initiatives are part of a broader commitment to fostering a culture of health within the organisation.

Moreover, REC has instituted a comprehensive medical policy designed to support its employees' health needs. This policy offers medical expense coverage and facilitates access to medical leave, further reinforcing the company's commitment to the health and well-being of its workforce. Employees can find detailed information about this policy readily available for their reference.

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

Although this may not be directly applicable due to the nature of our business, REC conducts routine workplace inspections. Additionally, we have established a comprehensive procedure to address electrical and fire hazards, which includes regular testing and training for emergency response activities. We conduct regular audits to assess electrical and fire safety parameters, including daily inspections of emergency exits and related equipment. Moreover, we conduct quarterly mock fire drills and first-aid training.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)

Yes. REC has a process to report work-related hazards.

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

Yes, REC conducts regular health check-ups, medical camps and sessions with healthcare professionals to promote employee wellness. The Company undertakes various awareness initiatives focused on critical health issues, including heart disease, diabetes, cancer and other lifestyle-related conditions. Additionally, all employees and their dependents are covered under a comprehensive health insurance policy, providing access to quality medical care and financial support for their healthcare needs.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) per one million-person hours worked	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

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

REC acknowledges the significance of ensuring a healthy and safe working environment for all of its employees and contractors. We have adopted measures to ensure periodic electrical and fire safety parameters are checked and necessary action is taken in a timely manner. In order to provide improved health care facilities to the employees, part-time services of doctors are engaged to provide onsite medical facilities. We conduct sessions with expert speakers and encourage employees to adopt a healthy lifestyle. To facilitate recreation and a healthy lifestyle, a Gymnasium is available for employees on the premises. Various Yoga programs and Health Camps are also organized by the Company regularly for the employees.

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

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints	0	0	No complaints
Health & Safety	0	0	No complaints	0	0	No complaints

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	REC strives to keep the workplace environment healthy, safe and hygienic, upholding the dignity of the employees. All offices are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.
Working conditions	



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not Applicable. REC implements various measures to ensure safety within its premises. No significant risks or concerns have emerged from the internal assessments of health and safety practices and working conditions.

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).

(A) Employees: The Company offers a rehabilitation package in case of death or permanent disability for the employee and/or their declared family members.

(B) Worker- Not Applicable.

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

As a Non-Banking Financial Company (NBFC), REC incorporates specific terms and conditions within the loan agreements granted to its borrowers. These terms explicitly outline essential obligations, including the timely payment of statutory dues and the acquisition of necessary statutory clearances. Additionally, borrowers are held accountable for fulfilling other similar obligations in accordance with applicable statutory requirements. To ensure compliance throughout the loan period, borrowers must provide REC with proof of adherence to these conditions at various stages of their agreement. This systematic approach not only reinforces the borrowers' responsibilities but also aligns with REC's commitment to regulatory standards and operational integrity.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	Not applicable			

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

Yes, REC offers a robust and multifaceted framework that actively supports the career development and overall well-being of its employees, both as they approach retirement and during their post-retirement phase. As a Central Public Sector Enterprise (CPSE), REC is committed to adhering meticulously to the employment Guidelines set forth by the DPE, particularly concerning the processes of retirement and the termination of employment.

While REC does not have a formalised program specifically labelled as a "transition assistance program" for enhancing employability after retirement, the organisation places a strong emphasis on continuous skill enhancement throughout an employee's career. Each year, employees partake in a variety of training opportunities, both through in-house resources and external institutions, aimed at ensuring their skills remain current and relevant. This ongoing commitment to professional development not only fosters individual growth but also enhances adaptability during their active years of service.

In addition to career development, REC deeply values the well-being of its retired employees. The Company provides a range of significant post-retirement benefits designed to support their health and welfare. Among these are comprehensive post-retirement medical benefits and various welfare programs, demonstrating REC's dedication to caring for its workforce even after their active employment has concluded.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Starting in January 2025, REC has begun integrating Environmental, Social and Governance (ESG) assessments into its loan appraisal process for private sector borrowers. This strategic move ensures that borrowers are rigorously evaluated against essential ESG criteria, allowing REC to effectively identify and address potential risks while aligning these assessments with its broader sustainability objectives. In addition to this significant development for borrowers, REC has also expanded the scope of its ESG evaluations to include its vendors and service providers. Currently, about 30% of its value chain partners are undergoing these crucial assessments, reinforcing REC's commitment to fostering sustainability throughout its operations and partnerships.
Working Conditions	

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

Not Applicable

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

ESSENTIAL INDICATORS

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

REC has developed a thorough and well-structured stakeholder engagement policy designed to streamline the process of identifying, engaging with and managing its various stakeholders. This policy is rooted in several key components:

Definition of Stakeholders: In the context of REC, stakeholders encompass a diverse range of individuals and groups who may be directly or indirectly affected by the company's operations. This includes not only those who have a direct stake in REC's activities but also those who possess a vested interest in its success or have the capacity to influence its outcomes.

Key Stakeholder Groups: REC acknowledges a wide array of stakeholders as vital to its ongoing business endeavours. These groups are categorised into two main categories: internal stakeholders, primarily comprised of employees who contribute to the company's culture and productivity and external stakeholders, which include various business associates. External stakeholders encompass suppliers, vendors, partners and service providers, as well as shareholders and investors, including bondholders and creditors. Additionally, borrowers and banking institutions, regulatory bodies and government agencies-such as state governments, the Reserve Bank of India (RBI), the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and stock exchanges (i.e. NSE and BSE) are also recognised. Customers and neighbouring communities play a crucial role in REC's stakeholder network as the company's activities directly impact them.

Ongoing Stakeholder Identification: Identifying stakeholders is not a one-time event, but a continuous and evolving process. REC is committed to maintaining an adaptive approach that allows it to stay attuned to the changing needs and expectations of its stakeholders. This proactive attitude ensures that the company remains aligned with the interests of those it serves and interacts with.

Engagement and Relationship Building: Recognising the importance of open communication, REC actively engages with stakeholders to gain a deeper understanding of their concerns and expectations. The company prioritises addressing these issues, which in turn helps mitigate potential risks. By fostering strong, long-term relationships with its stakeholders, REC aims to cultivate an environment that contributes to its overall success.

Through its commitment to continually monitoring and responding to the diverse needs of stakeholders, REC aspires to enhance its business operations, mitigate risks and establish mutually beneficial and sustainable partnerships. This comprehensive approach not only strengthens the company's position but also supports the broader community and economic environment in which it operates.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email / SMS / Website / Letters / Telephone / Newspaper etc.	Quarterly	Communication of financial results, adoption of financial statements and the transaction of ordinary and special business as needed. Addressing requests and grievances of shareholders as necessary.
Bondholders	No	Email / Website / Dissemination of information through Stock Exchange Mechanism	Quarterly	Allotment, interest servicing, redemption payment, bond certificate and demat credit. Addressing requests and grievances of bondholders as necessary.
Employees	No	Emails / Notice Board / Website	Regularly (Need based)	Communicate key developments within the organization, highlighting the company's progress on both operational and financial fronts. Discuss ESG aspects, NGRBC principles, employee well-being and development, as well as human rights, health and safety.



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	Surveys/Impact assessment CSR Activities Personal interactions Project-based discussions	Need based	Community development and wellbeing, CSR projects
Vendors	No	Email/SMS Meetings Letters/Telephone	Need based	Goods and services procurement are conducted through tendering and the GeM Portal process, along with addressing vendor grievances. Additionally, Vendor Development Programmes are organized periodically.
Customers	No	Email/SMS/Website/ Letters/Telephone	On day-to-day basis (Regional Offices as well as Corporate Office)	Customer satisfaction surveys

Although the majority of the stakeholder groups mentioned are not typically categorised as Vulnerable or marginalised, there are specific segments within these larger groups that do fall into these classifications. This includes individuals from economically disadvantaged backgrounds, those belonging to lower income brackets, as well as women, children and people with disabilities. Additionally, Micro, Small and Medium Enterprises (MSMEs) and businesses owned by members of Scheduled Castes (SC) and Scheduled Tribes (ST), along with women entrepreneurs, are also represented among these marginalised segments. REC is dedicated to supporting and uplifting these vulnerable portions of society by offering comprehensive training programs and fostering equal opportunities for their advancement.

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.

REC is committed to fostering transparent and effective communication with all of its stakeholders while rigorously adhering to the relevant regulatory frameworks that govern its operations. The Company emphasises the importance of providing timely and pertinent information regarding decisions that could significantly affect its stakeholders. At the same time, REC ensures that sensitive business strategies and proprietary information are kept confidential to protect its competitive edge.

To uphold its commitment to responsible governance, REC has established several Board-approved policies that comprehensively address essential economic, environmental and social dimensions of its operations. These policies are carefully crafted in consultation with key stakeholders, ensuring they resonate with their expectations and address any concerns. A cornerstone of this endeavour is the comprehensive Environment, Social & Governance (ESG) Policy, which has been ratified by REC's Board. This policy serves as a foundational framework guiding the company's ESG-related initiatives, ensuring they are well-aligned with overarching strategic objectives.

Stakeholder engagement is not merely a one-time event at REC, it is an integral component of the Company's business processes and is approached as an ongoing effort. The leadership of these engagements primarily rests with various business units, although senior management actively participates when necessary. The outcomes of these engagements are systematically reported to the Board of Directors, facilitating informed oversight and assisting in crafting strategic directions that consider the interests and concerns of stakeholders effectively.

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.

REC actively engages in comprehensive dialogues with a diverse array of stakeholders including employees, borrowers, government entities and local communities when addressing environmental and social challenges. The organization firmly believes that by actively listening to these varied perspectives, it can better align with public expectations and foster sustainable development practices.

In response to these insightful discussions, REC has developed an intricate Environment, Social and Governance (ESG) Policy. This policy acts as a guiding framework, enabling the Company to make informed decisions that prioritize environmental stewardship and social responsibility. For instance, during the preliminary stages of project reviews, REC meticulously evaluates the potential environmental impacts of the projects it finances. This assessment plays a crucial role in shaping its operational strategies, financial planning and risk management frameworks. To enhance its commitment to responsible lending, REC incorporates specific provisions within its loan agreements designed to safeguard the environment, protect public health and safety and support local communities.

This is particularly emphasized in projects related to clean energy and infrastructure, where REC exercises heightened diligence to adhere to applicable environmental and social standards.

By maintaining open lines of communication with stakeholders and actively responding to their feedback, REC ensures that its operations remain meaningful, responsible and reflective of the evolving needs of the society.

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

REC is deeply committed to fostering an inclusive environment for vulnerable and marginalised stakeholders through a combination of thoughtful policies, responsible business practices and proactive outreach efforts. A considerable emphasis is placed on empowering small businesses, particularly Micro and Small Enterprises (MSEs) and women-led businesses. To facilitate transparency, efficiency and timely payments to vendors, especially those who are smaller suppliers, REC is registered on several government platforms, including GeM (Government e-Marketplace), Sambandh, Samadhan and TReDS (Trade Receivables Discounting System). All REC offices, including their regional branches, consistently utilise these platforms to ensure fair treatment and accessibility for all vendors.

In its procurement process, REC prioritizes MSEs, granting them special preferences and extending various benefits in line with established Guidelines. This initiative is designed to create a more equitable playing field for smaller enterprises, ultimately promoting economic inclusion and sustainable growth for these vital components of the economy.

Beyond vendor engagement, REC actively reaches out to individual investors, including equity shareholders and bondholders, who may be unaware of unclaimed dividends or redemption amounts. The Company takes the initiative to proactively communicate with these stakeholders to assist them in reclaiming their rightful dues, ensuring that no individual is overlooked due to a lack of knowledge or access to the necessary information.

Moreover, REC's Corporate Social Responsibility (CSR) programs are centred on uplifting socially and economically disadvantaged groups. These initiatives are comprehensive and target key areas, including education, healthcare, skill development, sanitation and assistance for persons with disabilities. By directly addressing the diverse needs of poor, underprivileged and differently abled individuals, REC actively promotes social equity and inclusion, making a tangible difference in the communities it serves.

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:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	573*	565	98.60	512**	467	91.21
Other than permanent	580	550	94.83	468	414	88.46
Total	1,153	1,115	96.70	980	881	89.90
Workers						
Permanent						
Other than permanent						
Total						

Not Applicable

2. Details of minimum wages paid to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	490	0	0	490	100	434	0	0	434	100
Female	83	0	0	83	100	78	0	0	78	100
Other than Permanent										
Male	506	124	24.51	382	75.49	399	19	4.76	380	95.24
Female	74	6	8.11	68	91.89	69	2	2.90	67	97.10



Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Permanent										
Male										
Female										
Other than Permanent										
Male										
Female										

Not Applicable

Note: The increase in the percentage of employees at the minimum wage level is driven by our operational need to hire contractual employees for less-skilled tasks, whose remuneration is aligned with the statutory minimum wage.

3. Details of remuneration/salary/wages:

a. Median remuneration/wages

(Amount in ₹)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors* (BoD)	2	1,02,07,673	1 [^]	0
Key Managerial Personnel	4	93,76,185	1	0
Employees other than BoD and KMP	488	25,67,256	83	28,16,037
Workers				Not Applicable

* Details of Remuneration submitted include that of only Chairman cum Managing Director & Whole Time Directors. Since non-executive Directors are only paid a sitting fee, which is not considered remuneration as defined.

[^] As of March 31, 2025, the female director serves as the Chairman cum Managing Director, with an additional charge given to the CMD of Power Finance Corporation and no remuneration is paid during her tenure.

b. Gross wages paid to females as % of total wages paid by the entity

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages paid by the entity	13.37	14.18

Note: The shift in the proportion of wages paid to women stems from a temporary reduction in female workforce representation, primarily due to a higher-than-expected number of female retirements. Our compensation practices remain strictly gender-neutral, with remuneration determined by role and experience in full compliance with our commitment to equal opportunity. We are proactively implementing targeted recruitment and retention strategies to restore and enhance gender diversity, underscoring our dedication to fair employment practices and alignment with ESG best practices.

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

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

REC is deeply committed to upholding human rights across all dimensions of its operations, establishing a comprehensive policy that applies to every stakeholder connected to the company. This includes not only our full-time and contractual employees but also external contractors, suppliers, partners and consultants. We hold the firm belief that all stakeholders must adhere to fundamental human rights principles in their interactions with REC. To maintain a just and ethical environment, REC strictly prohibits any incidents of human trafficking, forced labor and child labor within its operations and throughout its entire value chain. Furthermore, our commitment extends to ensuring that all individuals receive equal pay for work of equal value, fostering a workplace free from discrimination. We actively prohibit any forms of discrimination based on gender, age, religion, disability, sexual orientation or any other characteristics that are legally protected.

To effectively address any allegations or reports of human rights violations, REC has established a robust grievance redressal mechanism. This system is designed to be efficient, fair, transparent and accessible, ensuring that all stakeholders can voice their concerns. It allows for the systematic monitoring and prompt response to grievances, providing effective remedies for those affected. Individuals wishing to report any human rights issues can easily reach out to the designated grievance redressal officer following REC's stated procedures.

Our grievance redressal mechanism offers a well-structured and equitable process for both internal and external stakeholders to express their grievances, concerns and complaints. To maintain accountability and compliance with our policy, REC conducts regular audits and assessments of its practices as well as those of its value chain partners, ensuring that all parties remain aligned with established human rights standards. Through these measures, REC strives to create a workplace and community that prioritizes respect and dignity for all.

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

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Human Rights Issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

REC is dedicated to fostering a safe, respectful and inclusive work environment where all individuals are treated fairly, regardless of their role, background or identity. The Company places a strong emphasis on ethics, respect for human rights and providing equal opportunities in the workplace. Career advancement at REC is based solely on talent, performance and merit.

To ensure that concerns related to discrimination or harassment are addressed appropriately, REC has established clear and secure mechanisms to protect the rights and well-being of those who come forward with complaints. In cases of sexual harassment, REC adheres to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Such cases are handled with the utmost sensitivity and confidentiality. Dedicated internal committees are in place to investigate complaints promptly and fairly, while ensuring that the identity and dignity of the complainant are safeguarded throughout the process.

Furthermore, the Company strictly prohibits any form of retaliation against individuals who report discrimination, harassment or other violations in good faith. This protection includes safeguarding employees from threats, dismissal, demotion, or any form of professional disadvantage. To reinforce this commitment, REC has implemented a Whistle blower Policy that allows employees and stakeholders to raise concerns confidentially and without fear of negative consequences. This policy ensures that complaints are reviewed by an independent committee and that appropriate corrective actions are taken when necessary. Additionally, where needed, extra measures are taken to protect the complainant's identity and prevent any form of victimisation. The Whistle Blower Policy is available at https://recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

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

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	Not Applicable



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

Not Applicable as no concerns identified.

LEADERSHIP INDICATORS

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

Throughout the reporting year, we did not encounter any grievances or complaints related to human rights violations. However, our commitment to human rights extends far beyond merely responding to issues as they arise. We take a proactive stance by rigorously implementing ongoing due diligence practices aimed at upholding the highest standards of human rights across all facets of our operations. This includes seamlessly integrating our human rights policy into our everyday business practices and cultivating robust relationships with our stakeholders. By doing so, we strive to identify and address potential risks before they develop into significant issues, thereby fostering an environment of respect and dignity for all individuals.

2. Details of the scope and coverage of any human rights due diligence conducted.

REC places a strong emphasis on upholding human rights throughout all aspects of its operations and in its interactions with stakeholders. We have developed a thorough human rights policy that not only delineates our commitments but also applies to all individuals and organisations we engage with, including employees, clients, vendors and community partners.

To ensure that these standards are met consistently, we require our vendors to provide formal declarations attesting to their compliance with established human rights principles. This initiative is part of our larger effort to foster an ethical supply chain and promote responsible business practices. Additionally, beginning in January 2025, we expanded our commitment by incorporating human rights assessments into our evaluation processes for both borrowers and vendors. This integration is a key component of our broader Environmental, Social and Governance evaluations, emphasising our dedication to socially responsible investment and lending practices.

Internally, we are equally committed to maintaining stringent human rights compliance within our corporate offices. This is achieved through regular assessments and ongoing monitoring conducted by our dedicated ESG division. Our monitoring efforts are guided by clearly defined internal quarterly targets, which not only help to evaluate our progress but also ensure that we continuously improve our human rights practices. By setting these targets, we aim to hold ourselves accountable and reinforce our commitment to fostering a culture of respect for human rights throughout our organisation.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The corporate office facilities are designed to be accessible for visitors with disabilities, featuring elevators, restrooms suitable for wheelchair users and directional signs in braille at multiple locations. Additionally, REC's corporate website meets the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 level AA. This compliance allows individuals with visual impairments to navigate the website using assistive technologies like screen readers. The website can be accessed using various screen readers, including JAWS, NVDA, SAFA, Supernova and Window-Eyes. More information regarding this can be found at <https://recindia.nic.in/screen-reader-access>.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	REC has commenced the integration of Environmental, Social and Governance (ESG) assessments into its loan appraisal process for private sector borrowers, effective January 2025. This initiative ensures that borrowers are assessed based on essential ESG criteria, thereby effectively addressing potential risks and aligning their practices with REC's overarching sustainability principles. Additionally, REC has broadened the application of these critical ESG assessments to its vendors and service providers, with approximately 30% of its value chain partners undergoing evaluation.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

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 (GJ) and energy intensity:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) (GJ)	4,964	4,965
Total fuel consumption (B) (GJ)	0	0
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumed from renewable sources (A+B+C) (GJ)	4,964	4,965

Parameter	FY 2024-25	FY 2023-24
From non-renewable sources		
Total electricity consumption (D) (GJ)	9,292*	7,930
Total fuel consumption (E) (GJ)	3,146	2,119
Energy consumption through other sources (F) (GJ)	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	12,438	10,049
Total energy consumed (A+B+C+D+E+F) (GJ)	17,402	15,014
Energy intensity per crore of turnover (Total energy consumed in GJ / Revenue from operations in crore)	0.31	0.32
Energy intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed GJ/ Revenue from operations in Crore adjusted for PPP)	6.38	6.45
Energy intensity in terms of physical output	15.09	15.32
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

*Despite ongoing energy efficiency measures, including automated lighting systems and regular AC maintenance, REC's electricity consumption rose YoY. This increase is primarily attributable to our sustainability-driven decision to in-house a fleet of 48 electric vehicles (EVs), replacing third-party conventional vehicles. The transition required installing charging infrastructure, which consumed approximately 400 MWh (1440 GJ) of electricity.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

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? 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:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	27,565.48	38,121.17
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	27,565.48	38,121.17
Total volume of water consumption (in kilolitres)*	20,176.48	31,771.17
Water intensity per crore of turnover (Total water consumption in KI / Revenue from operations in crore)	0.36	0.80
Water intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KI / Revenue from operations in crore adjusted for PPP)	7.40	13.66
Water intensity in terms of physical output (FTE)	17.50	32.42
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

*Based on the Central Pollution Control Board (CPCB) report dated December 24, 2009, it is assumed that 80% of the total water withdrawn is discharged at the regional offices, with the remaining 20% considered as water consumed.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
No treatment		
With treatment – please specify level of treatment		



Parameter	FY 2024-25	FY 2023-24
(ii) To Groundwater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(v) Others (Sewage discharge) *	7,389*	6,350*
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kiloliters)	7,389	6,350

REC is a NBFC, water discharge is very minimal, however REC Corporate Office designed to have zero water discharge, as water collected from rain water and third party (HUDA) is being fully utilized in the building including re-cycling of waste water (Sewage water) through STP and again utilizing the same in Horticulture and flushing.

* For Regional offices, it is assumed that 80% water is discharged through the lavatory sewers.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

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

Yes, REC, being a NBFC, is not obligated to implement a zero liquid discharge mechanism. However, the Corporate Office Building of REC, located in Gurugram, is a zero liquid discharge building designed to utilise wastewater drained after Reverse Osmosis (ROs) and rainwater used for solar cleaning, HVAC/chillers, toilets, floor washing and water bodies. Furthermore, the building is designed to use water treated through STP for horticulture and flushing purposes.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Tonnes	0.006175	0.004833
SOx	Tonnes	0.000794	0.000670
Particulate matter (PM)	Tonnes	0.001105	0.000856
Carbon Monoxide	Tonnes	0.001547	0.000766

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2024-25		FY 2023-24*	
Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	306.46		555.37	
(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂	209.74		tCO ₂	140.03
	CH ₄ - tCO ₂ e	0.74		CH ₄ - tCO ₂ e	0.68
	N ₂ O - tCO ₂ e	0.38		N ₂ O - tCO ₂ e	0.46
	HFCs - tCO ₂ e	95.60		HFCs - tCO ₂ e	414.20
Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	1876.53		1577.17	
(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂	1876.53*		tCO ₂	1577.17
	CH ₄ - tCO ₂ e	0		CH ₄ - tCO ₂ e	0
	N ₂ O - tCO ₂ e	0		N ₂ O - tCO ₂ e	0
	HFCs - tCO ₂ e	0		HFCs - tCO ₂ e	0
Total Scope 1 and Scope 2 emission intensity per crore of turnover	Metric tonnes of CO ₂ equivalent/ in ₹ crore	0.0387		0.045	
(Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in crore)					

Parameter	Unit	FY 2024-25	FY 2023-24*
Total Scope 1 and Scope 2 emission intensity per crore of turnover adjusted for Purchasing Power Parity(PPP)	Metric tonnes of CO ₂ equivalent/ USD	0.800	0.92
(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in crore adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent/ FTE	1.893	2.175
Total Scope 1 and Scope 2 emission intensity (optional)			Not Applicable
– the relevant metric may be selected by the entity			

*Despite energy efficiency initiatives such as automated lighting systems and regular AC maintenance, Scope 2 emissions increased compared to last year. This rise is primarily due to: (1) the in-house leasing of 48 Electric Vehicles (EVs), which added approximately 400 MWh (1,440 GJ) of electricity consumption for charging; and (2) an increase in the grid emission factor from 0.716 to 0.726, which contributed to higher calculated emissions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

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

Yes, REC is significantly involved in reducing Greenhouse Gas (GHG) emissions through its core business operations and internal initiatives.

REC's primary contribution stems from its role as a major financier of India's transition to a clean energy power sector. REC provides substantial loans for a wide range of renewable energy projects, including solar, wind and other non-fossil fuel-based power generation sources. This directly displaces electricity generated from conventional, emission-intensive sources. For instance, in the financial year 2024-25, REC sanctioned an impressive ₹1,05,259 crore renewable energy projects, also renewable energy loan disbursements witnessed a substantial increase of 63% YoY during the financial year 2024-25.

Issuance of Green Bonds: To further support green initiatives, REC regularly issues international Green Bonds. The funds raised from these bonds are exclusively channeled into "Eligible Green Projects" that meet stringent environmental criteria, directly contributing to carbon emission reductions as per REC Green finance framework.

Enhancing Energy Efficiency: Beyond renewables, REC also supports projects aimed at improving the efficiency of the power grid, such as smart metering and distribution reforms. While not direct GHG reduction projects, these initiatives lead to reduced energy losses and, consequently, lower emissions from the power sector.

REC also focuses on minimizing its own carbon footprint: REC operates rooftop solar plants at its premises, which generated 1,379 MWH of electricity in the financial year 2024-25, avoiding 1,002 tonnes of CO₂ emissions.

Pursuing Net Zero Operations: REC is committed to achieving Net Zero emissions in its direct operations. As part of this commitment, it has agreed with its power discom for 100% green power supply, which is projected to avoid 85% of its internal emissions.

In essence, REC actively enables large-scale GHG reductions across India by financing the green energy transition, while simultaneously implementing robust measures to decarbonize its own operations.

9. Provide details related to waste management by the entity:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0.55
E-waste (B)	1.50	0.53
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H).	40.68	35.45
Total (A+B + C + D + E + F + G + H)	42.18	36.53



Parameter	FY 2024-25	FY 2023-24
Waste intensity per crore of turnover (Total waste generated in MT / Revenue from operations in crore)	0.00075	0.00077
Waste intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated in MT / Revenue from operations in crore adjusted for PPP)	0.01544	0.0157
Waste intensity in terms of physical output (FTE)	0.036	0.037
Waste intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste: E-waste		
(i) Recycled	1.50	0.53
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	1.50	0.53
Category of waste - Other Non-hazardous waste generated		
(i) Recycled	19.80	16.20
(ii) Re-used	-	-
(iii) Other recovery operations – Composting	20.88	19.80
Total	42.18	36.53
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	We have hired a government-authorized third-party waste management vendor for all our office waste management, in accordance with government Guidelines.	
(iii) Other disposal operations		
Total		

Note: As an NBFC, the waste generated primarily originates from our office operations, encompassing both general office waste and horticultural waste from our premises. The recent increase in waste generation is a direct outcome of a higher employee presence, along with a seasonal rise in garden waste. We have partnered with a registered waste management vendor and are actively striving to achieve our goal of zero waste to landfill.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a Non-Banking Financial Company (NBFC), REC's establishments primarily consist of a corporate office and potentially smaller regional offices. It does not manufacture products or engage in processes that typically involve the large-scale generation or usage of hazardous and toxic chemicals, as a manufacturing industry.

Our waste management practices are designed to handle waste generated in such an environment, focusing on reduction, segregation and responsible disposal. We promote a "paperless office" via our E-office system and we have partnered with an authorised waste management vendor for the responsible disposal of waste. The disposal of old, unserviceable and obsolete IT equipment, identified as e-waste, is carried out through registered recyclers/re-processors under the Central Pollution Control Board, Government of India and the State Pollution Control Committee/Board for electronic waste, following the procedure defined under REC's Procurement Guidelines.

Our approach ensures minimal environmental impact from our administrative operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)
If no, the reasons thereof and corrective action taken, if any.			
Not Applicable. None of the operations/ offices are in/around an ecologically sensitive area			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
REC being a NBFC, finances infrastructure projects, but it does not own or execute any of these projects. For renewable energy projects that REC funds, the Company requires borrowers to submit an Environmental and Social Impact Assessment (ESIA) in accordance with applicable rules and regulations.					

13. Is the entity compliant with the applicable environmental law/ regulations/ Guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances in following format:

Sl. No.	Specify the law / regulation / Guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
REC complies with all applicable environmental regulations in respect of its premises and operations. The Company also covers environmental concerns in the due diligence of the projects it finances.				

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:** Not applicable

(ii) **Nature of operations:** Other Financial Services and Activities - Other Credit Granting

(iii) **Water withdrawal, consumption and discharge:** Not Applicable

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		Not Applicable
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.



2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2024-25	FY 2023-24*
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,752.00*	10,295.23
Total Scope 3 emissions per crore of turnover	Metric tonnes of CO ₂ equivalent/INR in crore	0.19	0.22
Total Scope 3 emission intensity (optional)-the relevant metric may be selected by the entity	-	Not Applicable	Not Applicable

* This includes all applicable Scope 3 emissions, excluding Category 15

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Use of energy efficient façade and radiant cooling slabs	REC Corporate Office Building, located in Gurugram, is designed and constructed with an energy-efficient façade and radiant cooling slabs to reduce the HVAC load requirement by approximately 30% in the building, thereby conserving energy.	~30% reduction in HVAC load requirement
2	Solar plant	The rooftop solar plants are 979 kWp at the REC Corporate Office and 40 kWp at RECIPMT, catering to the REC office's load requirements by using clean and renewable sources of energy.	1,002 t CO ₂ emissions avoided
3	Reducing paper consumption	For minimizing paper consumption, REC uses 'E-office' system in all its offices across the country. REC has actively used remote working methods through secure IT systems and processes, especially after onset of the pandemic, for ensuring business continuity while taking precautions for the health of its employees.	-
4	Conversion of existing Diesel generator to dual fuel generator	Converted the existing 1010 kVA Diesel generator Set at the REC Corporate Office into Dual Fuel (70% PNG and 30% Diesel) to minimise GHG emissions.	Will have negligible air emissions
5	Automatic lighting management System	An automatic lighting management system has been implemented at the REC Corporate Office, which is expected to result in a substantial amount of energy savings	Which will save energy of around 10%-20%
6	Transition to EV fleet	REC has targeted converting the entire traditional fleet of office to an EV fleet, introducing 48 new EVs, which represents 76% conversion rate.	-

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

REC has successfully implemented a comprehensive Business Continuity and Disaster Recovery Plan designed to ensure organisational resilience in the face of unexpected crises. To equip our teams with the skills needed for an effective response, we conduct rigorous training programs that cover various emergency scenarios.

In addition, we regularly organise disaster drill exercises that simulated real-world emergencies, allowing us to evaluate the effectiveness of our established procedures and Guidelines as outlined in the plan. These drills are meticulously audited by external professionals certified by CERT-In, ensuring that our practices meet the industry standards.

The feedback received from these audits is valuable; it forms an integral part of our commitment to continuous improvement, helping us refine our strategies and strengthen our response capabilities. Furthermore, the Business Continuity Plan undergoes periodic reviews to ensure it remains up-to-date with the latest developments. Throughout this process, both management and the board are kept informed of any changes or advancements, ensuring that our approach remains robust and adaptive.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

REC is actively engaged in financing the installation of advanced pollution control technologies in thermal power plants, in accordance with directives set forth by the Government. A significant part of this initiative includes the deployment of Flue Gas Desulphurization (FGD) systems, Selective Catalytic Reduction (SCR) technologies and Electrostatic Precipitators (ESPs). These systems play a crucial role in significantly reducing harmful emissions and particulate matter generated during power generation.

Throughout the financial year, REC has taken substantial steps to support this environmentally responsible approach by sanctioning projects specifically aimed at installing FGDs. The total amount allocated for these projects is an impressive ₹5,441 crore, demonstrating REC's commitment to enhancing air quality and adhering to stringent environmental regulations.

In addition to pollution control measures, REC is also financing Ultra Super Critical Thermal Power Projects. These projects are distinguished by their superior thermal efficiency compared to conventional thermal power plants, which contributes to lower fuel consumption and reduced greenhouse gas emissions. For the financial year 2024-25, REC has sanctioned a total of 5 Ultra Super Critical Projects, amounting to a significant ₹11,755 crore. This investment reflects REC's forward-thinking approach and dedication to sustainable energy development in India.

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

REC being a NBFC, does not own or implement projects. For renewable energy projects funded by REC, the Company requires its borrowers to obtain an Environmental and Social Impact Assessment (ESIA) in accordance with applicable rules and regulations.

8. How many Green Credits have been generated or procured:

a. By the listed entity

REC has achieved a remarkable milestone by generating a total of 1,379 megawatt-hours (MWh) of clean solar power from its in-house rooftop solar installations, which have a combined capacity of 1,019 kilowatts peak (kWp). This output, achieved during the financial year 2024-25, has led to a significant reduction in carbon emissions, specifically avoiding 1,002 tonnes of CO₂. This reduction can be quantified as the generation of 1,002 carbon credits, emphasising REC's commitment to sustainability.

To further enhance its environmental impact, REC is actively pursuing its goal of attaining Net Zero emissions across all its direct operations. To support this ambitious target, the Company has agreed with Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) to obtain a supply of 100% green power for FY 2024-25. This strategic initiative is anticipated to result in a substantial reduction, avoiding approximately 85% of REC's total emissions.

Additionally, REC has made strides in energy efficiency at its Corporate Office by operationalising an automatic lighting management system within the current financial year. This system aims to optimise energy usage by automatically adjusting lighting according to occupancy and natural light levels, contributing further to the organization's sustainability efforts.

b. By the top ten (in terms of value of purchases, sales and value chain partners, respectively)

As the cornerstone of REC's operations lies in project finance, the organization has made significant strides in environmental impact through its portfolio of renewable energy projects. During the financial year 2024-25, the top ten renewable projects that REC financed successfully avoided an impressive total of 48,39,745 tonnes of CO₂ emissions. This remarkable achievement is tantamount to generating 48,39,745 Carbon Credits, which reflect the positive contribution these projects have made to combating climate change.

When expanding the scope to encompass all renewable projects funded by REC, the cumulative avoided emissions soar to an astounding approximately 1,07,28,074 tonnes of CO₂, equivalent to 0.1 billion tonnes. Utilising the PCAF (Partnership for Carbon Accounting Financials) methodology for more precise attribution, REC's direct contribution to these avoided emissions stands at 61,14,045 tonnes of CO₂. This underscores REC's pivotal role in advancing sustainable development and reducing greenhouse gas emissions through strategic financing in the renewable energy sector.

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. 5 (Five) affiliations



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

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	World Economic Forum (WEF)	International
2	World Energy Council (WEC), India	National
3	Standing Conference of Public Enterprises (SCOPE)	National
4	Central Board of Irrigation & Power (CBIP)	National
5	Press Club of India	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**

Name of authority	Brief of the case	Corrective action taken
No such adverse orders were passed from regulatory authorities.		

LEADERSHIP INDICATORS

- 1. Details of public policy positions advocated by the entity**

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
---------	-------------------------	-----------------------------------	--	---	------------------------

REC Limited: Catalysing Public Policy for Sustainable Energy and Infrastructure Development

REC Limited, a "Maharatna" Central Public Sector Enterprise (CPSE), acts as a leading Infrastructure Finance Company under India's Ministry of Power. It's crucial in developing and supporting the nation's energy and infrastructure policies.

As a strategic arm of the Ministry of Power, REC is responsible for implementing government schemes that promote and develop power infrastructure nationwide. In line with its national development goals, REC actively participates in policy advocacy and execution, with a focus on fostering sustainable energy, ensuring equitable access and modernizing infrastructure across the country.

- 1. Accelerating India's Green Energy Transition and Climate Goals**

Policy Objective: Support India's Panchamrit climate commitments under the Paris Agreement, with a focus on renewable energy financing, clean technology promotion and energy efficiency.

Advocacy Methods:

▪ **Demonstration through Strategic Financing:**

REC's renewable energy loan portfolio expanded by 49% YoY, reinforcing the Company's role in financing clean energy solutions and setting benchmarks for sectoral growth.

▪ **Thought Leadership and Industry Engagement:**

REC actively advocates for renewable energy and energy efficiency by participating in key national and international forums, publishing position papers and collaborating with sector stakeholders.

Public Domain: Yes (Reports are available on REC website)

- 2. Promoting Rooftop Solar Through PM Surya Ghar Muft Bijli Yojana**

Policy Objective: Accelerate the adoption of residential rooftop solar systems, improving energy access and affordability for households.

Advocacy Methods:

National Project Implementation Role: REC is a National Project Implementing Agency (NPIA) for the PM Surya Ghar Muft Bijli Yojana (Total outlay: ₹75,021 crore), which aims to:

- Cover 1 crore households
- Provide up to 300 units of free electricity per month

Deployment Milestone: As of financial year 2024–25, REC facilitated over 1 million rooftop solar connections, contributing 3 GW of distributed renewable capacity.

Public Domain: Yes (Reports on REC website and Ministry of New and Renewable Energy releases).

- 3. Universal Electrification and Grid Modernization**

Policy Objective: Achieve universal household electrification and transform power distribution systems for reliability, affordability and sustainability.

Advocacy Methods:

▪ **Implementation Leadership as Nodal Agency:**

Currently, REC has been designated as the nodal agency for flagship Government of India schemes, Revamped Distribution Sector Scheme (RDSS) across 19 states, supporting grid upgrades, loss reduction and smart metering.

▪ **Public Awareness and Outreach Campaigns:**

REC leads public communication for the RDSS, promoting initiatives like smart prepaid metering through mass media and grassroots engagement on behalf of the Ministry of Power.

Public Domain: Scheme documents, REC website and Ministry of Power communications

4. Strengthening Power Sector Governance and Consumer Services

Policy Objective: Enhance governance across the power value chain, improve DISCOM performance and elevate consumer satisfaction.

Advocacy Methods:

- **Public Policy Advocated:** Improving the quality, reliability and affordability of power supply to consumers, fostering regulatory compliance and boosting DISCOM performance and consumer satisfaction.
- **Method of Advocacy:** Policy Advisory & Research: REC's advises the Ministry of Power on policy formulation and regulatory compliance. This includes:

- Publishing the Consumer Service Rating of DISCOMs (CSRDR) report which is based on 23 preidentified sub parameters across the 4 key parameters namely
 - Operational Reliability
 - Connections and other services
 - Metering, Billing and Collections
 - Fault Rectification and Grievance Redressal

(e.g., in financial year 2024, 6 DISCOMs were A+, 15 in A category) to encourage improvements in operational reliability, connections, metering, billing and grievance redressal. (Web Link: <https://recindia.nic.in/consumer-service-rating-of-discoms>)

- Developing frameworks like POWERTHON (Phase I launched Feb 2022), leveraging AI/ML for DISCOM issue resolution (e.g., AT&C losses, load forecasting). Last year Phase II of Powerthon program was launched by the Ministry of Power in which Government grant and support is provided under RDSS.

Salient Features of the program are highlighted below:

- Total 40 Number of Technology Solution Provider (TSPs) are planned for the support under powerthon-2024.
- Each TSPs will be eligible for grant as approved under the programme
- Regional Technology Business Incubators (TBIs) will provide incubation support, along with disbursements of grant to TSPs
- An Expert and Technical committee formed under programme will monitor progress and approve the grant to TSPs

Key Problem areas targeted:

- Accurate Demand/ Load Forecasting/Power Purchase Cost Optimization
- Demand Side Management- Improve Power Quality
- RE Integration in Distribution System
- Energy meter recycling
- Digital Twin
- Smart Metering
- Distribution asset management

(Web Link: <https://recindia.nic.in/uploads/files/co-ursi-Powerthon-2024-dt-050225.pdf>)

- For the first time REC published on behalf of Ministry of Power, Distribution Utilities Ranking report wherein inputs are combined from CSRDR, Integrated Report published by PFC and other parameters as prescribed by Ministry of Power. The Ranking is based on the specific weightages to the following 6 nos. of parameters:
 - Annual Integrated Rating & Ranking of Discoms released by PFC (35%)
 - Consumer Service Rating of Discoms (35%)
 - RPO achievement (5%)
 - Communicable System Metering (5%)



- Demand Side Response (5%)
- Resource Adequacy (15%)

Report can be accessed here (Web Link: <https://recindia.nic.in>)

- Publishing reports on "Key Regulatory Parameters of Power Utilities." (Web Link: <https://recindia.nic.in/RegulatoryParameters>)
- Implementing MoP Initiatives: Carrying out other Ministry of Power initiatives like Energy Accounting and Auditing.

Public Domain: Yes (Reports on REC website and Ministry of Power releases).

Cross-Cutting Engagement Platforms

Beyond specific programmatic interventions, REC's strategic policy influence is also channelled through the following:

- **World Energy Council (WEC) – India Chapter:**

REC's membership enables participation in high-level dialogues under the leadership of the Secretary, Ministry of Power, contributing insights to global and national energy discourse.

- **Regulatory Consultations:**

REC's Board members and senior management regularly engage in working groups of concerned ministries from time to time and provide inputs to regulatory authorities and ensure sectoral concerns are addressed during policy formulation.

- **REC senior officials sit in the Board of selected Distribution Companies, wherein Government of India policy implementation is ensured and State Policy are shaped.**

- **RECPDCL Field-Level Feedback:**

REC's wholly-owned subsidiary, RECPDCL, implements ground-level projects such as:

- **Smart metering deployments**
- **11 kV Rural Feeder Monitoring Scheme**
- **Ladakh grid infrastructure development**
- **National Feeder Monitoring System (under RDSS)**

These initiatives provide empirical evidence and operational feedback, helping refine policy frameworks based on real-world challenges.

Conclusion: Advocacy Aligned with National Priorities

REC's public policy engagement model is multi-dimensional anchored in thought leadership, data transparency, direct scheme execution and strategic financing. This integrated approach allows REC to catalyse sectoral reforms, support climate and energy access goals and help realise India's vision of a resilient, sustainable power sector.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

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

S. NO.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

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

In response to the government's initiative for enhancing transparency and efficiency in grievance management, REC has made a significant advancement by integrating its Public Grievance Redressal Cell with the Centralized Public Grievance Redress and Monitoring System (CPGRAMS). This comprehensive national platform, which is managed by the Department of Administrative Reforms & Public Grievances (DARPG), serves as a centralized hub for lodging and resolving grievances across multiple sectors.

Through CPGRAMS, citizens have the opportunity to file complaints regarding various public services, including those directly

related to the operations and services of REC. This integration ensures that all grievances submitted via CPGRAMS are meticulously addressed in accordance with established national standards and within defined timelines, reflecting a commitment to timely and effective resolution.

The Grievance Redressal Cell at REC plays a crucial role in this process by systematically tracking and managing the complaints received. This approach not only streamlines the grievance redressal process but also enhances accessibility for the public. Citizens can easily lodge their complaints, monitor the status of their submissions and receive timely updates on the actions taken to resolve their concerns. Overall, this initiative is a pivotal step towards fostering accountability and improving the overall experience of stakeholders interacting with REC.

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

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	44.83%	29.51%
Directly from within India	100%	100%

Note : The data is available in Sambandh Portal.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	0%	0%
Semi-urban	0%	0%
Urban	13.84 %	8.53%
Metropolitan	86.16 %	91.47%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

Sl. No.	State	Aspirational District*	Amount spent (In ₹)
1	Maharashtra	Washim	15,76,574
2	Uttar Pradesh	Siddharth Nagar	1,85,95,800
3	Andhra Pradesh	Kadapa	63,83,108
4	Bihar	Muzaffarpur	73,91,368
5	Bihar	Banka	1,84,39,920
6	Chhattisgarh	Sukma	56,61,356

An "Aspirational District" is a designation by the Government of India aimed at improving the socio-economic status (health & nutrition, education, agriculture & water resources, financial inclusion & skill development) of districts that are relatively underdeveloped.

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

Yes, REC has a policy to support public procurement from MSMEs. The policy is available at <https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf>

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

REC being a Central Public Sector Undertaking (CPSU), is mandated to adhere to the Government of India's policy on Public Procurement Policy for Micro and Small Enterprises (MSEs), 2012 (Link: <https://dcmsme.gov.in/pppm.htm.aspx>). This policy, which has been amended over time and as per the latest amendments to the policy, all PSEs are required to meet the following targets from MSEs annually:

- 1) 25% of the total annual procurement of goods and services.
- 2) A sub-target of 4% within the 25% for procurement from MSEs owned by Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs.



3) A sub-target of 3% within the 25% for procurement from MSEs owned by women entrepreneurs.

To support these goals, we have aligned our internal policy to exclusively procure commonly used goods and services valued up to ₹10 lakh from MSE vendors. This initiative helps boost their growth and participation in our supply chain.

We've implemented several measures to encourage MSE participation:

- **Price Preference:** If a non-MSE vendor submits the lowest bid (L1), an MSE can still be awarded the contract by matching the L1 price, provided their initial bid was within 15% of the L1 price. This provision applies when an order can be split among multiple vendors.
- **Reduced Financial Barriers:** Registered MSEs receive tender documents for free and are exempt from submitting earnest money deposits, making it easier for them to bid on our contracts.
- **Vendor Development Programs (VDPs):** We organize VDPs to connect MSEs with our buyers, help them understand our requirements and equip them to become competitive suppliers.

By implementing these supportive measures, we are creating a more inclusive and equitable procurement environment that fosters the growth of the MSE sector.

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

REC's procurement from MSEs for the financial year 2024-25 hit a remarkable 44.83%, well beyond the mandated minimum. The company's role in this is limited, though, as it relies on vendors to report their own diversity claims to help REC meet the government's procurement targets.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

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

Name of authority	Brief of the Case	Corrective action taken
No adverse orders were passed in relation to intellectual property related disputes.		

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Learn and Earn - A REC Foundation Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship, over the period of three years.	300	100
2	Modernization and Digitization of Psychiatric Rehabilitation Services at Bengaluru.	170	100
3	Strengthening of Science and computer laboratories by providing lab equipments, Information & communication technology equipments & refurbishment of infrastructure in 7 nos. for Government schools, conversion of 60 nos. of class rooms into Digital class rooms in 60 nos. of Government schools and installation of 43 nos. of 50 LPH Reverse osmosis water treatment system in 43 nos. of Government schools in Secunderabad, Hyderabad.	32,062	80
4	Providing 1,000 school benches, 1,250 bunk beds, 5,000 rPET(recycled polyester) T-shirts made from plastic waste.	7,500	80
5	Setting up 1,650 nos. of Solar Street Lights in rural and tribal areas.	17,57,611	100
6	Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows.	12,500	100
7	To reduce the prevalence of Gender-Based Violence in the urban slums of Mysore (Karnataka) and Bareilly (UP).	11,028	100
8	Establishment of Rashtrottana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District.	728	100
9	Healing Little Hearts-an REC initiative to provide free of cost medical support to 1,000 children with Congenital Heart Disease across India.	1,000	100
10	Setting up innovative jute processing BHAGIDARI model through Biomass-gassifier based decentralized electricity system in Purnia Cluster.	3,500	80

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
11	Transforming school education by upgrading the infrastructure of 15 Govt. primary schools, 1 Govt. higher school & 1 Govt. senior secondary school by repairing, renovating classrooms, redesigning kitchen, boundary walls, electrical wiring/ providing internet, procurement of water cooler, almirahs, cutlery, converting class rooms into smart class rooms, providing play equipments, school library, science/ mathematics laboratory, Kangra district.	1,041	100
12	Strengthening health facilities by providing medical equipment, ambulances, air conditioners, RO water plants, generator set, laptop, projector and office chairs in various Community Health Centres and Primary Health Centres in Barmer.	12,00,000	100
13	Broad basing of Sports and promotion of excellence in sports in India.	5,000+	80
14	Developmental work in the villages of Arrah (and Jagdishpur), Barhara & Koilwar blocks in Bhojpur.	5,000+	80
15	Providing an ambulance for district women hospital, Washim.	6,44,270 women (approx.)	100
16	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning etc. under Swachhta Action Plan.	500	100
17	REC-Integrity Club under REC Corporate Social Responsibility.	98	100
18	Organising month-long Sports Talent Identification and Training camps in Balasore.	37,000	80
19	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	10,000	100
20	Repair/Rectification of 1,681 toilets constructed by REC under SVA in tranche-2 constructed during the financial year 2014-15 in 5 States, namely, Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh.	15,000	80
21	Construction of hostel towers (G+8) for 80 studio apartments with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100 kwp roof top solar PV panel under school of Medical Research and Technology (SMART) in Kanpur district of Uttar Pradesh.	72	60
22	Setting up 300 JIGYASA-(Solar Energy Operated Smart Classes with joyful learning resource lab) in 300 government schools in Siddharthnagar district of Uttar Pradesh in 3 phases and each having 100 schools to be implemented by UNISED.	8,779	100
23	Construction of 13 nos. new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidyalaya, Hinganghat, Wardha Maharashtra.	NA	NA
24	Construction of Kitchen, dining hall & store room and installation of Reverse Osmosis water treatment plant in 12 nos. of Government high schools in Pulivendula rural, Pulivendula urban, Lingala and Thoundur mandals in Kadapa, Andhra Pradesh.	3,081	100
25	Construction of one indoor badminton court(double) in Govt. Nagarjuna P.G. College of Science, Raipur, Chhattisgarh.	150 players every year	80
26	Procurement of Medical Equipments in the District hospital, Dausa.	2,54,000	80
27	Construction of 17 open Gym Wangoi, Imphal West, Manipur.	Resident of Imphal	80
28	Healing Little Hearts 2.0 - an REC initiative to provide free of cost medical support to children with Congenital Heart Disease.	1,100	100
29	Rehabilitation of 8,000 nos. of disabled people by providing artificial limbs, callipers and other aids & appliances pan- India.	4,000	100
30	Establishment of biodiversity and wildlife conservation laboratory and training center in Kashmir and Ladakh.	NA	NA
31	Construction of Community Hall at Asufi Punanamei Mao, Senapati District, Manipur.	Entire Village at Asufi Punanamei Mao	100
32	Procurement of equipment for digital English language lab in 18 nos. rural Akal Academies (run by The Kalgidhar Trust) in 5 nos. of districts of Punjab.	12,500	100



Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
33	Procurement for plantation of 54 plants/trees, by REC CO/ROs/SOs at State power utilities/ urban parks, nearby areas etc.	3,000+	100
34	Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows.	12,500	100
35	Construction of 12 kms road from Yaingangpokpi to Laikoiching in Ukhrul district, Manipur.	10,000+	80
36	Construction of 500 nos. toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar Districts in Punjab.	34,000	80
37	Procurement of four e-buses, two charging stations for transportation of students in the campus of Maulana Azad National Institute of Technology (MANIT), Bhopal.	6,000 students (approx.)	100
38	Installation of 0.25 MW SPV system and LED lights at various locations at Sambalpur University Campus.	NA	NA
39	Procurement, operation and maintenance of 100 nos. of MMU for primary health care services in various districts of across India for a period of three years, to be implemented by Indian Red Cross Society / any other expert agency.	98,496	100
40	Contribution to PM CARES Fund.	NA	NA
41	Contribution to Clean Ganga Fund.	NA	NA
42	Contribution of ₹20 crore to corpus of Gujarat Foundation for Entrepreneurial Excellence over the period of 3 years i.e. ₹6.66 crore per year.	1,000+	100
43	Procurement, operation and maintenance of 10 nos. of mobile health clinics in all 14 blocks of Bhojpur district, Bihar for a period of over three years.	61,211	60
44	Installation and commissioning of 1,000 LED Solar Street Light in 5 Districts in Arunachal Pradesh to be implemented in the period of 12 months.	3,25,000	100
45	Assistance of ₹1.74 crore, for the project, "Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights in Lucknow, Uttar Pradesh" to be implemented by Lucknow Development Authority.	1,00,000+	80
46	CSR assistance of ₹14 crore for the procurement of Linear Accelerator machine in Trauma Centre established by Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti in Firozabad District of Uttar Pradesh, to be implemented by SSB, Uttar Pradesh.	4,00,000	80
47	Procurement and installation of ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library)' to be implemented jointly by REC Foundation and SIPNA Shikshan Prasarak Mandal (SSPM) for Arts, Science and Commerce Collage, Chikhaldara, Distt. Amravati, Maharashtra.	8,000	80
48	Renovation of 50 nos. Anganwadi Centers (AWCs) and providing containers for storing food grains, LPG gas connection & setting up of Antenatal care corners in 1125 nos. AWCs.	2,500	100
49	CSR assistance for creating "REC Foundation-Rupantar Role Model Schools" to align with the New Education Policy in 250 schools of 2 states and 2 union territories in 3 years.	45,000+	80
50	Assistance of ₹4.61 crore for the project, "Procurement and setting up Modular General O.T with laparoscopy, anaesthesia workstation and Fully Modular EYE O.T with ophthalmic microscope machines and other essential equipment at Sadar Hospital Banka and Modular General O.T with anaesthesia workstation and other essential equipment Machines at Community Health Centre Dhoraiya and Belhar each of Banka District, Bihar" to be implemented in 12 months by (District Health Society Banka (Civil Surgeon cum Member Secretary District Health Society Banka (Civil Surgeon cum Member Secretary).	NA	NA
51	Construction of 25 community halls in 25 gram panchayats of Varanasi to be implemented by Varanasi Development Authority four phases.	1,16,328	70
52	Construction of Pedestrian Bridge in Badrinath town over Alaknandariver, part of Master Plan for Smart Hill Town, Badrinath, Uttarakhand.	NA	NA

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
53	Construction of Auditorium of 1,000 seating capacity in district Siddharthnagar, Uttar Pradesh, to be implemented by Jila Civil Social Responsibility Association.	NA	NA
54	Construction of REC waiting lounge at AIIMS - REC Ashraya, New Delhi.	1,09,312	100
55	Contribution to Swachh Bharat Kosh.	NA	NA
56	CSR assistance of ₹6 crore for project "Eye care for all" - an initiative to provide support to 8,000 beneficiaries for Cataract surgery to be implemented by Sankara Eye Hospital, Pammal, Chennai.	8,000	100
57	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country.	1,350+	100
58	CSR assistance of ₹4.15 crore for the project "5,000 nos. of PHACO Phacoemulsification, surgery at Bhaktivedanta Hospital, Barsana, Mathura" to be implemented by Shri Chaitanya Health and Care Trust.	1,250	100
59	Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas of Sikkim.	1,95,050	100
60	Construction of high school building (G+1) in Jagarmunda, providing 18 nos. of power inverter in PHCs, CHCs and district hospital, providing Haematology analyser-CBS with reagent at district hospital and procurement of 5 nos. of shredder machine in CHC & district hospital.	74,885	100
61	Revival of Millet Based Culinary Tradition to Address Nutritional Security and Livelihood Creation in Chhattisgarh", to be implemented by Chhattisgarh Swami Vivekanand Technical University Foundation for Rural Technology and Entrepreneurship.	13,400	100
62	CSR assistance for Prime Minister Internship Scheme.	NA	NA
RECPDCL			
63	CSR assistance to Medical Superintendent for "Enhancement of Health Infrastructure by acquiring Medical Equipment & Renovation work in Govt. SNM Hospital, Leh	50,000	80
64	CSR assistance to CMO, Srinagar for "Improving Health Infrastructure through the Acquisition of Advance Medical Equipment for Health institutions under the administrative control of Health Department, Srinagar, UT of Jammu & Kashmir	75,000	70
65	CSR assistance to The Leprosy Mission Trust India for "Enhancement of Medical Infrastructure with advanced medical equipment at The Leprosy Mission Hospital, Delhi and Maharashtra	30,000	60
66	CSR Assistance of to Block Medical Officer, Bilha, Bilaspur for Enhancement of Health Infrastructure by acquiring medical equipment for M.C.H. Bilha, Bilaspur, Chhattisgarh	360	70
67	CSR Assistance to Bisnoli Sarvodaya Gramodyog Sewa Sansthan for Eradication of Anaemia among the population of Khora Colony through Rapid Diagnosis & Follow-up Services at Khora Colony, Ghaziabad, Uttar Pradesh	30,000	100
68	CSR assistance to Chetna Himachal Pradesh for "development/ enhancement of special education facility by construction of roof over open terrace at the building of Rehabilitation Centre for differently abled in Bilaspur district, Himachal Pradesh"	160	100

*NA here means not ascertainable.

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.

Being an NBFC, the Company has adopted a Fair Practices Code in line with the statutory requirements. The Fair Practices Code, as prescribed by the Reserve Bank of India (RBI), outlines a comprehensive grievance redressal mechanism designed specifically for consumers. This framework enables individuals to submit any complaints they may have regarding services or practices. The Board of Directors plays a crucial role in this process, as they periodically conduct thorough reviews to assess compliance with the Fair Practices Code. This review includes an evaluation of the grievances that have been filed under this code.

For the financial year 2024-25, it is noteworthy that the organisation did not receive any complaints associated with the Fair Practices



Code, indicating a high level of consumer satisfaction and adherence to the established practices. For those interested in reviewing the Guidelines and protocols outlined in the Fair Practices Code can be accessed at <https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf>

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

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

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	1	1	Complaint filed in District Consumer Disputes Redressal Commission, Jaipur. REC's reply has been filed.	1	1	Complaint filed in District Consumer Disputes Redressal Commission, Sirsa. REC's reply has been filed.

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

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

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 policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Data-Privacy-Policy-060624.pdf>.

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.

Nil. The IT Division has actively engaged a Security Agency that is empaneled by the Indian Computer Emergency Response Team (CERT-In). This agency has been tasked with conducting a series of comprehensive cybersecurity audits of the ICT (Information and Communication Technology) infrastructure of REC. These audits are aimed at assessing the security posture, identifying vulnerabilities and recommending improvements to enhance the overall cybersecurity framework of the organization.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: Nil

LEADERSHIP INDICATORS

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

REC provides a diverse and comprehensive suite of financial products and services specifically designed to support the power, infrastructure and logistics sectors. This extensive offering addresses the complete value chain, enhancing the development of essential systems for power generation, transmission and distribution. By focusing on improving operational efficiency, REC plays a crucial role in facilitating the implementation of innovative and sustainable technologies across these industries.

The financing solutions offered by REC are tailored to a wide array of clients. This includes not only State power utilities and State Governments but also public sector undertakings and private sector developers. These financial products are carefully designed

to meet the unique needs and challenges faced by each segment of the market, ensuring that all stakeholders in the energy and infrastructure landscape can access the necessary capital for growth and sustainability.

For more detailed information regarding our product portfolio, including specific interest rates and other related financial information, interested parties are encouraged to visit the official Company website, where resources are readily available for current and potential customers. <https://recindia.nic.in/financial-products>. Details on our business profile can be accessed at <https://recindia.nic.in/business-profile>.

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

REC maintains a comprehensive presence throughout India, with regional offices strategically located in various states across the country. Each regional office is supervised by a Senior Chief Program Manager or Chief Program Manager (CPM), who serves as the primary point of contact for borrowers within the respective state. This position is crucial for addressing any concerns relating to the wide array of products and services offered by the company. For those seeking direct assistance or information, detailed contact information for each regional office and the associated Senior CPMs/CPMs can be found at <https://recindia.nic.in/contact>

To promote consumer awareness and educate the public about its offerings, REC has made a range of consumer awareness literature available on its official website at <https://recindia.nic.in/financial-products>. This initiative is part of the organization's commitment to transparency and consumer engagement.

In addition to these initiatives, REC boasts an in-house training institute known as the REC Institute of Power Management and Training (RECIPMT). This institution is dedicated to fulfilling the training and development needs of engineers and managers from power sector organizations, not only within India but also extending its reach internationally. RECIPMT offers a diverse array of training programs focusing on vital topics such as electrical safety, the techno-commercial improvement of DISCOM performance and the sustainability of power utilities.

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

For REC which is a project finance NBFC and not a direct utility provider, the concept of "consumers" and "essential services" needs to be understood in the context of financing infrastructure, not providing power directly.

The essential service is the financing of power and infrastructure projects. The "consumers" are the large state and private power utilities, not the end-users of electricity.

Therefore, the mechanisms for informing stakeholders of any risk of disruption/discontinuation of its essential service (financing) are primarily focused on transparency, regulatory compliance and direct communication with its institutional borrowers and the financial market. The direct mechanisms in place are Regulatory disclosures, Stock Exchange filings, Direct communication with borrowers, Credit Ratings.

4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the entity provides product information that goes beyond legal requirements.

As a wholesale Non-Banking Financial Company (NBFC), the Company primarily offers financial products to state utilities. To ensure transparency, detailed loan terms, conditions and other crucial information are available on its corporate website. In addition to the website, the company actively advertises its products through:

- Workshops: For example, a workshop on Advanced Metering Infrastructure (AMI) was held in financial year 2024-25 to educate borrowers.
- Investor and Borrower Meets: These events are organized to provide direct information.
- Regional Office : The state offices of RECs educate small groups of borrowers about available products and services.

Additionally, REC is dedicated to enhancing customer experience by continuously conducting customer satisfaction surveys. These surveys are strategically implemented at multiple touchpoints throughout the loan transaction process, including application, approval, disbursement and closure stages. We actively seek feedback from our borrowers, which serves as a valuable resource for refining our systems and processes. This feedback informs our ongoing efforts to improve service delivery and enables us to focus more effectively on the training and development of our staff, ultimately aiming to provide an exceptional customer experience.

As an NBFC, we rigorously adhere to the Fair Practices Code as mandated by the Reserve Bank of India (RBI). This code outlines the ethical lending practices we follow in our interactions with borrowers, encompassing various stages of the loan lifecycle, including the application process, approval and sanctioning of loans, disbursement, post-disbursement supervision and an established grievance redressal mechanism. The full text of our Fair Practices Code is available at <https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf> ensuring that our customers are well-informed about their rights and the standards we uphold.

For and on behalf of the Board of Directors



Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Place: Gurugram
Date: July 25, 2025



ANNEXURE TO BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability REC conducts its business activities with utmost importance to ethics, transparency and accountability. The various policies, codes and rules framed in this regard include: - <table border="1"> <thead> <tr> <th data-bbox="215 419 542 453">Name of the Policy</th><th data-bbox="550 419 1500 453">Weblink</th></tr> </thead> <tbody> <tr> <td data-bbox="215 464 542 521">Internal Guidelines on Corporate Governance</td><td data-bbox="550 464 1500 521">https://recindia.nic.in/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf</td></tr> <tr> <td data-bbox="215 532 542 567">Policy for Prevention of Fraud</td><td data-bbox="550 532 1500 567">https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf</td></tr> <tr> <td data-bbox="215 578 542 612">Whistle Blower Policy</td><td data-bbox="550 578 1500 612">https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf</td></tr> <tr> <td data-bbox="215 623 542 680">Code of Business Conduct and Ethics</td><td data-bbox="550 623 1500 680">https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf</td></tr> <tr> <td data-bbox="215 691 542 725">Fair Practices Code</td><td data-bbox="550 691 1500 725">https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf</td></tr> <tr> <td data-bbox="215 737 542 805">Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions</td><td data-bbox="550 737 1500 805">https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf</td></tr> <tr> <td data-bbox="215 816 542 963">Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure</td><td data-bbox="550 816 1500 963">https://recindia.nic.in/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf</td></tr> <tr> <td data-bbox="215 975 542 1031">Policy on 'fit & proper' criteria of Directors</td><td data-bbox="550 975 1500 1031">https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf</td></tr> <tr> <td data-bbox="215 1043 542 1077">REC ESG policy</td><td data-bbox="550 1043 1500 1077">https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf</td></tr> </tbody> </table> In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible to the employees of the Company on Intranet.	Name of the Policy	Weblink	Internal Guidelines on Corporate Governance	https://recindia.nic.in/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf	Policy for Prevention of Fraud	https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf	Whistle Blower Policy	https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf	Code of Business Conduct and Ethics	https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf	Fair Practices Code	https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf	Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf	Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://recindia.nic.in/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf	Policy on 'fit & proper' criteria of Directors	https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf	REC ESG policy	https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf
Name of the Policy	Weblink																				
Internal Guidelines on Corporate Governance	https://recindia.nic.in/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf																				
Policy for Prevention of Fraud	https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf																				
Whistle Blower Policy	https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf																				
Code of Business Conduct and Ethics	https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf																				
Fair Practices Code	https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf																				
Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf																				
Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://recindia.nic.in/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf																				
Policy on 'fit & proper' criteria of Directors	https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf																				
REC ESG policy	https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf																				
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. The Company is a NBFC offering financial products, which include loans to renewable energy projects for environmental sustainability. Details of the Company's products & services are available at https://recindia.nic.in/financial-products Further, CSR Policy of the Company is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf REC also has a Sustainable procurement policy outlining ESG Guidelines and human rights requirements for suppliers. The policy is available at https://recindia.nic.in/uploads/files/CO-BDM-Sustainable-Procurement-policy-060624.pdf																				
P3	Businesses should promote the well-being of all employees The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors and are accessible to the employees of the Company on the intranet. Our ESG policy is available at https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf																				
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. Our stakeholder engagement policy and stakeholder grievance redressal policy are available at links https://recindia.nic.in/uploads/files/CO-BDM-Stakeholder-engagement-policy-060624.pdf and https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf, respectively. The Company works towards inclusive growth through its CSR Policy approved by the Board of Directors. The CSR Policy is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf																				
P5	Businesses should respect and promote human rights REC strives to safeguard and uphold human rights in all ways possible. REC's human rights policy is available at https://recindia.nic.in/uploads/files/CO-BDM-Human-Rights-Policy-060624.pdf. The Company has a Code of Business Conduct & Ethics for its Board Members and Senior Management, which, <i>inter-alia</i>, casts moral imperative on the members of senior management to keep in mind the safety and protection of human life and environment and to avoid discrimination on any grounds. The said Code is available at https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf																				

P6 Businesses should respect, protect and make efforts to restore the environment

As a financial institution in the power sector, REC has been increasingly supporting the development of renewable energy space. REC's financing norms for renewable energy are available at <https://recindia.nic.in/loan-policy-circular>

Our ESG policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf>

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

REC plays an active and responsible role in matters concerning public & regulatory policy. Further, REC's interactions with public at large can be followed through its various social media handles. Our responsible advocacy policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Responsible-Advocacy-Policy-060624.pdf>

P8 Businesses should support inclusive growth and equitable development

REC has various policies to support inclusive growth and equitable development of all its stakeholders, including public procurement policy for MSMEs (<https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf>), equal opportunity policy for its employees (available on REC intranet), attractive lending rates for green-energy projects (<https://recindia.nic.in/loan-policy-circular>) and also CSR policy (<https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf>).

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

REC has a Board-approved 'Fair Practices Code' in place, to ensure that fair and transparent practices are followed by the Company while dealing with customers in its lending operations. The Code is available at <https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf>

Our Data privacy policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Data-Privacy-Policy-060624.pdf>

All policies & processes are reviewed by the Board of Directors/Senior Management from time to time.



220kv Single Circuit Transmission Line from Drass to Padum on Double Circuit Tower at Kargil, Ladakh being implemented by RECPDCL



INDEPENDENT REASONABLE ASSURANCE REPORT ON THE DISCLOSURES MADE UNDER BRSR (9) CORE ATTRIBUTES IN THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2024-25 OF REC LIMITED

To,
The Board of Directors
REC Limited
Core-4, Scope Complex,
7, Lodi Road, New Delhi- 110003, India.

Introduction

We have been engaged by REC Limited ("the Company") for the purpose of providing an independent assurance of the Company's disclosures under the BRSR Core Attributes in the Business Responsibility and Sustainability Report ("BRSR"), as per the BRSR Core – Framework for Assurance and ESG Disclosures for value chain provided under SEBI Master Circular No SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 ("SEBI BRSR Core Assurance Circular"), for the reporting period April 1, 2024, to March 31, 2025 ("Financial Year 2024-25").

Management and Our Responsibility

The Company's management is responsible for collating, analyzing, authenticating and disclosing the data and other required information in the BRSR and for ensuring the integrity and accuracy of the disclosures so that they are free from any material misstatement or omission. The management is also responsible for providing complete access to the data and other information on which it has relied while preparing the BRSR.

Our responsibility is to perform the necessary procedures and obtain the requisite evidence to express a reasonable assurance on the disclosures made in respect of the BRSR Core Attributes, as provided in the SEBI BRSR Core Assurance Circular, in the Company's BRSR for financial year 2024-25.

Scope and boundary

Scope

The scope of our engagement includes an independent reasonable level of assurance of the following BRSR Core Attributes as provided in the SEBI BRSR Core Assurance Circular for financial year 2024-25.

S. No.	Attribute	Principle	Key Performance Indicator
1	Greenhouse gas footprint	Principle 6, Question 7	- Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) - Total Scope 2 emissions (Break-up of the GHG (CO₂e) into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) - GHG Emission Intensity (Scope 1+2)
2	Water footprint	Principle 6, Question 3	- Total water consumption in Mn Lt or KL - Water consumption intensity in Mn Lt or KL/ Rupee adjusted for PPP - Water consumption intensity in Mn Lt/ Product or Service
		Principle 6, Question 4	Water discharge by destination and levels of Treatment in Mn or KL
3	Energy footprint	Principle 6, Question 1	- Total energy consumed in Joules or Multiples % of energy consumed from renewable sources - Energy intensity in %age terms - Energy intensity in joules or multiples/ Rupee adjusted for PPP - Energy intensity in Joules or multiples/ Product or Service
4	Waste Management	Principle 6, Question 9	- Details related to waste generated by the entity (category wise) - Waste intensity - Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations - For each category of waste generated, total waste disposed by nature of disposal method
5	Enhancing Employee Wellbeing and Safety	Principle 3, Question 1(c)	Cost spent on the measures towards the well-being of employees and workers (including permanent and other than permanent)
		Principle 3, Question 11	Details of safety-related incidents

S. No.	Attribute	Principle	Key Performance Indicator
6	Enabling Gender Diversity in Business	Principle 5, Question 3(b)	Gross wages paid to females as % of total wages paid by the entity
		Principle 5, Question 7	Complaints on POSH
7	Enabling Inclusive Development	Principle 8, Question 4	Input material sourced from MSMEs/ small Producers and from within India as % of total purchases
		Principle 8, Question 5	Job creation in smaller towns –Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
8	Fairness in Engaging with Customers and Suppliers	Principle 9, Question 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
		Principle 1, Question 8	Number of days of accounts payable
9	Open-ness of business	Principle 1, Question 9	- Concentration of purchases & sales done with trading houses, dealers and related parties - Loans & advances and investments with related parties

Assurance Methodology

As part of the assurance process, we have relied upon the following:

Frameworks

- SEBI BRSR Core Assurance Circular.
- Industry Standards on Reporting of BRSR Core issued by SEBI vide Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 ("BRSR Industry Standards").
- Greenhouse Gas Protocol methodology.
- Central Ground Water Board (Central) Guidelines.
- International Standard on Assurance Engagement ("ISAE") 3000- Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Methodology

As part of the assurance process, we have undertaken the following steps:

- Reviewed the disclosures under BRSR (9) Core Attributes, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under (9) ESG attributes.
- Reviewed the data, documents and other information basis which calculation and reporting have been made.
- Interviewed relevant personnel of management responsible for Sustainability, Environmental Social Governance (ESG) and the consultant and their team for understanding the process of collecting, collating and reporting the data.
- Checked the consolidation for various offices to ensure the completeness of data being reported.
- Conducted on-site audits for data testing and to assess the uniformity in reporting processes. This included assessing records and performing testing including recalculation of sample data.
- Assessed the appropriateness of various assumptions, estimations and materiality thresholds used by the Company.
- Wherever required, we have performed a sample-based review of data and information.

Our Opinion

Based on the information and documents provided to us, procedures we have performed and the evidence we have obtained, we are of the view that the BRSR Core Attributes, as disclosed in the Company's BRSR for financial year 2024-25, have been reported in accordance with the requirements outlined in the SEBI BRSR Core Assurance Circular and BRSR Industry Standards.

Statement of Independence

As per the SEBI BRSR Core Assurance Circular, we hereby confirm that neither we nor any of our associates have provided any non-audit / non-assurance related service(s), including consulting services, to the Company or its group entities during the financial year 2024-25, which would lead to a conflict of interest.

Restriction on use or distribution

This assurance statement, including the conclusion, has been prepared solely at the request of the Company to meet the statutory obligations in respect to disclosures made in the BRSR for financial year 2024-25. Our report should not be used for any other purpose or by any other person other than the Company without our prior written consent. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.



Limitations

Our performance under this assurance engagement is subject to the following limitations:

- i. Based on the agreed scope with the Company, the boundary of reasonable assurance covers the operations of the Company and its subsidiaries across all offices. Further, the assurance is being made only for the disclosures made under BRSR Core Attributes for financial year 2024-25.
- ii. During the assurance engagement, we have relied on the data and information provided by the Company. We have assumed that the Company has provided us with complete and authentic data and other information necessary for the performance of the assurance. In some cases, the Company has relied on third-party data sources, we have not verified the authenticity of that data source.
- iii. The absence of a significant body of established standards on which to evaluate and measure non-financial information allows for different but acceptable measurement techniques, which can affect comparability between entities.
- iv. Preparation of BRSR is the responsibility of the Company. We have not been involved in evaluating or assessing any financial data/performance of the Company. We have solely relied upon the Company's audited financial reports for the correctness of the financial data.
- v. The assurance considers an uncertainty of $\pm 5\%$ based on the materiality threshold for estimation/measurement errors and omissions pursuant to the GHG Protocol.
- vi. The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions of any kind, if any.
- vii. The assurance does not include a review of legal compliance regarding the disclosures made with respect to the BRSR Core Attribute.

For Corporate Professionals

Sd/-

Pavan Kumar Vijay
Founder & Partner

Sd/-

Sukriti Kashyap
Senior Associate- ESG & Sustainability Solutions

Date: June 24, 2025

Place: New Delhi

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

Pursuant to Section 204(1) of the Companies Act, 2013 read with
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members
REC LIMITED
Regd. Office Address: Core 4, SCOPE Complex,
7, Lodi Road, New Delhi-110003

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **REC LIMITED (CIN: L40101DL1969GOI005095)** (hereinafter called as "the Company" or "REC"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms & returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed 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 & returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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'), as applicable: -
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - (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. **(Not Applicable to the Company during the Review period)**

- (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; **(Not Applicable to the Company during the Review period)**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Review period)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and **(Not Applicable to the Company during the Review period)**
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Compliances/ processes/ systems under other specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of periodic certificates under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the following:

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India, as applicable.
- (ii) Listing Agreement entered between the Company and the Stock Exchanges i.e. National Stock Exchange of India Limited ("NSE") & BSE Limited ("BSE") pursuant to the requirement of the Listing Regulations.
- (iii) Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises ("DPE Guidelines").
- (iv) Reserve Bank of India Act, 1934 and rules, regulations, Guidelines and directions issued by RBI, from time to time, for the Infrastructure Finance Company (IFC), Non-Banking Finance Company (NBFC).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following:

1. *Non-Compliance with Regulation 17 of the Listing Regulations, Section 149 of the Act and Clause 3.1.4 of DPE Guidelines due to non-availability of requisite number of Independent Directors since May 14, 2024. Also, during the period from December 27, 2024 to March 31, 2025, there was no woman independent director on the Board of the Company.*
2. *Non-Compliance with Regulation 18 and 19 of the Listing Regulations, Sections 177 and 178 of the Act and Clauses 4.1.1 and 5.1 of DPE Guidelines as the composition of Audit Committee and Nomination & Remuneration Committee did not comprise of requisite number of Independent Directors during the period from December 27, 2024 to March 31, 2025.*

We further report that the Board of Directors of the Company is constituted as per provisions of the Act, Listing Regulations



and DPE Guidelines except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were also adequately sent 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 from Directors.

All the decisions made in the Board/Committee meeting(s) were carried out with the consent of requisite Directors/ Members present during the meeting and dissent, if any, have been duly recorded/ incorporated in the respective Minutes, wherever applicable.

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 the NSE and BSE each have imposed fine of ₹2,83,200/- for non-compliance with Regulation 17(1) of the Listing Regulations for the quarter ended September 30, 2024. Further, for the quarter ended December 31, 2024 and March 31, 2025, NSE & BSE each have imposed fine of ₹6,13,600/- and ₹5,54,600, respectively, for non-compliance with various provisions of the Listing Regulations. In response to the same, the Company has submitted request for waiver of fines so imposed to the stock exchanges as REC being a Government Company, the power to appoint Directors on its Board vests with the President of India acting through the Administrative Ministry i.e. Ministry of Power, Government of India and therefore, the Company has no role in the appointment of Directors on its Board. Further, the reply of the stock exchanges regarding waiver of fine is awaited.

We further report that during the audit period, following specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, Guidelines, standards etc.:

- i. Pursuant to Section 180(1)(c) of the Act read with the Companies (Management and Administration) Rules, 2014, the consent of the shareholders in its meeting dated August 20, 2024 was taken for increasing the overall borrowing limit

of the Company, provided that the total amount borrowed and outstanding at any point of time shall not exceed a sum equivalent to ₹6,00,000 crore (Rupees Six Lakh Crore only) in Indian Rupees, as earlier approved by the shareholders and in any foreign currency equivalent to USD 24 billion (US Dollars Twenty Four Billion only).

- ii. Pursuant to Section 180(1)(a) of the Act and rules made thereunder, the consent of the shareholders in its meeting held on August 20, 2024 was taken to create charge, hypothecation, mortgage on any movable and/or immovable properties of the Company for the purpose of business of the Company or otherwise as per the requirements of the Act.
- iii. Pursuant to Section 42 of the Act and rules made thereunder, the consent of the shareholders in its meeting held on August 20, 2024 was taken to raise funds through private placement of unsecured/secured non-convertible bonds/debentures up to ₹1,45,000 crore on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.
- iv. The Company has raised long term/short term funds by issue of different debt instruments for financing various projects as listed below:

Sl. No.	Type of Debt Instruments	Amount (₹ in crore)
(A) Long Term Borrowings		
1.	54 EC Capital Gains Tax Exemption bonds	7,634.75
2.	Institutional Bonds/ Subordinate Bonds	55,512.00
3.	Term Loans from Banks/ FIs	2,900.00
4.	Foreign Currency Borrowings	32,147.07
(B) Short term Borrowings		
5.	FCNR (B) Loan	42,410.17
6.	Loans from Banks (Tenor more than 6 months)	1,600.00
Total Funds Raised during the period		1,42,203.99

**For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022**

**Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
C.P No.: 5910
UDIN: F005774G000594802**

**Place: New Delhi
Date: June 13, 2025**

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.

To
The Members
REC LIMITED
Regd. Office Address: Core 4, SCOPE Complex,
7, Lodi Road, New Delhi-110003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Place: New Delhi
Date: June 13, 2025

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
C.P No.: 5910



ANNEXURE-VI TO BOARD'S REPORT

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at Arm's Length basis.

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
--	---	--	--	--	----------------------------------	---------------------------------	---

There was no transaction attracting the applicable provisions of sub-section (1) of Section 188 of the Companies Act, 2013, during the period under review.

2. Details of material contracts or arrangements or transactions at Arm's Length basis.

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
--	---	--	--	----------------------------------	---------------------------------

There were no material contracts or arrangements or transactions that were entered by the Company with any related party, during the period under review.

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Place: Gurugram
Date: July 25, 2025

Annual Report on CSR Activities

1. Brief outline on CSR policy of the Company:

The Company has framed its Corporate Social Responsibility Policy, in consonance with Section 135 of the Companies Act, 2013, ('the Act') and Rules made thereunder. REC's CSR policy has been amended from time to time in compliance with amendments in the Companies (Corporate Social Responsibility Policy) Rules. The copy of CSR policy can be accessed from the website of the Company at <https://recindia.nic.in/csr-sustainability-policy> and REC Foundation (a CSR wing of REC) at <https://www.recfoundation.in>.

In line with Section 135 of the Act, at least 2% of the average net profits of the Company made during the three immediately preceding financial years is required to be spent in pursuance of Corporate Social Responsibility Policy.

The Company ensures that the CSR projects are carried out in line with activities prescribed under Schedule VII of the Act and Guidelines/circulars issued in this regard. CSR projects are chosen in activities pertaining to inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country in the given chosen/focus area(s).

REC undertakes its CSR activities through registered entities including 'REC Foundation', a registered society. The foundation is governed by Governing Body comprising nominated officials of REC.

CSR Projects:

During the financial year 2024-25, 44 numbers of CSR projects were approved with aggregate outlay of ₹331.81 crore and an amount of ₹294.01 crore (including excess spent of ₹5.15 crore carried forward from previous year) was spent on CSR projects.

During the financial year, CSR assistance has broadly been channelized to the following major projects:

- Healing Little Hearts-an REC's initiative to provide free of cost medical support to 2,100 children with Congenital Heart Disease.
- Procurement and deployment of 4 Mobile Medical Units in 4 Districts of Chhattisgarh, 4 Mobile Medical Units in 4 Districts of Punjab, 7 Mobile Medical Units in 7 Districts of Tamil Nadu and 5 Mobile Medical Units in 3 Districts of Uttarakhand.
- Strengthening health facilities by providing medical equipment, ambulances, air conditioners, RO water plants, generator set, laptop, projector and office chairs in various Community Health Centres and Primary Health Centres in Barmer.
- Procurement of Medical Equipments in the District hospital, Dausa.
- Rehabilitation of 8,000 nos. of disabled people by providing artificial limbs, calipers and other aids & appliances pan-India.
- Construction of 500 nos. toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar Districts in Punjab.
- CSR assistance for procurement of Linear Accelerator machine in Trauma Centre established by Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti in Firozabad District of Uttar Pradesh.
- CSR assistance for the project, "Procurement and setting up Modular General O.T. with laparoscopy, anesthesia workstation and Fully Modular EYE O.T. with ophthalmic microscope machines and other essential equipment at Sadar Hospital Banka and Modular General O.T. with anesthesia



"Brick by brick, hope rises" REC CSR's hospital project in Kedarnath is shaping a healthier future for generations to come.



Inauguration event of 7 Mobile Medical Units by Honourable Governor of Tamil Nadu, Shri Thiru. R.N. Ravi, at Raj Bhawan, Tamil Nadu.

- workstation and other essential equipment Machines at Community Health Centre Dhoraiya and Belhar each of Banka District, Bihar” by District Health Society Banka, Civil Surgeon cum Member Secretary District Health Society Banka and Civil Surgeon cum Member Secretary.
- ix. CSR assistance for the project “Eye care for all” - an initiative to provide support to 8,000 beneficiaries for Cataract surgery in Pammal, Chennai.
 - x. Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country implemented by Artificial Limbs Manufacturing Corporation of India.
 - xi. CSR assistance for 5,000 nos. of Phacoemulsification surgery at Bhaktivedanta Hospital, Barsana, Mathura.
 - xii. Establishment of Rashtrottana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District, Bangalore.
 - xiii. Construction of 13 nos. new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidyalaya, Hinganghat, Wardha, Maharashtra.
 - xiv. Establishment of biodiversity and wildlife conservation laboratory and training center in Kashmir and Ladakh.
 - xv. Procurement of four e-buses, two charging stations for transportation of students in the campus of Maulana Azad National Institute of Technology, Bhopal.
 - xvi. Construction of Pedestrian Bridge in Badrinath town over Alaknanda river, part of Master Plan for Smart Hill Town, Badrinath, Uttarakhand.
 - xvii. Broad basing of Sports and promotion of excellence in sports in India.
 - xviii. Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows.
 - xix. Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas of Sikkim.

2. Composition of CSR Committee:

In line with the Act and the Rules made thereunder, CSR Committee has been constituted. Its composition and meetings details during the financial year 2024-25 are as under:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year (held during tenure)	Number of meetings of CSR Committee attended during the financial year
1	Shri Manoj Sharma Nominee Director, PFC	Chairperson (from December 27, 2024 to April 16, 2025)	2	2
2	Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	12	12
3	Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	11	11

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year (held during tenure)	Number of meetings of CSR Committee attended during the financial year
4	Dr. Durgesh Nandini Independent Director	Member (up to May 14, 2024 and again appointed as Chairperson from November 26, 2024 to December 26, 2024)	3	3
5	Shri Narayanan Thirupathy Independent Director	Member (from December 27, 2024 to April 16, 2025)	2	2
6	Dr. Manoj Manohar Pande Independent Director	Chairperson (up to November 14, 2024)	8	8

Note: Dr. Gambheer Singh, Independent Director is the Chairperson of CSR Committee w.e.f. April 17, 2025.

3. Web-links detailing composition of CSR Committee, CSR Policy and CSR projects approved by the Board:

The details of the composition of CSR Committee, CSR Policy and CSR projects approved by the Board for the financial year 2024-25 have been made available on the website of the Company at the following link: <https://www.recindia.nic.in/our-csr-initiatives>.

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:

The Impact assessment was carried out as per CSR Amendment Rules effective from January 22, 2021, of those projects which were having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study.

The table below provide brief details of the projects and key findings of the impact of the CSR projects:

Sl. No.	Project Details	Key findings of the impact of the project
1	Provision of food to migrant Laborers/ family members engaged in/at construction/sub stations, poor people, daily wage Laborers etc., due to lockdown in view of the outbreak of pandemic corona virus COVID-19.	• High impact. • Highly targeted intervention addressing critical and urgent need. • Highly relevant, coherent, effective and efficient.
2	Distribution of aids & assistive devices to approx. 9,000 persons with disabilities by conducting camps in 25 locations in various districts in the country.	• High impact • Highly targeted intervention aiming to plug a critical gap. • Highly relevant, coherent, effective, efficient and sustainable.
3	Provision of 4,300 of aids and appliances to specially-abled persons in Assam, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Rajasthan, Uttar Pradesh and Tamil Nadu.	• High impact • Highly targeted intervention aiming to plug a critical gap • Highly relevant, coherent, effective, efficient and sustainable.
4	Renovation and Provision of Equipment for Central Sterile Supply Department unit of AIIMS along with the procurement of 9 new steam sterilizers and buy-back of 9 old sterilizers on a turn-key basis.	• High impact • Targeted intervention which aimed aimed at meeting a crucial outcome. • Highly relevant, coherent, effective, efficient and sustainable.
5	Part-funding for Community based program for control of Sickle cell diseases and Thalassemia in the 30 districts of Odisha.	• High impact. • Highly targeted intervention addressing critical and urgent need. • Highly relevant and coherent. Significantly effective as key objectives were met. Moderately efficient due to impact of COVID-19. Potentially sustainable but sustainability depends on factors including follow-up projects and government support.
6	Construction/Extension of staff quarters for medical department and modular prefabricated housing (quarter) for teachers of Kiphire district, Nagaland.	• High impact. • Targeted intervention which aimed at meeting both local needs and national priorities. • Highly relevant, coherent, effective, efficient and sustainable.



Sl. No.	Project Details	Key findings of the impact of the project
7	Improvement of health services and renovation & construction in Primary Health Center, Primary Sub Health Center, Community Health Center and District hospital in Mamit in Mizoram.	• High impact. • Targeted intervention which aimed meeting needs at community, local and national levels. • Highly relevant, coherent, effective, efficient and sustainable.
8	Construction of hostel building for Scheduled Tribes/ vulnerable/ weaker section of the society in Kelwada (Kumbhalgarh) village.	• High impact. • Targeted intervention which aimed at meeting a vital need for children from marginalized (ST) families. • Highly relevant, coherent, effective, efficient and sustainable.
9	Project free distribution of seeds (Rabi Season) to small and marginal farmers of in draught prone Vajapur and Aurangabad blocks of Maharashtra.	• High impact. • Targeted intervention which aimed at meeting a critical regional need. • Highly relevant, coherent, effective, efficient and sustainable.
10	Assistance for community based interventions through various projects.	• Moderate overall impact with some projects displaying high impact. • Predominantly soft projects aimed at improved qualifiable rather than quantifiable societal outcomes. • Highly relevant, moderately coherent, moderately effective, partially efficient and moderately sustainable.
11	₹2.69 crore for construction of auditorium in Government Higher Secondary School in Munderi, Kannur, Kerala.	• The project undertaken by the District Panchayat Kannur and REC Limited received a positive response, as per the survey conducted. • Beneficiaries expressed satisfaction, particularly applauding the enhancements and expansions to the school infrastructure. • However, despite the overall positive feedback, it was noted that the auditorium is yet to be inaugurated.
12	₹3.91 crore for Setting up 2 nos. of electrical cum gas operated (Hybrid) crematorium in Jhansi, Uttar Pradesh.	• The hybrid electrical and gas-operated crematorium in Jhansi aims to reduce air pollution from traditional cremation practices. Residents have suffered adverse effects from wood combustion, with local air quality often rated as 'very poor' (71%) or 'poor' (16%). The new crematorium seeks to improve air quality and public health by using cleaner energy sources. However, the facility is yet to be put to use, awaiting appointment of technical staff.
13	₹5.00 crore for upgrading the Uro Science Centre for Kidney Transplant in Sardar Patel Medical College, Prince Bijay Singh Memorial Hospital, Bikaner, Rajasthan.	• The project to upgrade the Uro Science Centre for Kidney Transplant at Sardar Patel Medical College and Prince Bijay Singh Memorial Hospital in Bikaner, Rajasthan, aims to meet the increasing demand for advanced kidney transplant services. By enhancing infrastructure, equipment and staffing, the project seeks to improve healthcare for kidney disease patients across Rajasthan. However, the facilities are not yet functional due to pending approval from the Directorate of Medical Education.
14	₹1.49 crore for raising Young Innovators through the Conceptual Research Experience to 1,800 Students and 150 Teachers across 30 Government institutions in Uttar Pradesh.	• The project was initiated to address the gap in practical, hands-on learning experiences for students in the fields of renewable energy, biotech and agricultural science/technology. • The project emphasized teamwork, communication and research capabilities. • Participants reported increased confidence and career prospects. • 94% of participants felt more adept at conducting research. • 75% of participants were motivated to innovate. • The program improved personal growth, career flexibility and economic contributions.
15	₹2.17 crore for providing safe drinking water facility in rural areas in 15 villages of three states i.e. Punjab, Telangana and Rajasthan.	• REC Limited's Safe Drinking Water Initiative has improved lives in rural Telangana, Rajasthan and Punjab. • The project provides clean, affordable drinking water. • Benefits include reduced water-borne diseases, increased school attendance and better livelihoods. • Employment opportunities created by water centers have enhanced economic well-being.

Sl. No.	Project Details	Key findings of the impact of the project
16	₹ 2.10 crore for Installation of 20 nos. of water ATM machines at the site of Kumbh Mela 2019 in Prayagraj district of Uttar Pradesh & at various iconic places in India.	- REC Limited's Water ATM project faced challenges during implementation, hindering comprehensive impact evaluation. - The impact assessment team couldn't locate the water ATMs at specified locations. - Lack of information on their relocation prevented onsite surveys and direct impact measurement. - Despite potential benefits, these issues highlight the need for effective project management and transparency.
17	₹10.00 crore for setting up of mechanized sweeping, collection and transportation of municipal solid waste in 14 wards of Varanasi, Uttar Pradesh.	Though the secondary research of the CSR projects shows that the project was well aligned to REC's CSR policy and aptly addresses the needs of the recipient of the grant. However, the impact assessment team could not establish contact with the implementing agency after repeated attempts. Hence a site visit could not be conducted to understand the socioeconomic impact of the project.
18	₹3.87 crore for transforming school education by providing projectors, water facilities, furniture, white boards & markers, infrastructure support in schools & hostels, improvement of science laboratories etc., in Chandel district of Manipur.	Though the secondary research of the CSR projects shows that the project was well aligned to REC's CSR policy and aptly addresses the needs of the recipient of the grant. However, the impact assessment team was unable to conduct the site visit to understand the socio-economic impact of the project, due to prevailing social issues and curfews in Manipur.

Note: The impact assessment study from Sl. No. 1 to 10 was done by M/s Datamation Consultants Private Limited and for Sl. No. 11 to 18 was done by M/s Nangia & Co. LLP.

The detailed Impact assessment report is available at <https://recindia.nic.in/impact-assessment-reports>.

5. CSR allocation for the financial year 2024-25:

		(₹ in crore)
(a)	Average net profit of the Company as per Section 135(5)	14,424.22
(b)	Two percent of average net profit of the company as per Section 135(5)	288.48
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any	5.15
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	283.33



Eye Care for All-Ensuring access to Quality Eye Care for Underserved by providing free Cataract surgeries.



Bringing Medical Care to the Doorstep - Mobile Health Services for the Community.



6. CSR expenditure during the financial year 2024-25:

		(₹ in crore)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) as detailed in Annexure-A	279.38
(b)	Amount spent in administrative overheads	9.20
(c)	Amount spent on Impact Assessment, if applicable	0.28
(d)	Total amount spent for the financial year [(a)+(b)+(c)]	288.86
(e)	CSR amount spent or unspent for the financial year:	

Total Amount Spent for the financial year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
288.86	Nil	Not Applicable	Nil	Not Applicable	Not Applicable

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (₹ in crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per section 135(5)	288.48
(ii)	Total amount spent for the financial year (including adjustment of carried forward surplus of ₹5.15 crore from the previous year)	294.01
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.53
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.53

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crore)	Amount spent in the reporting financial year (₹ in crore)	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 crore)
				Name of the Fund	Amount (₹ in crore)	Date of transfer	
1	FY2021-22	Nil	Nil	Nil	Nil	Nil	Nil
2	FY2022-23	Nil	Nil	Nil	Nil	Nil	Nil
3	FY2023-24	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Nil.

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): The Company has fully spent its CSR obligation for the financial year 2024-25.

Sd/-
Chairman & Managing Director and
Director (Projects) (Additional Charge)

Sd/-
Independent Director and
Chairperson of CSR Committee

Place: Gurugram

Date: July 25, 2025

Annexure-A: Details of CSR expenditure during the financial year 2024-25:

Sl. No.	Name of the Project(s)	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project(s)	
				District(s)	State(s)
1	2	3	4	5(a)	5(b)
1	Modernization and Digitization of Psychiatric Rehabilitation Services	Health Care	NA	Bengaluru	Karnataka
2	Aim to reduce the prevalence of Gender-Based Violence in the urban slums of Mysore and Bareilly	Health Care	NA	Mysore and Bareilly	Karnataka and Uttar Pradesh
3	Healing Little Hearts-an REC initiative to provide free of cost medical support to 1,000 children with Congenital Heart Disease across India	Health Care	NA	Various Districts	Chhattisgarh, Haryana, Maharashtra
4	Strengthening health facilities by providing medical equipment, ambulances, air conditioners, RO water plants, generator set, laptop, projector and office chairs in various Community Health Centres and Primary Health Centres	Health Care	NA	Barmer	Rajasthan
5	Providing an ambulance for district women hospital	Health Care	NA	Washim	Maharashtra
6	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning etc. under Swachhta Action Plan	Health Care	NA	PAN India	PAN India
7	Repair/rectification of 1,681 toilets constructed by REC under Swachh Vidyalaya Abhiyan in tranche-2	Health Care	NA	Various Districts	Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh
8	Construction of Kitchen, dining hall & store room and installation of Reverse Osmosis water treatment plant in 12 nos. of Government high schools in Pulivendula rural, Pulivendula urban, Lingala and Thoundur mandals	Health Care	NA	Kadapa	Andhra Pradesh
9	Procurement of Medical Equipments in the District hospital	Health Care	NA	Dausa	Rajasthan
10	Construction of 17 open Gyms	Health Care	NA	Imphal West	Manipur
11	Healing Little Hearts 2.0- an REC initiative to provide free of cost medical support to children with Congenital Heart Disease	Health Care	NA	Various Districts	Chhattisgarh, Haryana, Maharashtra
12	Rehabilitation of 8,000 nos. of disabled people by providing artificial limbs, calipers and other aids & appliances	Health Care	NA	PAN India	PAN India
13	Construction of 12 kms. road from Yaingangpokpi to Laikoiching	Health Care	NA	Ukhrul	Manipur
14	Construction of 500 nos. toilets blocks at work place of BSF troops	Health Care	NA	Gurdaspur, Amritsar, Ferozpur and Abhohar	Punjab
15	Procurement and deployment of 4 nos. Mobile Medical Units in 4 Districts	Health Care	NA	Various Districts	Chhattisgarh
16	Procurement and deployment of 4 nos. Mobile Medical Units in 4 Districts	Health Care	NA	Various Districts	Punjab



Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
		Implementing / Nodal Agency	CSR Registration No.
6	7	8	9
0.17	No	National Institute of Mental Health and Neurosciences, Bengaluru, Karnataka	CSR00006218
0.09	No	Public Health Research Institute of India, Mysore & REC Foundation	CSR00011722
4.50	No	Sri Sathya Sai Health and Education Trust	CSR00001048
0.17	No	Chief Medical & Health Officer, Barmer	Not Applicable
0.16	Yes	REC Foundation	CSR00005016
0.02	Yes	REC Foundation	CSR00005016
2.51	No	Bharat Sevashram Sangha/ REC	CSR00000812
0.64	No	District Collector, Kadapa	Not Applicable
1.37	No	Raj Medicare Relief Society, Dausa, Rajasthan	CSR00052440
2.68	No	District Rural Development Agency, Imphal West	CSR00068295
14.49	No	Sri Sathya Sai Health and Education Trust	CSR00001048
2.95	No	Shree Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur	CSR00001480
(0.01)	No	North Eastern Region Community Resource Management Society	CSR00040556
2.25	No	Border Security Force, Punjab	CSR00048288
0.97	No	IRCS Chhattisgarh State Branch, Raipur	CSR00064721
0.73	No	IRCS Punjab State Branch, Chandigarh	CSR00067502

Sl. No.	Name of the Project(s)	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project(s)	
				District(s)	State(s)
1	2	3	4	5(a)	5(b)
17	Procurement and deployment of 7 nos. Mobile Medical Units in 7 Districts	Health Care	NA	Various Districts	Tamil Nadu
18	Procurement and deployment of 5 nos. Mobile Medical Units in 3 Districts for 3 years	Health Care	NA	Various Districts	Uttarakhand
19	Procurement, operation and maintenance of 10 nos. of mobile health clinics in all 14 blocks of Bhojpur District, Bihar for a period of over three years	Health Care	NA	Bhojpur	Bihar
20	Assistance for the procurement of Linear Accelerator machine in Trauma Centre established by Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti	Health Care	NA	Firozabad	Uttar Pradesh
21	Renovation 50 nos. Anganwadi Centers (AWCs) and providing containers for storing food grains, LPG gas connection & setting up of Antenatal care corners in 1,125 nos. AWCs	Health Care	NA	Muzaffarpur	Bihar
22	Assistance for the project, Procurement and setting up Modular General O.T. with laparoscopy, anesthesia workstation and Fully Modular EYE O.T. with ophthalmic microscope machines and other essential equipment at Sadar Hospital Banka and Modular General O.T. with anesthesia workstation and other essential equipment Machines at Community Health Centre Dhoraiya and Belhar	Health Care	NA	Banka	Bihar
23	Construction of REC waiting lounge at AIIMS i.e. 'REC Ashraya, New Delhi'	Health Care	NA	New Delhi	New Delhi
24	Assistance for project 'Eye care for all' - an initiative to provide support to 8,000 beneficiaries for Cataract surgery	Health Care	NA	Pammal, Chennai	Tamil Nadu
25	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States	Health Care	NA	PAN India	PAN India
26	Assistance for 5,000 nos. of Phacoemulsification surgery at Bhaktivedanta Hospital	Health Care	NA	Barsana, Mathura	Uttar Pradesh
27	Revival of Millet Based Culinary Tradition to Address Nutritional Security and Livelihood Creation	Health Care	NA	Bhilai	Chhattisgarh
28	Contribution to Clean Ganga Funds	Health Care	NA	PAN India	PAN India
29	Contribution to Clean Ganga Funds	Health Care	NA	PAN India	PAN India
30	Contribution to Swachh Bharat Kosh	Health Care	NA	PAN India	PAN India
31	Contribution to Swachh Bharat Kosh	Health Care	NA	PAN India	PAN India
32	Contribution to PM CARES Fund	Health Care	NA	PAN India	PAN India
33	Learn and Earn-A REC Foundation Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship, over the period of three years	Education	NA	PAN India	PAN India



Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
		Implementing / Nodal Agency	CSR Registration No.
6	7	8	9
1.41	No	IRCS Tamil Nadu State Branch, Chennai	CSR00004593
0.98	No	CSC Academy	CSR00006887
1.49	No	Doctors for You	CSR00000608
11.20	No	Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti	CSR00006617
0.74	No	DC Muzaffarpur	Not Applicable
1.84	No	District Health Society (Civil Surgeon cum Member Secretary), Banka	CSR00063966
5.81	No	All India Institute of Medical Sciences	CSR00028135
1.35	No	Sankara Eye Hospital	CSR00004033
2.23	No	Artificial Limbs Manufacturing Corporation of India	CSR00000532
0.93	No	Shri Chaitanya Health and Care Trust	CSR00065035
1.11	No	Chhattisgarh Swami Vivekanand Technical University Foundation for Rural Technology and Entrepreneurship	CSR00057408
20.00	No	Government of India	Not Applicable
15.00	No	Government of India	Not Applicable
10.00	Yes	Government of India	Not Applicable
21.00	Yes	Government of India	Not Applicable
50.00	Yes	Government of India	Not Applicable
3.95	No	The Apparel Training and Design Centre	CSR00000938

Sl. No.	Name of the Project(s)	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project(s)	
				District(s)	State(s)
1	2	3	4	5(a)	5(b)
34	Strengthening of Science and computer laboratories by providing lab equipments, Information & communication technology equipments & refurbishment of infrastructure in 7 nos. for Government schools, conversion of 60 nos. of class rooms into Digital class rooms in 60 nos. of Government schools and installation of 43 nos. of 50 LPH Reverse osmosis water treatment system in 43 nos. of Government schools	Education	NA	Hyderabad	Telangana
35	Providing 1,000 school benches, 1,250 bunk beds, 5,000 rPET (recycled polyester) T-shirts made from plastic waste	Education	NA	Jodhpur	Rajasthan
36	Establishment of Rashtrottana Vidya Kendra CBSE School	Education	NA	Various Districts	Karnataka
37	Transforming school education by upgrading the infrastructure of 15 Government primary schools, 1 Government higher school & 1 Government senior secondary school by repairing, renovating classrooms, redesigning kitchen, boundary walls, electrical wiring/ providing internet, procurement of water cooler, almirahs, cutlery, converting class rooms into smart class rooms, providing play equipments, school library, science/ mathematics laboratory	Education	NA	Kangra	Himachal Pradesh
38	Construction of hostel towers (G+8) for 80 studio apartments with furniture, fixtures, handscaping, external lighting & approach road for post graduate students and insatallation of grid connected 100 kWp roof top solar PV panel under school of Medical Research and Technology	Education	NA	Kanpur	Uttar Pradesh
39	Setting up of 300 JIGYASA-(Solar Energy Operated Smart Classes with joyful learning resource lab) in 300 Government schools	Education	NA	Siddharth Nagar	Uttar Pradesh
40	Construction of 13 nos. new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidyalaya	Education	NA	Wardha	Maharashtra
41	REC-Integrity Club under REC Corporate Social Responsibility	Education	NA	PAN India	PAN India
42	Procurement of equipment for digital English language lab in 18 nos. rural Akal Academies in 5 Districts	Education	NA	Various Districts	Punjab
43	Procurement and installation of ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library)	Education	NA	Amravati	Maharashtra
44	Assistance for creating "REC Foundation-Rupantar Role Model Schools" to align with the New Education Policy in 250 schools of 2 States and 2 Union Territories in 3 years	Education	NA	Various Districts	Jammu and Kashmir, Assam & Chhattisgarh



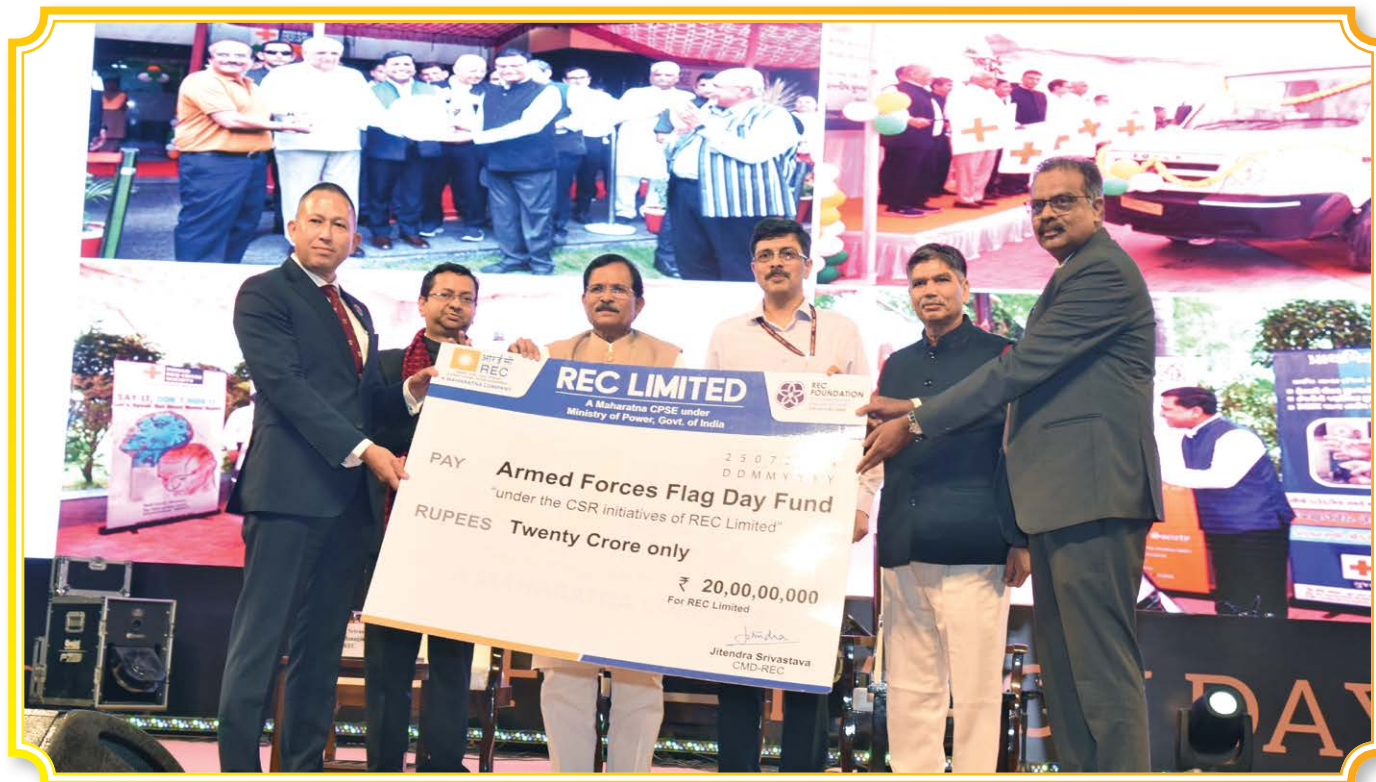
Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
		Implementing / Nodal Agency	CSR Registration No.
6	7	8	9
0.75	No	District Collector, Hyderabad	Not Applicable
0.58	No	Jodhpur City Knowledge and Innovation Foundation, IIT Jodhpur	CSR00047105
3.81	No	Rashtrothhana Parishat, Bangalore	CSR00004658
(0.02)	No	Deputy Commissioner, Kangra	Not Applicable
1.24	No	IIT Kanpur	CSR00004774
1.16	No	Unit of Science and Educational Development	CSR00011913
0.64	No	Progressive Education Society	CSR00000052
0.03	Yes	REC Foundation	CSR00005016
1.79	Yes	REC Foundation	CSR00005016
0.35	No	REC Foundation & Sipna Shikshan Prasarak Mandal for Arts, Science and Commerce College	CSR00009563
1.03	No	Sri Aurobindo Society	CSR00000200

Sl. No.	Name of the Project(s)	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project(s)	
				District(s)	State(s)
1	2	3	4	5(a)	5(b)
45	Construction of high school building (G+1) in Jagarmunda, providing 18 nos. of power inverter in PHCs, CHCs and district hospital, providing Haematology analyser-CBS with reagent at district hospital and procurement of 5 nos. of shredder machine in CHC & District hospital	Education	NA	Sukma	Chhattisgarh
46	Assistance for Prime Minister Internship Scheme	Education	NA	PAN India	PAN India
47	Setting up of 1,650 nos. of Solar Street Lights in rural and tribal areas	Environment Sustainability	NA	Nashik	Maharashtra
48	Setting up of innovative jute processing BHAGIDARI model through biomasas-gassifier based decentralized electricity system in Purnia Cluster	Environment Sustainability	NA	Cooch Behar	West Bengal
49	Establishment of biodiversity and wildlife conservation laboratory and training center	Environment Sustainability	NA	Various Districts	Kashmir & Ladakh
50	Procurement for plantation of 54 plants/trees, by REC CO/ROs/SOs at State power utilities/ urban parks, nearby areas	Environment Sustainability	NA	PAN India	PAN India
51	Procurement of four e-buses, two charging stations for transportation of students in the campus of Maulana Azad National Institute of Technology	Environment Sustainability	NA	Bhopal	Madhya Pradesh
52	Installation of 0.25 MW SPV system and LED lights at various locations of Sambalpur University Campus	Environment Sustainability	NA	Sambalpur	Odisha
53	Installation and commissioning of 1,000 LED Solar Street Light in 5 Districts	Environment Sustainability	NA	Various Districts	Arunachal Pradesh
54	Assistance for the project Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights	Rural Development	NA	Lucknow	Uttar Pradesh
55	Construction of 25 community halls in 25 gram panchayats	Rural Development	NA	Varanasi	Uttar Pradesh
56	Construction of Pedestrian Bridge in Badrinath town over Alaknanda river	Rural Development	NA	Smart Hill Town, Badrinath	Uttarakhand
57	Construction of Auditorium of 1,000 seating capacity	Rural Development	NA	Siddharth Nagar	Uttar Pradesh
58	Developmental work in the villages of Arrah, Jagdishpur, Barhara & Koilwar blocks	Rural Development	NA	Bhojpur	Bihar
59	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	Rural Development	NA	Bhojpur	Bihar
60	Construction of Community Hall at Asufii Punanamei Mao	Rural Development	NA	Senapati	Manipur
61	Broad basing of Sports and promotion of excellence in sports in India	Sports	NA	PAN India	PAN India



Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
		Implementing / Nodal Agency	CSR Registration No.
6	7	8	9
0.57	No	District Collector, Sukma, Chhattisgarh	Not Applicable
0.01	Yes	REC Foundation	CSR00005016
0.38	No	DC Nasik & REIL	Not Applicable
0.22	No	The Energy Resources Institute	Not Applicable
0.23	No	Atal Incubation Centre-Centre for Cellular & Molecular Biology, Hyderabad	CSR00014767
0.00 (absolute ₹49,518/-)	Yes	REC Foundation	CSR00005016
4.16	Yes	REC Foundation	CSR00005016
(0.01)	No	Sambalpur University, Odisha	Not Applicable
0.89	No	Arunachal Pradesh Energy Development Agency	CSR00047578
1.12	No	Lucknow Development Authority	CSR00000608
3.98	No	Varanasi Development Agency	CSR00057116
4.55	No	Shri Kedarnath Utthan Charitable Trust	CSR00009855
0.70	No	Jila Civil Social Responsibility Association	CSR00009393
0.80	No	REC Foundation	CSR00005016
0.08	No	NHPC Limited, New Delhi	Not Applicable
0.47	No	District Rural Development Agency, Manipur	CSR00031715
38.00	No	National Sports Development Fund, Ministry of Youth Affairs & Sports, Government of India	CSR00016457

Sl. No.	Name of the Project(s)	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project(s)	
				District(s)	State(s)
1	2	3	4	5(a)	5(b)
62	Organising month-long Sports Talent Identification and Training camps	Sports	NA	Balasore	Odisha
63	Construction of one indoor badminton court (double) in Government Nagarjuna P.G. College of Science	Sports	NA	Raipur	Chhattisgarh
64	Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows	Benefits of Armed Forces	NA	PAN India	PAN India
65	Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows	Benefits of Armed Forces	NA	PAN India	PAN India
66	Contribution to corpus of Gujarat Foundation for Entrepreneurial Excellence over the period of 3 years	Incubators	NA	Not Applicable	Gujarat
67	Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas	Disaster Management	NA	Various Districts	Sikkim
Total disbursement in CSR projects					
Impact assessment cost					
Admin expenditure during the financial year 2024-25					
Total CSR expenditure during the financial year 2024-25					



Financial assistance of ₹20 crore to Armed Forces Flag Day Fund under CSR initiative of REC



Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
		Implementing / Nodal Agency	CSR Registration No.
6	7	8	9
0.56	Yes	REC Foundation	CSR00005016
0.42	No	GNPG College of Science, Raipur, Chhattisgarh	CSR00048721
1.50	No	Kendriya Sainik Board	CSR00011199
15.00	No	Kendriya Sainik Board	CSR00011199
6.66	No	iCreate - GFEE	CSR00018338
4.99	No	State Disaster Management Authority, Government of Sikkim	CSR00061025
279.38			
0.28			
9.20			
288.86			



Nurturing talent to foster sporting excellence by supporting talent hunt and training camps under CSR initiatives of REC

Details of Debenture Trustees appointed by the Company for different Bonds Series as on March 31, 2025

In terms of Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.
1	IDBI Trusteeship Services Limited Universal Insurance Building, Ground Floor Sir P M Road, Fort, Mumbai - 400001	Shri Sumit Panjabi Phone: +91-22-40807178 Email: sumit@idbitrustee.com Website: www.idbitrustee.com	INE020B08427	94
			INE020B08443	95-II
2	Vistra ITCL (India) Limited The IL&FS Financial Centre G Block, Plot C-22 BKC Road, Bandra Kurla Complex Bandra East, Mumbai, Maharashtra-400051	ITCL Compliance Officer Phone: +91-22-26593644 Email: itclcomplianceofficer@vistra.com Website: www.vistraitcl.com	INE020B08724	Infra Bonds Series - II (2011-12)
			INE020B08732	
			INE020B07GH7	2011-12 Public Issue Tranche-1
3	SBICAP Trustee Company Limited Mistry Bhavan, 4 th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai-400020	Shri Ardhendu Mukhopadhyay (CFO) Phone: +91-22-43025566 Email: corporate@sbicaptrustee.com dt@sbicaptrustee.com Website: www.sbicaptrustee.com	INE020B07GV8	2012-13 Private Placement
			INE020B07GX4	2012-13 Public Issue Tranche-1
			INE020B07GZ9	2012-13 Public Issue Tranche-2
			INE020B07HN3	2013-14 Private Placement-1
			INE020B07HP8	2013-14 Public Issue Tranche-1
			INE020B07HS2	2013-14 Public Issue Tranche-1
			INE020B07HQ6	2013-14 Public Issue Tranche-1
			INE020B07HT0	2013-14 Public Issue Tranche-1
			INE020B07HV6	2013-14 Private Placement-2
			INE020B07ID2	2013-14 Public Issue Tranche-2
			INE020B07IG5	2013-14 Public Issue Tranche-2
			INE020B07IE0	2013-14 Public Issue Tranche-2
			INE020B07IH3	2013-14 Public Issue Tranche-2
			INE020B07J07	2015-16 Private Placement
			INE020B07JP4	2015-16 Public Issue Tranche-1
			INE020B07JQ2	2015-16 Public Issue Tranche-1
			INE020B07JR0	2015-16 Public Issue Tranche-1
			INE020B07JS8	2015-16 Public Issue Tranche-1
			INE020B07JT6	2015-16 Public Issue Tranche-1
			INE020B07JU4	2015-16 Public Issue Tranche-1
			INE020B08930	133
			INE020B08963	136
			INE020B08AA3	140
			INE020B08AC9	142
			INE020B08AH8	147
			INE020B08AQ9	156
			INE020B08AX5	GOI-I



Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Unsecured	09-06-2025	8.75%	Yes	No	Beetal Financial & Computer Services (P) Limited Beetal House, 3 rd Floor, 99, Madangir, Behind LSC, Opp. Dada Harsukhdas Mandir, New Delhi - 110062 Contact Person: Shri Sanjay Rastogi Phone: +91-11-2996-1281-83 Email: recbonds4@gmail.com Website: www.beetalfinancial.com
Unsecured	14-07-2025	8.75%	Yes	No	
Unsecured	15-02-2027	9.15 %	Yes	No	
Secured	29-03-2027	8.12% / 8.32%	No	Yes	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32 Financial District Nanakramguda Serilingampally Mandal, Hyderabad - 500032 Contact Person: Shri Gopala Krishna Phone: 1-800-309-4001 Email: gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
Secured	22-11-2027	7.38%	Yes	Yes	
Secured	19-12-2027	7.38% / 7.88%	Yes	Yes	
Secured	25-03-2028	7.04% / 7.54%	Yes	Yes	
Secured	29-08-2028	8.46%	Yes	Yes	
Secured	24-09-2028	8.46%	Yes	Yes	
Secured	24-09-2028	8.46% / 8.71%	Yes	Yes	
Secured	24-09-2033	8.37%	Yes	Yes	
Secured	24-09-2033	8.37% / 8.62%	Yes	Yes	
Secured	11-10-2028	8.54%	Yes	Yes	
Secured	24-03-2029	8.63%	Yes	Yes	
Secured	24-03-2029	8.63% / 8.88%	Yes	Yes	
Secured	24-03-2034	8.61%	Yes	Yes	
Secured	24-03-2034	8.61% / 8.86%	Yes	Yes	
Secured	23-07-2025	7.17%	Yes	Yes	
Secured	05-11-2025	6.89%	No	Yes	
Secured	05-11-2025	6.89% / 7.14%	No	Yes	
Secured	05-11-2030	7.09%	No	Yes	
Secured	05-11-2030	7.09% / 7.34%	No	Yes	
Secured	05-11-2035	7.18%	No	Yes	
Secured	05-11-2035	7.18% / 7.43%	No	Yes	
Unsecured	10-04-2025	8.30%	Yes	Yes	
Unsecured	07-10-2025	8.11%	Yes	Yes	
Unsecured	07-11-2026	7.52%	Yes	Yes	
Unsecured	30-12-2026	7.54%	Yes	Yes	
Unsecured	12-03-2027	7.95%	Yes	Yes	
Unsecured	10-12-2027	7.70%	Yes	Yes	
Unsecured	21-03-2028	8.09%	Yes	Yes	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.
			INE020B08AY3	GOI-II
			INE020B08AZ0	GOI-III
			INE020B07LS4	54EC Series XIV (2020-21)
			INE020B07LT2	54EC Series XIV (2020-21)
			INE020B07LU0	54EC Series XIV (2020-21)
			INE020B07LV8	54EC Series XIV (2020-21)
			INE020B07LW6	54EC Series XIV (2020-21)
			INE020B07LX4	54EC Series XIV (2020-21)
			INE020B07LY2	54EC Series XIV (2020-21)
			INE020B07LZ9	54EC Series XIV (2020-21)
			INE020B07MA0	54EC Series XIV (2020-21)
			INE020B07MB8	54EC Series XIV (2020-21)
			INE020B07MC6	54EC Series XIV (2020-21)
			INE020B07MD4	54EC Series XIV (2020-21)
			INE020B07ME2	54EC Series XV (2021-22)
			INE020B07MF9	54EC Series XV (2021-22)
			INE020B07MG7	54EC Series XV (2021-22)
			INE020B07MH5	54EC Series XV (2021-22)
			INE020B07MI3	54EC Series XV (2021-22)
			INE020B07MJ1	54EC Series XV (2021-22)
			INE020B07MK9	54EC Series XV (2021-22)
			INE020B07ML7	54EC Series XV (2021-22)
			INE020B07MM5	54EC Series XV (2021-22)
			INE020B07MN3	54EC Series XV (2021-22)
			INE020B07MO1	54EC Series XV (2021-22)
			INE020B07MP8	54EC Series XV (2021-22)
			INE020B07MQ6	54EC Series XVI (2022-23)
			INE020B07MR4	54EC Series XVI (2022-23)
			INE020B07MS2	54EC Series XVI (2022-23)
			INE020B07MT0	54EC Series XVI (2022-23)
			INE020B07MU8	54EC Series XVI (2022-23)
			INE020B07MV6	54EC Series XVI (2022-23)
			INE020B07MW4	54EC Series XVI (2022-23)
			INE020B07MX2	54EC Series XVI (2022-23)
			INE020B07MY0	54EC Series XVI (2022-23)
			INE020B07MZ7	54EC Series XVI (2022-23)
			INE020B07NA8	54EC Series XVI (2022-23)
			INE020B07NB6	54EC Series XVI (2022-23)
			INE020B07NC4	54EC Series XVII (2023-24)
			INE020B07NK7	54EC Series XVII (2023-24)



Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Unsecured	24-03-2028	8.01%	Yes	Yes	
Unsecured	27-03-2028	8.06%	Yes	Yes	
Secured	30-04-2025	5.75%	No	No	
Secured	31-05-2025	5.75%	No	No	
Secured	30-06-2025	5.75%	No	No	
Secured	31-07-2025	5.75%	No	No	
Secured	31-08-2025	5.00%	No	No	
Secured	30-09-2025	5.00%	No	No	
Secured	31-10-2025	5.00%	No	No	
Secured	30-11-2025	5.00%	No	No	
Secured	31-12-2025	5.00%	No	No	
Secured	31-01-2026	5.00%	No	No	
Secured	28-02-2026	5.00%	No	No	
Secured	31-03-2026	5.00%	No	No	
Secured	30-04-2026	5.00%	No	No	
Secured	31-05-2026	5.00%	No	No	
Secured	30-06-2026	5.00%	No	No	
Secured	31-07-2026	5.00%	No	No	
Secured	31-08-2026	5.00%	No	No	
Secured	30-09-2026	5.00%	No	No	
Secured	31-10-2026	5.00%	No	No	
Secured	30-11-2026	5.00%	No	No	
Secured	31-12-2026	5.00%	No	No	
Secured	31-01-2027	5.00%	No	No	
Secured	28-02-2027	5.00%	No	No	
Secured	31-03-2027	5.00%	No	No	
Secured	30-04-2027	5.00%	No	No	
Secured	31-05-2027	5.00%	No	No	
Secured	30-06-2027	5.00%	No	No	
Secured	31-07-2027	5.00%	No	No	
Secured	31-08-2027	5.00%	No	No	
Secured	30-09-2027	5.00%	No	No	
Secured	31-10-2027	5.00%	No	No	
Secured	30-11-2027	5.00%	No	No	
Secured	31-12-2027	5.00%	No	No	
Secured	31-01-2028	5.00%	No	No	
Secured	29-02-2028	5.00%	No	No	
Secured	31-03-2028	5.00%	No	No	
Secured	30-04-2028	5.25%	No	No	
Secured	31-05-2028	5.25%	No	No	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.
			INE020B07NL5	54EC Series XVII (2023-24)
			INE020B07NJ9	54EC Series XVII (2023-24)
			INE020B07NG5	54EC Series XVII (2023-24)
			INE020B07NI1	54EC Series XVII (2023-24)
			INE020B07NH3	54EC Series XVII (2023-24)
			INE020B07NF7	54EC Series XVII (2023-24)
			INE020B07ND2	54EC Series XVII (2023-24)
			INE020B07NE0	54EC Series XVII (2023-24)
			INE020B07NN1	54EC Series XVII (2023-24)
			INE020B07NM3	54EC Series XVII (2023-24)
			INE020B07NP6	54EC Series XVIII (2024-25)
			INE020B07NO9	54EC Series XVIII (2024-25)
			INE020B07NQ4	54EC Series XVIII (2024-25)
			INE020B07NR2	54EC Series XVIII (2024-25)
			INE020B07NS0	54EC Series XVIII (2024-25)
			INE020B07NT8	54EC Series XVIII (2024-25)
			INE020B07NU6	54EC Series XVIII (2024-25)
			INE020B07NV4	54EC Series XVIII (2024-25)
			INE020B07NW2	54EC Series XVIII (2024-25)
			INE020B07NX0	54EC Series XVIII (2024-25)
			INE020B07NY8	54EC Series XVIII (2024-25)
			INE020B07NZ5	54EC Series XVIII (2024-25)
	4 Beacon Trusteeship Limited 7A & B, Siddhivinayak Chambers Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai - 400051	Shri Kaustubh Kulkarni Phone: +91-22-26558759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in	INE020B08BA1	162
			INE020B08BB9	163
			INE020B08BG8	168
			INE020B08BH6	169
			INE020B08BP9	175
			INE020B08BQ7	176
			INE020B08BS3	178
			INE020B08BU9	180-B
			INE020B08BW5	182
			INE020B08BX3	183
			INE020B08EN8	184-A (Partly paid up)
			INE020B08CI2	188-B
			INE020B08CJ0	189
			INE020B08CP7	192
			INE020B08CU7	197
			INE020B08CW3	198B
			INE020B08CX1	199
			INE020B08DA7	201B
			INE020B08DB5	202A



Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Secured	30-06-2028	5.25%	No	No	
Secured	31-07-2028	5.25%	No	No	
Secured	31-08-2028	5.25%	No	No	
Secured	30-09-2028	5.25%	No	No	
Secured	31-10-2028	5.25%	No	No	
Secured	30-11-2028	5.25%	No	No	
Secured	31-12-2028	5.25%	No	No	
Secured	31-01-2029	5.25%	No	No	
Secured	28-02-2029	5.25%	No	No	
Secured	31-03-2029	5.25%	No	No	
Secured	30-04-2029	5.25%	No	No	
Secured	31-05-2029	5.25%	No	No	
Secured	30-06-2029	5.25%	No	No	
Secured	31-07-2029	5.25%	No	No	
Secured	31-08-2029	5.25%	No	No	
Secured	30-09-2029	5.25%	No	No	
Secured	31-10-2029	5.25%	No	No	
Secured	30-11-2029	5.25%	No	No	
Secured	31-12-2029	5.25%	No	No	
Secured	31-01-2030	5.25%	No	No	
Secured	28-02-2030	5.25%	No	No	
Secured	31-03-2030	5.25%	No	No	
Unsecured	09-08-2028	8.55%	Yes	Yes	
Unsecured	25-08-2028	8.63%	Yes	Yes	
Unsecured	29-11-2028	8.56%	Yes	Yes	
Unsecured	07-12-2028	8.37%	Yes	Yes	
Unsecured	28-03-2029	8.97%	Yes	Yes	
Unsecured	16-04-2029	8.85%	Yes	Yes	
Unsecured	14-05-2029	8.80%	Yes	Yes	
Unsecured	25-06-2029	8.30%	Yes	Yes	
Unsecured	22-08-2034	8.18%	Yes	Yes	
Unsecured	16-09-2034	8.29%	Yes	Yes	
Unsecured	26-09-2029	8.25%	Yes	Yes	
Unsecured	31-03-2030	7.89%	Yes	Yes	
Unsecured	31-03-2030	7.92%	Yes	Yes	
Unsecured	28-02-2030	7.50%	Yes	Yes	
Unsecured	11-05-2030	7.55%	Yes	Yes	
Unsecured	21-05-2030	7.79%	Yes	Yes	
Unsecured	15-06-2030	7.96%	Yes	Yes	
Unsecured	31-03-2031	6.90%	Yes	Yes	
Unsecured	30-09-2030	7.25%	Yes	Yes	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.
			INE020B08DE9	203A
			INE020B08DF6	203B
			INE020B08DG4	204A
			INE020B08DH2	204B
			INE020B08DK6	205B
			INE020B08DL4	206-PDI
			INE020B08DM2	207
			INE020B08DO8	208
			INE020B08DT7	211
			INE020B08DV3	213
			INE020B08DW1	214-A
			INE020B08DX9	214-B
			INE020B08DX9	214-B (Reissue)
			INE020B08DZ4	215
			INE020B08EA5	216 A
			INE020B08EB3	216 B
			INE020B08EC1	217
			INE020B08ED9	218-A
			INE020B08EE7	218-B
			INE020B08EF4	219
			INE020B08EH0	220 A
			INE020B08EG2	220 B
			INE020B08EI8	221
			INE020B08EJ6	222-PDI
			INE020B08CI2	188-B (Reissue)
			INE020B08DV3	213 (Reissue)
			INE020B08EL2	223-A
			INE020B08EK4	223-B
			INE020B08EM0	225
			INE020B08EO6	226 - PDI
			INE020B08EP3	227-A
			INE020B08EQ1	227-B
			INE020B08ES7	228-A
			INE020B08ER9	228-B
			INE020B08ET5	229-A
			INE020B08EU3	229-B
			INE020B08EW9	230-A
			INE020B08EV1	230-B
			INE020B08EX7	231-A



Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Unsecured	20-12-2030	6.80%	Yes	Yes	
Unsecured	20-12-2025	5.85%	Yes	Yes	
Unsecured	31-01-2031	6.90%	Yes	Yes	
Unsecured	31-12-2025	5.81%	Yes	Yes	
Unsecured	31-01-2026	5.94%	Yes	Yes	
Unsecured	Perpetual unless call option is exercised	7.97%	Yes	Yes	
Unsecured	31-01-2036	7.02%	Yes	Yes	
Unsecured	15-03-2036	7.40%	Yes	Yes	
Unsecured	31-10-2031	6.23%	Yes	Yes	
Unsecured	20-03-2032	6.92%	Yes	Yes	
Unsecured	28-02-2026	7.32%	Yes	Yes	
Unsecured	28-02-2033	7.50%	Yes	Yes	
Unsecured	28-02-2033	7.50%	Yes	Yes	
Unsecured	30-11-2037	7.65%	Yes	Yes	
Unsecured	31-03-2028	7.55%	Yes	Yes	
Unsecured	30-11-2037	7.67%	Yes	Yes	
Unsecured	31-03-2033	7.53%	Yes	Yes	
Unsecured	30-06-2026	7.56%	Yes	Yes	
Unsecured	31-01-2033	7.69%	Yes	Yes	
Unsecured	28-02-2026	7.60%	Yes	Yes	
Unsecured	31-03-2028	7.77%	Yes	Yes	
Unsecured	31-03-2033	7.69%	Yes	Yes	
Unsecured	31-07-2026	7.51%	Yes	Yes	
Unsecured	Perpetual unless call option is exercised	7.98%	Yes	Yes	
Unsecured	31-03-2030	7.89%	Yes	Yes	
Unsecured	20-03-2032	6.92%	Yes	Yes	
Unsecured	30-04-2026	7.44%	Yes	Yes	
Unsecured	30-06-2028	7.46%	Yes	Yes	
Unsecured	30-06-2026	7.64%	Yes	Yes	
Unsecured	Perpetual unless call option is exercised	8.03%	Yes	Yes	
Unsecured	30-09-2026	7.77%	Yes	Yes	
Unsecured	31-10-2033	7.71%	Yes	Yes	
Unsecured	30-05-2026	7.80%	Yes	Yes	
Unsecured	30-11-2033	7.71%	Yes	Yes	
Unsecured	29-11-2025	7.79%	Yes	Yes	
Unsecured	30-11-2038	7.67%	Yes	Yes	
Unsecured	26-02-2027	7.71%	Yes	Yes	
Unsecured	31-01-2034	7.64%	Yes	Yes	
Unsecured	30-04-2027	7.64%	Yes	Yes	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.
			INE020B08EY5	231-B
			INE020B08FA2	232-A
			INE020B08EZ2	232-B
			INE020B08FB0	233
			INE020B08DA7	201 (B) (Reissue)
			INE020B08FC8	234-A
			INE020B08FD6	234-B
			INE020B08FE4	235
			INE020B08FG9	236-A
			INE020B08FF1	236-B
			INE020B08FH7	237
			INE020B08FA2	232-A (Reissue)
			INE020B08FI5	238
			INE020B08FJ3	239
			INE020B08FK1	240-A
			INE020B08FL9	240-B
			INE020B08FM7	241
			INE020B08FK1	240-A (Reissue)
			INE020B08FN5	242
			INE020B08EW9	230-A (Reissue)
			INE020B08FO3	243
			INE020B08FP0	244
			INE020B08FR6	245-A
			INE020B08FQ8	245-B
			INE020B08BC7	GOI-IV
			INE020B08BE3	GOI-V
			INE020B08BJ2	GOI-VI
			INE020B08BL8	GOI-VII
			INE020B08BO2	GOI-VIII
			INE020B08CO0	GOI-IX
			INE020B08CR3	GOI-X
			INE020B08CS1	GOI-XI
			INE020B08DI0	GOI-XII
			INE020B08DN0	GOI-XIII
			INE020B08DQ3	GOI-XIV

* Perpetual Debt Instruments

Place: Gurugram
Date: July 25, 2025



Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Unsecured	28-02-2034	7.47%	Yes	Yes	
Unsecured	31-05-2027	7.59%	Yes	Yes	
Unsecured	29-04-2034	7.45%	Yes	Yes	
Unsecured	31-05-2034	7.53%	Yes	Yes	
Unsecured	31-03-2031	6.90%	Yes	Yes	
Unsecured	31-08-2026	7.70%	Yes	Yes	
Unsecured	31-05-2029	7.58%	Yes	Yes	
Unsecured	31-07-2034	7.35%	Yes	Yes	
Unsecured	31-08-2035	7.45%	Yes	Yes	
Unsecured	31-08-2027	7.56%	Yes	Yes	
Unsecured	31-10-2026	7.55%	Yes	Yes	
Unsecured	31-05-2027	7.59%	Yes	Yes	
Unsecured	30-09-2039	7.31%	Yes	Yes	
Unsecured	03-11-2034	0.00%	Yes	Yes	
Unsecured	30-11-2039	7.09%	Yes	Yes	
Unsecured	30-04-2030	7.34%	Yes	Yes	
Unsecured	30-04-2035	7.10%	Yes	Yes	
Unsecured	30-11-2039	7.09%	Yes	Yes	
Unsecured	15-01-2035	7.20%	Yes	Yes	
Unsecured	26-02-2027	7.71%	Yes	Yes	
Unsecured	20-02-2040	7.28%	Yes	Yes	
Unsecured	Not Applicable*	7.99%	Yes	Yes	
Unsecured	29-02-2028	7.44%	Yes	Yes	
Unsecured	28-02-2035	7.32%	Yes	Yes	
Unsecured	28-09-2028	8.70%	Yes	Yes	
Unsecured	15-11-2028	8.54%	Yes	Yes	
Unsecured	22-01-2029	8.80%	Yes	Yes	
Unsecured	08-03-2029	8.60%	Yes	Yes	
Unsecured	25-03-2029	8.30%	Yes	Yes	
Unsecured	02-03-2030	7.14%	Yes	Yes	
Unsecured	26-03-2030	8.25%	Yes	Yes	
Unsecured	31-03-2030	7.20%	Yes	Yes	
Unsecured	07-01-2031	6.45%	Yes	Yes	
Unsecured	28-01-2031	6.63%	Yes	Yes	
Unsecured	26-03-2031	6.50%	Yes	Yes	

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Independent Auditors' Report

To
The Members of
REC Limited
Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of REC Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Change in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Ind AS Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March 2025 and its Profit (including other comprehensive income), changes in equity and cash flow for the year ended on that date.

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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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 following matters described below to be the key audit matters to be communicated in our report:

Sl. No.	Key Audit Matter	Auditor's Response
1.	Impairment allowance of Loan Assets – (Refer Note No. 50.1.3 to the Standalone Ind AS Financial Statements read with accounting policy No. 3.12) The Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance. The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management. Further the management has adopted a methodology which in addition to the model adopted as above is further analyzed on case-to-case basis and wherever impairment impact needs to be changed the same is considered in the financial statements.	We have applied following audit procedures in this regard a) Evaluation and testing of the key internal control mechanisms with respect to the loan assets monitoring, assessment of the loan impairment including testing of relevant data quality and review of the real data entered. b) We have obtained the report of the external agency and verified the criterion/framework with various regulatory updates along with Company's internal guidelines and procedures in respect of the impairment allowance. c) Verification of loan assets on test check basis covering substantial part of total loans with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment considering management perception on the same. d) Recoveries are verified applying the standard audit procedures to ascertain level of stress. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. e) Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. f) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases.
2.	Fair valuation of Derivative Financial Instruments (Refer Note No. 8 to the Standalone Ind AS Financial Statements read with accounting policy No. 3.11) The Company enters into derivative contracts in accordance with Reserve Bank of India guidelines to mitigate its currency and interest rate risk in accordance with the Company's board approved currency risk management policy. Derivative contracts are either categorised at Fair Value through Profit and Loss (FVTPL) or under Cash Flow Hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of Cash Flow Hedge is recognised in the other comprehensive income. In view of significance and impact on the financial statements we have considered the fair valuation of the derivative financial instruments as a key audit matter.	We have applied following audit procedure in this regard: a) Discussing and understanding management's perception and studying policy of the Company for risk management. b) Verification of fair value of derivative in term of Ind AS 109 "Financial Instruments". c) Evaluation of key internal control over classification of derivative instruments. d) Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on 31st March 2025, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under Cash Flow Hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109 "Financial Instruments".



Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors' report, Corporate Governance report, Business responsibility report and Management Discussion and Analysis etc. in the Annual report but does not include the Standalone Ind AS Financial Statements and our report thereon. Such other information is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Ind AS 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 Ind AS 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 Ind AS Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS Financial Statements, management and Board of Directors are 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.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure-A, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. On the basis of information and explanations given to us by the company we are enclosing our report in **Annexure-B** on the

directions/sub-directions issued by Comptroller and Auditor General of India in terms of Section 143(5) of the Act.

3. 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e) The Notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting with respect to Standalone Ind AS Financial Statements of the company and operative effectiveness of such controls, refer to our separate report in “Annexure-C”.
- g) As per Notification no. G.S.R. 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 197 of the Act are not applicable to the company, since it is a Government Company.
- 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 Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 45 to the Standalone Ind AS Financial Statements;
 - (ii) According to the information and explanations given to us the Company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;
 - (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 10.5) 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 or entity, including foreign entity (“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;
- (b) The Management has represented (Refer Note 10.5), that, 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 or entity, including foreign entity (“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;
- (c) Based on the audit procedures that have been 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) of the Companies (Audit and Auditors) Rules, 2014 as amended and provided under (a) and (b) above, contain any material misstatement.
- (v) The dividend declared, paid and proposed by the Company during the year is in accordance with Section 123 of the Companies Act, 2013
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTK6157

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQC4247



Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to REC Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2025)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment, Right-of-use assets and Intangible Assets:
- (i) 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 asset.
 - (ii) The Company has maintained proper records showing full particulars of intangible assets.
 - The Company has a program of physical verification of Property, Plant and Equipment so as to cover all the assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of Property, Plant and Equipment as per the program during the year.
 - Based on our examination of the records of the company we report that title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company except for the following.

(₹ in Crores)

Description of property	Gross carrying value	Held in the name of	Whether Promoter, Director or their relative or employee	Period held since	Reason for not being held in name of Company
Building	4.59	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Due to Pending formalities from Land & Development Officer. Office building allotted to the Company at the SCOPE (a central government Complex) has not been registered in the name of the Company.

- The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - As informed to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) We have been informed that the company has been sanctioned unsecured working capital limits in excess of five crore rupees during the year, in aggregate, from Banks. Since, the limits have been sanctioned as unsecured, reporting under clause 3(ii) (b) of the Order is not applicable.
- 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 or any other parties., In this regard we report hereunder:
- 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, .
 - In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.
 - 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.
 - 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.

(₹ in Crores)

No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
12	4,525.06	15,207.46	19,732.52	-

- Reporting under clause 3(iii)(e) of the Order is not applicable, since the principal business of the company is to give loans.
 - As per the information and explanation provided 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 during the year under audit. Hence, reporting under clause 3(iii) (f) is not applicable.
- iv. In our opinion and according to information & explanations given to us with respect to the provisions of Section 185 of the Act, the Company has not granted any loan or guarantee covered under Section 185.
- Further, in our opinion and according to information & explanations given to us, the Company, being a NBFC, is exempt from the provisions of Section 186 of the Act and the relevant rules in respect of loans and guarantees. In respect of the investments, the Company has complied with the provisions of section 186 (1) of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public to which the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are applicable.
- vi. Being an NBFC company, clause 3(vi) of the Order is not applicable regarding maintenance of cost records under Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 of the Companies Act, 2013.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, duty of excise, value added tax, sales tax, service tax, cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of custom, duty of excise, value added tax, sales tax, service tax, cess and other material statutory dues were outstanding, as on 31st March, 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of our examination of the books of account, the dues as at 31st March 2025 of income tax, goods and services tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, are as follows:

(₹ in Crores)						
Name of Statute	Nature of Dues	Amount Disputed	Amount paid / refund adjusted (Under Protest)	Net Amount unpaid	Financial Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	0.30	0.30	-	2007-08	Delhi High Court
Income Tax Act, 1961	Income tax and interest	0.83	0.83	-	2011-12	Delhi High Court
Income Tax Act, 1961	Income tax and interest	0.76	-	0.76	2016-17	CIT (A), NFAC Delhi
Income Tax Act, 1961	Income tax and interest	87.68	87.68	-	2017-18	Income Tax Appellate Tribunals Delhi
Income Tax Act, 1961	Income tax and interest	4.01	-	4.01	2017-18	CIT (A), NFAC Delhi
Income Tax Act, 1961	Income tax and interest	75.44	35.51	39.93	2018-19	Income Tax Appellate Tribunals Delhi
Income Tax Act, 1961	Income tax and interest	20.13	20.13	-	2019-20	Income Tax Appellate Tribunals Delhi
Income Tax Act, 1961	Income tax and interest	1.66	1.66	-	2020-21	Income Tax Appellate Tribunals Delhi
Income Tax Act, 1961	Income tax and interest	15.06	-	15.06	2021-22	CIT (A), NFAC Delhi
Income Tax Act, 1961	Income tax and interest	3.06	-	3.06	2022-23	CIT (A), NFAC Delhi
Income Tax Act, 1961	TDS	0.01	-	0.01	Multiple years	CPC, TDS (As per TRACES)
Goods and Services Tax Act 2017	Goods and Services Tax Paid	17.89	17.89	-	2017-18	Special Commissioner (Appeals), CGST Delhi Appeals
Goods and Services Tax Act 2017	Goods and Services Tax	0.01	-	0.01	2017-18	Commissioner (Appeals), SGST Delhi Appeals
Goods and Services Tax Act 2017	Goods and Services Tax	2.79	0.14	2.65	2019-20	Commissioner (Appeals), DGST Delhi Appeals
Goods and Services Tax Act 2017	Goods and Services Tax	0.02	-	0.02	2020-21	Appeal not filed*
Total		229.65	164.14	65.51		

* The Company has received a demand order under Section 73 of the CGST/DGST/IGST Act, 2017 dated February 23, 2025, pertaining to the financial year 2020-21, wherein the Assistant Commissioner has raised a demand of ₹0.02 crores. As per the provisions of the said Act, the prescribed time limit for filing an appeal is 90 days from the date of the order. Since the said time limit has not yet lapsed and the management has confirmed that they are in the process of filing an appeal within the statutory timeline, the said amount has been classified as a disputed liability and disclosed accordingly in the above table.

- viii. As per Information and explanations 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) As per information and explanation given to us and based on audit procedures, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) As per information and explanation given to us, the Company has not been declared willful defaulter by any bank or financial institution or any other lender.
- (c) As per information and explanation given to us, the term loans were applied for the purpose for which such loans were obtained.
- (d) As per information and explanation given to us and based on procedures performed by us and on the overall examination of the financial statements of the Company, the funds raised on short-term basis have, prima facie, have not been used during the year for long-term purposes by the Company on overall basis.



- (e) As per information and explanation given to us, 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.
- (f) As per information and explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer during the year. We have been informed and based on our audit procedures, we are of the opinion that money raised by the Company by way of debt instruments were applied for the purposes for which it was raised.
- (b) According to the 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 fully or partly convertible debentures during the year.
- xi. 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:
 - (a) No fraud by the Company or on the Company has been noticed during the year.
 - (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 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
 - (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clauses 3 (xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the necessary disclosures have been made in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company broadly has an adequate internal audit system incommensurate with the size and the 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. 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, hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) We have been informed that the Company is registered as a non-banking finance company under section 45-IA of the Reserve Bank of India Act, 1934. The registration number issued to the company is 14.000011.
- (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. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. We have been informed that there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects or other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- xxi. The clause 3 (xxi) of the order is not applicable to the Standalone Financial Statements, hence no comment is given.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTK6157

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQC4247

Annexure-B to the Independent Auditor's Report

Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of Our Report of Even Date on the Accounts of REC Limited for the Year ended on 31st March 2025.

Annexure-I

Sl. No.	Directions	Action Taken	Impact on Standalone Ind AS Financial Statements
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has oracle ERP R12 version, including Audit trail feature, to process all the accounting transactions through IT system. All the accounting of the organization at different offices is done through the centralized ERP system.	No impact on the Standalone Ind AS Financial Statements
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for Statutory Auditor of lender company).	There has been no such case and the company has been regularly servicing its debt and borrowing obligations.	No impact on the Standalone Ind AS Financial Statements
3.	Whether funds (grant/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The Company has not received any funds (grants/subsidy) for specific schemes from Central/State Government or its agencies. However, the company receives funds from Central Government under various schemes for onward disbursement to different agencies as laid down under respective schemes.	No impact on the Standalone Ind AS Financial Statements

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLTK6157

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQC4247

Place: New Delhi
Date: 8th May 2025



Compliance Certificate

We have conducted the audit of annual accounts of **REC Limited** for the year ended 31st March 2025 in accordance with direction/sub directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction/sub-directions issued to us.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTK6157

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQC4247

Annexure-C to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of REC Limited the Company as of 31st March 2025 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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.

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 Ind AS 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

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.

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTK6157

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQC4247



Non-Banking Financial Companies Auditor's Report for the year ended 31st March 2025

To
**The Board of Directors,
REC Limited
Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003**

- 1) This report is issued in accordance with the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by Reserve Bank of India (RBI) vide notification no. DNBS.PPD.03/66.15.001/2016-17 dated 29th September 2016 on the matters specified in para 3(A) and 3(C) of Chapter-II of the said Directions to the extent applicable to the company.
- 2) We have audited the accompanying standalone financial statements of REC Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2025, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flows and the Standalone Statement of changes in equity for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

- 3) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards Rules), 2015, as amended. This responsibility also includes maintenance of adequate and design records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 4) The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditors' responsibility

- 5) Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) directions, 2016 as consolidated in RBI master circular (the "Directions") it is our responsibility to examine the audited book and records of the Company for the year ended 31st March 2025 and our report on the matter specified in the directions to the extent applicable to the Company.
- 6) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) and the Standard on Auditing specified under section 143(10) of the

Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

- 7) We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature.

Opinion

- 8) Based on our examination of the audited books and records of the Company for the year ended 31st March 2025 as produced for our examination and the information and explanations given to us, we report that –
 - a. The Company had been granted registration under section 45-IA of the Reserve Bank of India Act, 1934 on 10th February 1998 vide Certificate of Registration No. 14.000011. RBI issued further Certificate dated 17th September 2010 in lieu of earlier certificate having categorized REC Ltd as an Infrastructure Finance Company in terms of instructions contained in RBI Circular CC No. 168 dated 12th February 2010. Consequent upon change of name of the Company from Rural Electrification Corporation Limited to REC Limited, RBI has issued fresh certificate of registration bearing no. 14.000011 dated 28th November 2018 with the name of REC Limited.
 - b. The company is entitled to continue to hold such registration in terms of its asset/ income pattern as on 31st March 2025.
 - c. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as laid down in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19th October 2023.
 - d. The Board of Directors of the Company, in its meeting held on 9th March 2023, has passed resolution for non-acceptance of any public deposits for the Financial Year 2023-24.
 - e. The Company has not accepted any public deposits during the financial year 2024-25.
 - f. The financial statements of the Company for the year 2024-25 have been prepared in accordance with recognition and measurement principles of 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 does not follow the Prudential norms relating to income recognition, accounting standards, asset classification and provisioning (IRACP norms) for Bad and Doubtful debts in terms of the master

directions 2023. Nevertheless the company is complying with the directions of the RBI vide Notification No. DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020 with respect to adherence to difference in provisioning between IRACP norms and ECL methodology of the company.

- g. a) In our opinion, the Capital Adequacy ratio as disclosed in the Return submitted to RBI in Form NBS-7 (DNBS03) has been correctly arrived on the basis of provisional financial

statements and such ratio is in compliance with minimum CRAR prescribed by RBI.

- b) As per information and explanation given to us, the annual statement of capital funds, risk assets/ exposure and risk asset ratio (DNBS03 return) as on 31st March 2025 has been filed by company on 21st April 2025 on the basis of the provisional financial results.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTS4918

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQE8276



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF REC LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of REC Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of REC Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**

**Tanuja Mittal
Director General of Audit (Energy)
New Delhi**

**Place: New Delhi
Date: 25.07.2025**

Balance Sheet as at 31st March 2025

(₹ in Crores)				
S. No.	Particulars	Note No.	As at 31-03-2025	As at 31-03-2024
	ASSETS			
(1)	Financial assets			
(a)	Cash and cash equivalents	6	54.69	46.26
(b)	Bank balances other than (a) above	7	1,695.15	2,452.44
(c)	Derivative financial instruments	8	17,432.18	12,482.02
(d)	Receivables	9		
	-Trade receivables		-	-
	-Other receivables		1.99	2.78
(e)	Loans	10	5,59,088.08	4,99,192.05
(f)	Investments	11	6,641.62	5,320.31
(g)	Other financial assets	12	24,603.68	24,421.74
	Total - Financial assets (1)		6,09,517.39	5,43,917.60
(2)	Non-financial assets			
(a)	Current tax assets (net)	13	398.98	294.42
(b)	Deferred tax assets (net)	14	2,852.75	2,485.46
(c)	Investment property	15	48.24	-
(d)	Property, plant & equipment	16	578.16	630.21
(e)	Capital work-in-progress	16	76.01	23.59
(f)	Other intangible assets	16	1.84	0.52
(g)	Other non-financial assets	17	82.10	88.54
	Total - Non-financial assets (2)		4,038.08	3,522.74
(3)	Assets classified as held for sale	18	0.01	0.05
	Total Assets (1+2+3)		6,13,555.48	5,47,440.39
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial liabilities			
(a)	Derivative financial instruments	8	1,670.06	759.70
(b)	Payables	19		
	Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		0.12	0.16
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		10.68	7.23
	Other payables			
	- Total outstanding dues of micro enterprises and small enterprises		6.52	2.83
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		17.28	8.69
(c)	Debt securities	20	2,92,474.93	2,66,109.92
(d)	Borrowings (other than debt securities)	21	1,94,300.16	1,72,092.05
(e)	Subordinated liabilities	22	9,514.16	7,412.21
(f)	Other financial liabilities	23	37,524.66	31,821.75
	Total - Financial liabilities (1)		5,35,518.57	4,78,214.54
(2)	Non-financial liabilities			
(a)	Current tax liabilities (net)	24	-	66.51
(b)	Provisions	25	136.79	136.57
(c)	Other non-financial liabilities	26	262.15	239.62
	Total - Non-financial liabilities (2)		398.94	442.70
(3)	EQUITY			
(a)	Equity share capital	27	2,633.22	2,633.22
(b)	Instruments entirely equity in nature	28	558.40	558.40
(c)	Other equity	29	74,446.35	65,591.53
	Total - Equity (3)		77,637.97	68,783.15
	Total - Liabilities and Equity (1+2+3)		6,13,555.48	5,47,440.39
	Company Overview and Material Accounting Policies	1 to 5		

The accompanying notes 1 to 72 forms integral part of Standalone Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W
Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089
Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025



Statement of Profit and Loss for the year ended 31st March 2025

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2025	Year ended 31-03-2024
	Revenue from operations			
(i)	Interest income	30	55,070.11	46,410.11
(ii)	Dividend income	31	99.05	25.68
(iii)	Fees and commission income	32	393.74	236.03
(iv)	Net gain/ (loss) on fair value changes	37	348.22	474.48
I.	Total revenue from operations (i to iv)		55,911.12	47,146.30
II.	Other income	33	68.50	67.85
III.	Total income (I+II)		55,979.62	47,214.15
	Expenses			
(i)	Finance costs	34	34,134.98	29,949.27
(ii)	Net translation/ transaction exchange loss	35	208.15	166.57
(iii)	Fees and commission expense	36	13.66	24.26
(iv)	Impairment on financial instruments	38	1,019.41	(1,358.39)
(v)	Employee benefits expenses	39	244.80	214.01
(vi)	Depreciation and amortization	40	24.39	23.72
(vii)	Corporate social responsibility expenses	41	288.48	249.86
(viii)	Other expenses	42	185.97	164.21
IV.	Total expenses (i to viii)		36,119.84	29,433.51
V.	Profit before tax (III-IV)		19,859.78	17,780.64
VI.	Tax expense	43		
(i)	Current tax			
	- Current year		4,011.49	3,293.00
	- Earlier years		0.05	2.09
(ii)	Deferred tax		135.03	466.34
	Total tax expense (i+ii)		4,146.57	3,761.43
VII.	Profit for the year (V-VI)		15,713.21	14,019.21
	Other comprehensive income/(loss)			
(i)	Items that will not be reclassified to profit or loss			
(a)	Re-measurement gains/(losses) on defined benefit plans		0.76	(0.99)
	- Tax impact on above		(0.19)	0.25
(b)	Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)		(23.85)	96.34
	- Tax impact on above		-	(4.86)
	Sub-total (i)		(23.28)	90.74
(ii)	Items that will be reclassified to profit or loss			
(a)	Effective portion of gains and loss on hedging instruments in cash flow hedges		1,223.51	(3,269.97)
	- Tax impact on above		(307.93)	822.99
(b)	Cost of hedging reserve		(3,219.35)	4,544.19
	- Tax impact on above		810.25	(1,143.68)
	Sub-total (ii)		(1,493.52)	953.53
VIII.	Other comprehensive income/(loss) for the year (i+ii)		(1,516.80)	1,044.27
IX.	Total comprehensive income for the year (VII+VIII)		14,196.41	15,063.48
X.	Basic & diluted earnings per equity share of ₹10 each (in ₹)	44		
(1)	For continuing operations		59.55	53.11
(2)	For discontinued operations		-	-
(3)	For continuing and discontinued operations		59.55	53.11
	Company overview and material accounting policies	1 to 5		

The accompanying notes 1 to 72 forms integral part of Standalone Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W
Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089
Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025

Standalone Statement of Changes in Equity for the year ended 31st March 2025

A. Equity share capital

Particulars	As at 31-03-2025	As at 31-03-2024
Balance at the beginning of the year	2,633.22	2,633.22
Changes in equity share capital during the year	-	-
Balance at the end of the year	2,633.22	2,633.22

Refer note 27 for detail

B. Instruments entirely equity in nature

Particulars	As at 31-03-2025	As at 31-03-2024
Balance at the beginning of the year	558.40	558.40
Changes in instruments entirely equity in nature during the year	-	-
Balance at the end of the year	558.40	558.40

Refer note 28 for detail

C. Other equity

Particulars	Reserves & Surplus							Effective portion of cash flow hedges	Costs of hedging reserve	Total
	Special reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for bad and doubtful debts u/s 36(1)(vii)(c) of the Income Tax Act, 1961	Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities premium account	Foreign currency monetary item translation difference account	General reserve	Retained earnings	FVOCI- Equity instruments		
Balance as at 31-03-2023	24,977.89	-	8,025.15	1,577.53	(790.44)	11,978.44	9,930.77	(101.47)	(1,709.87)	54,488.05
Profit for the year	-	-	-	-	-	-	14,019.21	-	-	14,019.21
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	(0.74)	-	-	(0.74)
Recognition through other comprehensive income (net of taxes)	-	-	-	-	-	-	-	91.48	(2,446.98)	1,045.01
Total comprehensive income for the year	-	-	-	-	-	-	14,018.47	91.48	(2,446.98)	15,063.48



C. Other Equity (Contd.)

Particulars	Reserves & Surplus										Total
	Special reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for bad and doubtful debts u/s 36(1)(vii)(c) of the Income Tax Act, 1961	Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities premium account	Foreign currency monetary item translation difference account	General reserve	Retained earnings	FVOCI- Equity instruments	Effective portion of cash flow hedges	Costs of hedging reserve	
Transferred to/ (from) retained earnings	3,066.94	687.76	2,803.84	-	-	-	(6,558.54)	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	48.00	(48.00)	-	-	-
Foreign currency translation gain/ (loss) on long term monetary items during the year	-	-	-	-	(85.73)	-	-	-	-	-	(85.73)
Amortisation during the year	-	-	-	-	201.03	-	-	-	-	-	201.03
Coupon payment on instrument entirely equity in nature (perpetual debt instruments) (net of taxes)	-	-	-	-	-	-	(33.30)	-	-	-	(33.30)
Sub-total	3,066.94	687.76	2,803.84	-	115.30	-	(6,543.84)	(48.00)	-	-	82.00
Dividends	-	-	-	-	-	-	(4,042.00)	-	-	-	(4,042.00)
Sub-total- transaction with owners	-	-	-	-	-	-	(4,042.00)	-	-	-	(4,042.00)
Balance as at 31-03-2024	28,044.83	687.76	10,828.99	1,577.53	(675.14)	11,978.44	13,363.40	(57.99)	(1,846.93)	1,690.64	65,591.53

C. Other Equity (Contd.)

Particulars	Reserves & Surplus										(₹ in Crores)
	Special reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for bad and doubtful debts u/s 36(1)(vii)(c) of the Income Tax Act, 1961	Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities premium account	Foreign currency monetary item translation difference account	General reserve	Retained earnings	FVOCI- Equity instruments	Effective portion of cash flow hedges	Costs of hedging reserve	Total
Balance as at 31-03-2024	28,044.83	687.76	10,828.99	1,577.53	(675.14)	11,978.44	13,363.40	(57.99)	(1,846.93)	1,690.64	65,591.53
Profit for the year	-	-	-	-	-	-	15,713.21	-	-	-	15,713.21
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	0.57	-	-	-	0.57
Recognition through other comprehensive income (net of taxes)	-	-	-	-	-	-	-	(23.85)	915.58	(2,409.10)	(1,517.37)
Total comprehensive income for the year	-	-	-	-	-	-	15,713.78	(23.85)	915.58	(2,409.10)	14,196.41
Transferred to/ (from) retained earnings	3,550.57	841.80	3,142.64	-	-	750.00	(8,285.01)	-	-	-	-
Transferred to general reserve	-	(687.76)	-	-	-	687.76	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation gain/ (loss) on long term monetary items during the year	-	-	-	-	(120.43)	-	-	-	-	-	(120.43)
Amortisation during the year	-	-	-	-	183.92	-	-	-	-	-	183.92

C. Other Equity (Contd.)

Particulars	Reserves & Surplus							Total
	Special reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for bad and doubtful debts u/s 36(1)(viii)(c) of the Income Tax Act, 1961	Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities premium account	Foreign currency monetary item translation difference account	General reserve	Retained earnings	
Coupon payment on instrument entirely equity in nature (perpetual debt instruments) (net of taxes)	-	-	-	-	-	-	(33.30)	(33.30)
Sub-total	3,550.57	154.04	3,142.64	-	63.49	1,437.76	(8,318.31)	30.19
Dividends	-	-	-	-	-	-	(5,371.78)	(5,371.78)
Sub-total- transaction with owners	-	-	-	-	-	-	(5,371.78)	(5,371.78)
Balance as at 31-03-2025	31,595.40	841.80	13,971.63	1,577.53	(611.65)	13,416.20	15,387.09	74,446.35

Refer Note No. 29.1 for details regarding drawdown/ transfers from Reserves

The accompanying notes 1 to 72 forms integral part of Standalone Financial Statements.

J.S. Amitabh
ED & Company Secretary

For and on behalf of the Board

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025



Statement of Cash Flows for the year ended 31st March 2025

(₹ in Crores)

S. No.	Particulars	Year ended 31-03-2025	Year ended 31-03-2024
A.	Cash Flow from Operating Activities :		
	Net Profit before Tax	19,859.78	17,780.64
	Adjustments for:		
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	7.61	5.56
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	(6.03)	(1.32)
3.	Depreciation & Amortization	24.39	23.72
4.	Impairment losses on Financial Instruments	1,019.41	(1,358.39)
5.	Loss/ (Gain) on Fair Value Changes (net)	(346.30)	(471.88)
6.	Effective Interest Rate (EIR) in respect of Loan Assets and Borrowings	214.60	(34.51)
7.	Interest on Commercial Paper	-	135.64
8.	Interest Accrued on Zero Coupon Bonds	83.14	-
9.	Unrealised Foreign Exchange Translation Loss/ (Gain)	(2,131.32)	(993.07)
10.	Interest on Investments	(36.65)	(42.65)
	Operating Profit/ (Loss) before Changes in Operating Assets & Liabilities	18,688.63	15,043.74
	Inflow / (Outflow) on account of :		
1.	Loan Assets	(59,996.87)	(75,017.32)
2.	Derivatives	643.90	(343.67)
3.	Other Financial and Non- Financial Assets	(568.16)	(1,544.16)
4.	Other Financial and Non- Financial Liabilities & Provisions	6,202.86	7,194.23
	Cash flow from Operations	(35,029.65)	(54,667.18)
1.	Income Tax Paid (including TDS)	(4,152.50)	(3,218.04)
	Net Cash Flow from Operating Activities	(39,182.15)	(57,885.22)
B.	Cash Flow from Investing Activities		
1.	Sale/ (Purchase) of Property, Plant & Equipment	(3.96)	0.07
2.	Sale of assets held for sale	6.07	1.61
3.	Investment in Property, Plant & Equipment (CWIP & Capital Advances)	(77.16)	(32.81)
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(1.61)	-
5.	Finance Costs Capitalised	(3.02)	(0.53)
6.	Sale/ (Investment) in Equity Shares	-	67.39
7.	Redemption/ (Investment) in High Quality Liquid Assets (HQLAs) (net)	(1,418.90)	(997.94)
8.	Redemption/ (Investment) in Debt Securities other than HQLAs (net)	352.22	(912.98)
	Net Cash Flow from Investing Activities	(1,146.36)	(1,875.19)
C.	Cash Flow from Financing Activities		
1.	Issue/ (Redemption) of Rupee Debt Securities (net)	30,748.97	27,473.52
2.	Issue/ (Redemption) of Commercial Paper (net)	-	(135.64)
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Banks/ FIs (net)	(23,558.76)	3,640.02
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	36,501.65	30,921.49
5.	Raising/ (Redemption) of Subordinated Liabilities (net)	1,995.01	590.00
6.	Coupon payment on Perpetual Debt Instruments entirely equity in nature	(44.50)	(44.50)
7.	Payment of Dividend on Equity Shares	(5,608.77)	(2,857.05)
8.	Repayment towards Lease Liability	-	(0.02)
	Net Cash flow from Financing Activities	40,033.60	59,587.82
	Net Increase/ (Decrease) in Cash & Cash Equivalents	(294.91)	(172.59)
	Cash & Cash Equivalents as at the beginning of the year	(221.18)	(48.59)
	Cash & Cash Equivalents as at the end of the year	(516.09)	(221.18)

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 received Dividend of ₹99.05 crore (previous year ₹25.68 crore). Further, during the year, the Company has paid an amount of ₹288.86 crore (previous year ₹247.30 crore) towards Corporate Social Responsibility.



Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Cash on Hand (including imprest)	0.02	0.02
- Balances with Banks	26.22	46.24
- Short-term Deposits with Scheduled Banks	28.45	-
- Bank Overdraft	(570.78)	(267.44)
Total Cash & Cash Equivalents	(516.09)	(221.18)

Reconciliation of liabilities arising from financing activities

Particulars	Opening Balance	Cash Flows during the year (net)	Movements in Interest Accrued*	Other Adjustments		Closing Balance
				Exchange Differences	IndAS Adjustments	
Year ended 31-03-2025						
Rupee Debt Securities	2,33,262.46	30,748.97	98.38	-	165.77	2,64,275.58
Rupee Term Loans/ WCDL/Overdrafts	80,168.38	(23,255.42)	(29.75)	-	-	56,883.21
Foreign Currency Debt Securities & Other Borrowings	1,24,771.13	36,501.65	145.98	4,191.35	6.20	1,65,616.31
Subordinated Liabilities	7,412.21	1,995.01	12.58	-	94.36	9,514.16
Total	4,45,614.18	45,990.21	227.19	4,191.35	266.33	4,96,289.26
Year ended 31-03-2024						
Rupee Debt Securities	2,04,258.45	27,473.52	1,541.71	-	(11.22)	2,33,262.46
Commercial Paper	-	(135.64)	-	-	135.64	-
Rupee Term Loans/ WCDL/Overdrafts	76,422.96	3,819.87	(74.45)	-	-	80,168.38
Foreign Currency Debt Securities & Other Borrowings	93,381.71	30,921.49	162.66	528.18	(222.91)	1,24,771.13
Subordinated Liabilities	6,773.30	590.00	24.27	-	24.64	7,412.21
Total	3,80,836.42	62,669.24	1,654.19	528.18	(73.85)	4,45,614.18

* Movement in Interest Accrued has been considered in 'Operating Liabilities' as Cash Flow from Operating Activities.

Note : Previous year figures have been rearranged and regrouped wherever necessary.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W
Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089
Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025

Notes to Accounts

1. Company Overview

REC Limited ("REC" or the "Company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The books of accounts are maintained at the Corporate Office situated at Plot no. I-4, Sector-29, Gurugram, Haryana, in addition to the registered office of the Company. The Company has offices spread across the country, mainly in the State Capitals and one training center at Hyderabad.

The Company is a Government of India Enterprise engaged in extending financial assistance across the power sector value chain and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI). Being an NBFC, the company is regulated by Reserve Bank of India.

The company has been accorded with the status of a 'Maharatna' Central Public Sector Enterprise by the Department of Public Enterprises, under the Ministry of Finance.

REC is a leading Infrastructure Finance Company in India and the principal products of REC are interest-bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure. During FY 2022-23, REC has also diversified into the Non-Power Infrastructure sector comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social and Commercial Infrastructure (Educational Institution, Hospitals), Ports and Electro-Mechanical (E&M) works in respect of various other sectors like Steel, Refinery, etc.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges.

2. Statement of Compliance and Basis of Preparation

These Standalone 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 including those issued by RBI.

The financial statements for the year ended 31st March 2025 were authorized and approved by the Board of Directors on 8th May, 2025.

3. Material Accounting Policies

The material accounting policies applied in preparation of the financial statements are as given below:

3.1 Basis of Preparation and Measurement

The financial statements have been prepared on going concern basis following accrual system of accounting on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. These policies have been applied consistently for all the periods presented in the financial statements.

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Company.

3.2 Income recognition

Interest income

For financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR), i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss is recognized on an accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head interest income.

Unless otherwise specified, the recoveries from the borrowers are

appropriated in the order of (i) costs and expenses of REC (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.

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.

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

Income from Government schemes

Income of agency fee on Government schemes is recognized on the basis of the services rendered and amount of fee sanctioned by the Ministry of Power.

Dividend income

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when right to receive payment is established.

Provided that in case of final dividend, the right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in the Annual General Meeting.

Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.

Rental Income on Investment Property

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

Other services

Fees/ charges on loan assets, other than those considered an adjustment to EIR, are accounted for on accrual basis. Pre-payment premium is accounted for by the Company in the year of receipt.

3.3 Borrowing costs

Borrowing costs consist of interest and other costs that the Company 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 qualifying asset becomes ready for its intended use, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

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

3.4 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the year 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.

3.5 Foreign Currency Translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing on the date of the transaction.



Notes to Accounts

Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the Statement of Profit or Loss. However, for the long-term monetary items recognized in the financial statements before 1 April 2018, such gains and losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date).

3.6 Property, Plant and Equipment (PPE)

Recognition and initial measurement

Land

Land held for use is initially recognized at cost. For land, as no finite useful life can be determined, related carrying amounts are not amortized.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortized over the lease term.

Other Tangible assets

PPE other than land is initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation method, useful lives, residual value, and impairment)

PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation on assets purchased/sold during the year is charged for the full month if the asset is in use for more than 15 days. Depreciation on assets purchased during the year up to Rs. 5,000/- is provided @ 100%.

The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 recognized in the Statement of Profit and Loss.

Capital Work-in-Progress

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

3.7 Investment property

Recognition and measurement

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

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

Derecognition

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

Reclassification to/from investment property

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

Fair value disclosure

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

3.8 Intangible assets

Recognition and initial measurement

Intangible assets are initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the company.

Subsequent measurement (amortization method, useful lives and residual value)

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates the useful life of intangible assets to be five years.

Intangible Assets under Development

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

Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

3.9 Lease accounting:

Right-of-use asset and related lease liability in connection with all former operating leases are recognised except for those identified as short-term or low-value lease.

Notes to Accounts

An assessment at contract inception is made whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the contract is assessed for three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available
- right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- right to direct the use of the identified asset throughout the period of use and right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, a right-of-use asset and a lease liability is recognized on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is also assessed for impairment when such indicators exist.

At the commencement date, the lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.10 Assets held for sale

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 Company; 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 assets are measured at lower of carrying amount or fair value less selling costs.

Assets held for sale are presented separately from other assets in the Balance Sheet and are not depreciated or amortised while they are classified as held for sale.

3.11 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted

by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Investments in equity shares of subsidiaries and joint ventures (carried at cost in accordance with Ind AS 27)

All financial assets except for those at FVTPL or at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

Amortized cost

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment allowance (expected credit loss) is recognized on financial assets carried at amortized cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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 causes 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.



Notes to Accounts

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

Financial assets at FVOCI

FVOCI financial assets comprise of equity instruments measured at fair value. An equity investment classified as FVOCI is initially measured at fair value plus transaction costs. Gains and losses are recognized in Other Comprehensive Income (OCI) and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss. There is no recycling of such gains and losses from OCI to Statement of Profit & Loss, even on the derecognition of the investment. However, the Company may transfer the same within equity.

De-recognition of financial assets

De-recognition of financial assets due to a substantial modification of terms and conditions

The Company derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

De-recognition of financial assets other than due to substantial modification

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All host contracts which are in nature of a financial liability and separated from embedded derivative are measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Hedge accounting

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.

All derivative financial instruments designated under hedge

accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

At the inception of each hedging relationship, the Company formally designates and documents the hedge relationship, in accordance with the Company's risk management objective and strategies. The documentation includes identification of the hedged item, hedging instrument, the nature of risk(s) being hedged, the hedge ratio and how the hedging relationship meets the hedging effectiveness requirements.

Fair Value Hedges

In line with the recognition of change in the fair value of the hedging instruments in the Statement of Profit & Loss, the change in the fair value of the hedged item attributable to the risk hedged is recognised in the 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 exit. If the hedged item is derecognised, the unamortised fair value is recognised immediately in Statement of Profit and Loss.

3.12 Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment in the form of Expected Credit Loss (ECL) based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

Loss Given Default (LGD) - LGD represents the Company'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.

Exposure at Default (EAD) - EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Financial assets other than Loans

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

Notes to Accounts

To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

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

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

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

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.14 Dividend and Other Payments to holders of Instruments classified as Equity

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively. Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the Company.

3.15 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.

3.16 Prepaid Expenses

A prepaid expense up to Rs. 1,00,000/- is recognized as expense upon initial recognition.

3.17 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized 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, the tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of 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 previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted

by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

3.18 Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plan

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

Defined benefit plan

The Company has an obligation towards gratuity, Post Retirement Medical Facility (PRMF), Provident Fund (PF) and Other Defined Retirement Benefit (ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside.

The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

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

Other long-term employee benefits:

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.



Notes to Accounts

Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee benefits, 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 benefits on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

3.19 Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

3.20 Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value

hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is material to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements regularly, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is material to the fair value measurement as a whole) at the end of each reporting period.

3.21 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal 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.

3.22 Business Combination under Common Control

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

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

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonise material 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.

3.23 Expenditure on issue of shares

Expenditure on issue of shares, if any, is charged to the securities premium account

4. Implementation of New/ Modified Standards

During the year, the Ministry of Corporate Affairs (MCA) has made amendments to the existing standards. The Company has analysed the impact of these amendments which is not material to the Company. Further, MCA has not issued any new Ind-AS applicable to the company.

5. Material management judgment in applying accounting policies and estimation of uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions

Notes to Accounts

that affect the reported amounts of revenues, expenses, assets and liabilities, 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- Such changes, if any, are recognised 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.

Material management judgments

Recognition of deferred tax assets/ liability – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. Further, the Company Management has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and thus, the special reserve created and maintained is not capable of being reversed. Hence, the company does not create any deferred tax liability on the said reserve.

Evaluation of indicators for impairment of assets – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Non recognition of Interest Income on Credit Impaired Loans - 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.

Material estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, 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.

Defined benefit obligation (DBO) – Management'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 materially impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income Taxes – Material 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.

Expected Credit Loss ('ECL') – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default).



Notes to Accounts

6. Cash and cash equivalents*

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Cash on hand (including imprest)	0.02	0.02
Balances with banks in current accounts	26.22	46.24
Bank deposits with original maturity of 3 months or less	28.45	-
Total	54.69	46.26

7. Bank Balances (other than Cash and Cash Equivalents)*

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Earmarked Balances with Banks		
- For unpaid dividends	1,079.07	1,192.72
- For Government funds for onward disbursement as grant	8.69	13.64
Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.72	0.67
Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	595.88	1,245.41
Bank deposits with original maturity greater than 3 months	10.79	-
Total	1,695.15	2,452.44

*There are no repatriation restrictions with respect to Cash & Cash Equivalents and Bank Balances (other than Cash & Cash Equivalents) as at 31st March 2025 (Previous Year Nil).

8. Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. 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.

Refer Note 50 for Risk Management Disclosures in respect of the derivatives.

Part I

Particulars	(₹ in Crores)					
	As at 31-03-2025			As at 31-03-2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency Derivatives						
- Currency swaps	3,209.30	87.12	-	3,126.52	43.34	38.13
- Others						
- Seagull Options	1,62,207.47	16,288.81	1,386.11	1,21,107.24	11,070.97	411.82
Sub-total (i)	1,65,416.77	16,375.93	1,386.11	1,24,233.76	11,114.31	449.95
(ii) Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	1,07,505.58	1,056.25	283.95	72,128.13	1,367.71	309.75
Sub-total (ii)	1,07,505.58	1,056.25	283.95	72,128.13	1,367.71	309.75
(iii) Other derivatives						
- Reverse cross currency swaps	-	-	-	-	-	-
Total - Derivative Financial Instruments (i+ii+iii)	2,72,922.35	17,432.18	1,670.06	1,96,361.89	12,482.02	759.70

Notes to Accounts

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)						
Particulars	As at 31-03-2025			As at 31-03-2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Fair Value Hedging						
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	13,995.70	22.92	76.48	15,950.70	-	297.73
Sub-total (i)	13,995.70	22.92	76.48	15,950.70	-	297.73
(ii) Cash Flow Hedging						
- Currency Derivatives						
- Currency Swaps	3,209.30	87.12	-	3,126.52	43.34	38.13
- Others						
- Seagull Options	1,62,207.47	16,288.80	1,386.11	1,21,107.24	11,070.96	411.82
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	86,809.88	645.85	207.47	49,477.43	905.30	12.02
Sub-total (ii)	2,52,226.65	17,021.77	1,593.58	1,73,711.19	12,019.60	461.97
(iii) Undesignated Derivatives	6,700.00	387.49	-	6,700.00	462.42	-
Total - Derivative Financial Instruments (i+ii+iii)	2,72,922.35	17,432.18	1,670.06	1,96,361.89	12,482.02	759.70

Derivative financial instruments are measured at fair value at each reporting date. The changes in the fair value of derivatives designated as hedging instruments in effective cash flow hedges are recognised in Other Comprehensive Income. In case of fair value hedges, the changes in fair value of the derivatives designated as hedging instruments along with the fair value changes in the carrying amount of the hedged items are recognised in the Statement of Profit & Loss. For undesignated derivatives, the changes in the fair value are recognised in the Statement of Profit & Loss.

9. Receivables

The Company has categorised all receivables at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
(A) Trade Receivables		
(i) Credit impaired receivables	26.84	26.94
Less: Allowance for Expected Credit Loss	(26.84)	(26.94)
Sub-total (A)	-	-
(B) Other Receivables		
(i) Unsecured, Considered good	2.26	3.70
Less: Allowance for Expected Credit Loss	(0.27)	(0.92)
Sub-total (B)	1.99	2.78
Total receivables (A+B)	1.99	2.78

9.1 Trade Receivables ageing schedule

(₹ in Crores)						
Particulars	Outstanding as at 31-03-2025					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	26.84	26.84
Sub- total (i)	-	-	-	-	26.84	26.84



Notes to Accounts

Particulars	Outstanding as at 31-03-2025					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(ii) Disputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Sub- total (ii)	-	-	-	-	-	-
Total (i+ii)	-	-	-	-	26.84	26.84

(₹ in Crores)

Particulars	Outstanding as at 31-03-2024					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	26.94	26.94
Sub- total (i)	-	-	-	-	26.94	26.94
(ii) Disputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Sub- total (ii)	-	-	-	-	-	-
Total (i+ii)	-	-	-	-	26.94	26.94

9.2 No trade or other receivables are due from directors or other officers of the Company or any firms or private companies respectively in which any director is a partner, a director or a member.

9.3 Movement of impairment loss allowance on Trade and Other receivable

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Trade Receivable	Other Receivable	Trade Receivable	Other Receivable
Opening balance	26.94	0.92	48.63	0.92
Add: Created during the year	-	-	-	-
Less: Reversed/ Adjusted during the year	0.10	0.65	21.69	-
Closing balance	26.84	0.27	26.94	0.92

10. Loans

The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A) Loans				
(i) Term Loans	5,03,711.30	5,06,320.65	4,62,090.27	4,63,975.61
(ii) Working Capital Term Loans	63,171.99	63,563.19	47,280.68	47,596.96
Total (A) - Gross Loans	5,66,883.29	5,69,883.84	5,09,370.95	5,11,572.57
Less: Impairment loss allowance	(10,795.76)	(10,795.76)	(12,380.52)	(12,380.52)
Total (A) - Net Loans	5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05

Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(B) Security-wise classification				
(i) Secured by tangible assets	2,71,337.02	2,72,035.63	2,47,650.53	2,48,205.98
(ii) Covered by Government Guarantees	2,54,317.95	2,56,407.38	2,24,500.49	2,25,967.86
(iii) Unsecured	41,228.32	41,440.83	37,219.92	37,398.72
Total (B) - Gross Loans	5,66,883.29	5,69,883.84	5,09,370.95	5,11,572.57
Less: Impairment loss allowance	(10,795.76)	(10,795.76)	(12,380.52)	(12,380.52)
Total (B) - Net Loans	5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05
(C)(I) Loans in India				
(i) Public Sector	4,94,578.16	4,97,757.68	4,54,647.08	4,56,894.28
(ii) Private Sector	72,305.13	72,126.16	54,723.87	54,678.29
Total (C)(I) - Gross Loans	5,66,883.29	5,69,883.84	5,09,370.95	5,11,572.57
Less: Impairment loss allowance	(10,795.76)	(10,795.76)	(12,380.52)	(12,380.52)
Total (C)(I) - Net Loans	5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05
(C)(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C)(II) - Net Loans	-	-	-	-
Total (C)(I) and (C)(II)	5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05

10.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

Particulars	As at 31-03-2025		As at 31-03-2024	
Net Loans	5,59,088.08		4,99,192.05	
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(886.34)		(300.36)	
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(2,657.54)		(2,201.98)	
Add: Allowance for Expected Credit Loss (ECL) netted off as per Ind-AS	10,795.76		12,380.52	
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	543.33		300.72	
Gross Loans	5,66,883.29		5,09,370.95	

10.2 Movement of Impairment Loss Allowance in respect of Loans:

Particulars	As at 31-03-2025		As at 31-03-2024	
Opening Balance	12,380.52		14,263.75	
Add: Impairment loss allowance provided during the year (Refer Note 38)	899.78		(1,383.21)	
Less: Allowance utilised towards write-off of loans	(2,484.54)		(500.02)	
Closing Balance	10,795.76		12,380.52	

10.3 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring, the Company has written off loans amounting to ₹2484.54 crores (Previous Year ₹500.02 crores). The details of write-offs are as below:

(i) During the current year

- Pursuant to the Resolution Plan approved under IBC proceedings executed on 06th September 2024 in respect of Lanco Amarkantak Power Limited, the company has written off an amount of ₹1378.10 crores after appropriating recoveries of ₹836.11 crores (Cash of ₹721.34 crores and Other Financial Asset in the form of Recoverable of ₹114.77 crores) with corresponding reversal of ECL of ₹1406.47 crores.
- Pursuant to the One Time Settlement executed on 21st October 2024 in respect of Lynx India Limited, the company has written off an amount of ₹0.94 crores after appropriating cash recoveries of ₹1.02 crores with corresponding reversal of ECL of ₹1.96 crores.
- Pursuant to the Resolution Plan approved under IBC proceedings executed on 02nd December 2024 in respect of Nagai Power Private Limited, the company has written off an amount of ₹371.50 crores after appropriating recoveries of ₹189.49 crores (Cash of ₹59.05 crores and Other Financial Asset in the form of Recoverable of ₹130.43 crores) with corresponding reversal of ECL of ₹398.79 crores.
- Pursuant to Resolution Agreement (through Debt assigned to ARC) executed on 27th February 2025 in respect of Corporate Power Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated 07th June 2019, the company has written off an amount of ₹734.00 crores after appropriating the cash recoveries of ₹63.00 crores with corresponding reversal of ECL of ₹797.00 crores.



Notes to Accounts

- (e) Pursuant to the Resolution Plan approved under IBC proceedings executed on 06th March 2025 in respect of KSK Mahanadi Power Company Limited, the company has recovered the entire outstanding loan of ₹2596.36 crores and ₹976.46 crores on account of overdue interest after appropriating the cash recoveries of ₹3572.82 crores with corresponding reversal of ECL of ₹1361.09 crores.

(ii) During the previous year

- (a) Pursuant to Restructuring Agreement executed on 21st December 2023 in respect of Dans Energy Private Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated 07th June 2019, the company has received entire outstanding of ₹366.88 crores after appropriating the recoveries of ₹415.99 crores (Term Loan of ₹415.99 crores and optionally convertible debentures Nil) with corresponding reversal of ECL of ₹40.17 crores.
- (b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 10th August 2023 in respect of Meenakshi Energy Limited, the company has written off an amount of ₹499.61 crores after appropriating recoveries of ₹211.23 crores (Cash of ₹50.90 crores and Non-Convertible Debentures (NCD) of ₹160.33 crores) with corresponding reversal of ECL of ₹488.42 crores.
- (c) Pursuant to the One Time Settlement executed on 20th November 2023 in respect of Classic Global Limited, the company has written off an amount of ₹0.41 crores after appropriating cash recoveries of ₹2.50 crores with corresponding reversal of ECL of ₹2.91 crores.

10.4 The Company obtains balance confirmation from the borrowers for the balances outstanding as on the Balance Sheet date. The summary of the balance confirmations received from the borrowers is as under:

Particulars	As at 31-03-2025		As at 31-03-2024	
	%	Amount	%	Amount
Gross Loan Book		5,66,883.29		5,09,370.95
Loan Assets for which balance confirmations have been received from borrowers	95%	5,41,262.29	94%	4,76,725.31
Loan Assets for which balance confirmations are yet to be received from borrowers of which,	5%	25,621.00	6%	32,645.64
Loans secured by tangible assets	50%	12,824.31	47%	15,457.53
Loans covered by Government Guarantee/ Loans to Government	28%	7,271.98	34%	11,149.39
Unsecured loans	22%	5,524.71	19%	6,038.73

10.5 No funds 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11. Investments

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7= 5+6)
As at 31st March, 2025							
Government Securities	1,621.86	-	-	-	1,621.86	-	1,621.86
Debt Securities	3,577.32	-	968.18	-	4,545.50	-	4,545.50
Equity Instruments							
- Subsidiaries	-	-	-	-	-	0.10	0.10
- Others	-	386.80	90.62	-	477.42	-	477.42
Preference Shares	28.72	-	-	-	28.72	-	28.72
Total - Gross (A)	5,227.90	386.80	1,058.80	-	6,673.50	0.10	6,673.60
Investments outside India	-	-	-	-	-	-	-
Investments in India	5,227.90	386.80	1,058.80	-	6,673.50	0.10	6,673.60
Total - Gross (B)	5,227.90	386.80	1,058.80	-	6,673.50	0.10	6,673.60
Total Investments	5,227.90	386.80	1,058.80	-	6,673.50	0.10	6,673.60
Less: impairment loss allowance (C)	(31.98)	-	-	-	(31.98)	-	(31.98)
Total - Net (D=A-C)	5,195.92	386.80	1,058.80	-	6,641.52	0.10	6,641.62

Notes to Accounts

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7= 5+6)
As at 31st March, 2024							
Government Securities	1,624.08	-	-	-	1,624.08	-	1,624.08
Debt Securities	2,144.09	-	1,065.03	-	3,209.12	-	3,209.12
Equity Instruments							
- Subsidiaries	-	-	-	-	-	0.10	0.10
- Others	-	410.64	76.37	-	487.01	-	487.01
Preference Shares	28.72	-	-	-	28.72	-	28.72
Total - Gross (A)	3,796.89	410.64	1,141.40	-	5,348.93	0.10	5,349.03
Investments outside India	-	-	-	-	-	-	-
Investments in India	3,796.89	410.64	1,141.40	-	5,348.93	0.10	5,349.03
Total - Gross (B)	3,796.89	410.64	1,141.40	-	5,348.93	0.10	5,349.03
Total Investments	3,796.89	410.64	1,141.40	-	5,348.93	0.10	5,349.03
Less: impairment loss allowance (C)	(28.72)	-	-	-	(28.72)	-	(28.72)
Total - Net (D=A-C)	3,768.17	410.64	1,141.40	-	5,320.21	0.10	5,320.31

11.1 Details of investments

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2025		As at 31-03-2024	
		Number	Amount	Number	Amount
(A) Total - Central/ State Government Securities- Quoted (HQLAs)*	Amortised Cost	15,86,33,000	1,621.86	15,86,33,000	1,624.08
(B) Debt Securities					
(i) Corporate Bonds- Quoted (HQLAs)*			2,853.35		1,436.83
- 9.95% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	3,700	335.15	3,700	373.32
- 9.62% Andhra Pradesh State Beverages Corporation Limited (APSBCL)	Amortised Cost	1,235	127.30	1,235	127.86
- 9.70% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	550	56.53	550	56.85
- 8.49% Green Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	4,998	51.00	4,998	49.98
- 9.10% Domestic Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	69,846	699.31	49,994	500.56
- 9.50% Delhi International Airport Limited (DIAL)	Amortised Cost	1,25,650	1,256.75	-	-
- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	1,000	102.97	1,000	102.98
- 7.05% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	850	88.04	850	88.09
- 6.65% Bonds of Food Corporation of India (FCI)	Amortised Cost	200	20.60	200	20.61
- 7.19% Bonds of THDC India Limited (THDC)	Amortised Cost	250	26.27	250	26.30
- 8.69% Bonds of Damodar Valley Corporation (DVC)	Amortised Cost	200	20.74	200	21.06
- 7.30% Bonds of Power Grid Corporation of India Limited (PGCIL)	Amortised Cost	200	21.73	200	21.98
- 5.78% Bonds of Chennai Petroleum Corporation Limited (CPCL)	Amortised Cost	150	15.61	150	15.62
- 6.11% Bonds of Bharat Petroleum Corporation Limited (BPCL)	Amortised Cost	100	10.45	100	10.47
- 7.30% Bonds of NMDC Steel Limited (NMDC)	Amortised Cost	200	20.90	200	21.15
(ii) Debt Securities (other than HQLAs)			1,692.15		1,772.29
- 10%Non- Convertible Debentures of GMR Goa International Airport Limited - Quoted	Amortised Cost	49,488	493.56	49,488	493.20



Notes to Accounts

Particulars	Investment measured at	As at 31-03-2025		As at 31-03-2024	
		Number	Amount	Number	Amount
- 7.99% Perpetual Bonds of Canara Bank- Quoted	Fair value through profit or loss	200	207.78	200	208.49
- 9.50% Perpetual Bonds of UCO Bank- Quoted	Fair value through profit or loss	228	239.55	228	228.80
- 8.55% Perpetual Bonds of Punjab National Bank- Quoted	Fair value through profit or loss	500	520.85	500	510.65
- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Limited- Unquoted	Fair value through profit or loss	-	-	15,22,63,003	81.30
- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Limited- Unquoted	Fair value through profit or loss	-	-	6,70,35,820	35.79
- Optionally convertible debentures- Series C of Essar Power Transmission Co. Limited- Unquoted**	Fair value through profit or loss	-	-	1,86,35,162	-
- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,50,95,356	189.65	2,50,95,356	169.01
- 8.50% Non- Convertible Debentures (NCDs) of Jhabua Power Limited- Unquoted	Amortised Cost	42,90,030	40.76	45,04,532	45.05
- 0.01% Optionally Convertible Debentures (OCD) Series A of R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	21,38,03,170	-	21,38,03,170	-
- 0.01% Optionally Convertible Debentures (OCD) Series B of R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	63,03,032	-	63,03,032	-
- 0.01% Optionally Convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Limited- Unquoted**	Fair value through profit or loss	1,04,74,150	-	1,04,74,150	-
- 0.01% Optionally Convertible Debentures (OCD) of Dans Energy Private Limited- Unquoted **	Fair value through profit or loss	2,13,75,000	-	2,13,75,000	-
Total (B) - Debt Securities (i+ii)			4,545.50		3,209.12
(C) Equity Instruments					
(i) Subsidiary (Refer note 11.2)					
- REC Power Development and Consultancy Limited - Unquoted#	Others (At Cost)	94,90,500	0.10	85,500	0.10
Total - Subsidiary			0.10		0.10
(ii) Others					
- NHPC Limited- Quoted	Fair value through other comprehensive income	1,04,69,555	86.06	1,04,69,555	93.91
- Energy Efficiency Services Limited- Unquoted	Fair value through other comprehensive income	21,81,00,000	120.39	21,81,00,000	136.50
- Universal Commodity Exchange Limited- Unquoted	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Jhabua Power Limited- Unquoted	Fair value through other comprehensive income	2,78,85,211	171.51	2,78,85,211	177.72
- JSW Energy (Utkal) Limited- Unquoted	Fair value through other comprehensive income	127	8.84	127	2.51
- Rattan India Power Limited- Quoted	Fair value through profit or loss	9,25,68,105	90.62	9,25,68,105	76.37
- R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
Total - Others			477.42		487.01
Total (C) - Equity Instruments (i+ii)			477.52		487.11

#During current financial year, REC Power Development and Consultancy Limited has allotted 94,05,000 number of Equity Shares of ₹10 each as fully paid up by way of bonus shares in the ratio of 110 (One hundred and ten) equity share for every 1 (One) equity share (previous year NIL).

Notes to Accounts

Particulars	Investment measured at	As at 31-03-2025		As at 31-03-2024	
		Number	Amount	Number	Amount
(D) Preference Shares - Unquoted					
- Redeemable, issued by Rattan India Power Limited	Amortised cost	2,87,20,978	28.72	2,87,20,978	28.72
- Optionally Convertible, issued by Rattan India Power Limited	Fair value through profit or loss	4,33,03,616	-	4,33,03,616	-
Total (D) - Preference Shares			28.72		28.72
(E) Total Investments (A to D)			6,673.60		5,349.03
(F) Less: impairment loss allowance			(31.98)		(28.72)
(G) Total - Net (E-F)			6,641.62		5,320.31

Refer note 55.1 for valuation technique of the investments shown at fair value.

* High Quality Liquid Assets (HQLAs) maintained as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

** Received against unsustainable portion of debt in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring.

11.2 Details of Investment in Subsidiary

Name of the Company	Principal place of business / Country of Incorporation	Proportion of ownership interest as at	
		31-03-2025	31-03-2024
REC Power Development and Consultancy Limited	India	100.00%	100.00%

The investment in subsidiary is measured at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

11.3 Movement of Impairment Loss Allowance in respect of Investments:

Particulars	(₹ in Crores)	
	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	28.72	28.72
Add: Impairment loss allowance	3.26	-
Less: Allowance utilised towards write-off of Investments	-	-
Closing Balance	31.98	28.72

11.4 In terms of settlements under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring, the Company has received the following Investments:

(i) During the current year:

- (a) Pursuant to the Resolution Plan approved under IBC proceedings in respect of KSK Mahanadi Power Company Limited, IDBI Trusteeship Services Limited has been allotted 17,567 no. of equity shares having face value of ₹10/- each on 22nd April 2025 in favour of Equity Holder Financial Creditors. The share of the Company out of these equity shares is 13.019%.

(ii) During the previous year:

- (a) Pursuant to Restructuring Agreement in respect of Dans Energy Private Limited, the company has been allotted 2,13,75,000 no. of 0.01% Optionally-Convertible Debentures (OCDs) having face value of ₹100/- each.
- (b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Meenakshi Energy Limited, the company has been allotted 2,50,95,356 no. of 0% Non-Convertible Debentures (NCDs) having face value of ₹100/- each.

Refer note 10.3 for further details.

11.5 The Company has elected an irrevocable option to designate some of the equity instruments at FVOCI (Fair Value through Other Comprehensive Income). The Company's operation comprises of only one business segment i.e. providing financial assistance to power, logistic and infrastructure sector. Thus, in order to isolate Standalone Statement of Profit and Loss from price fluctuations of these instruments, management believes that this provides a more meaningful presentation, rather than classifying them at FVTPL (Fair Value through Profit & Loss).

Details of FVOCI investments derecognised during the year

Name of the company	FY 2024-25			FY 2023-24		
	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition
NHPC Limited				58,82,025	60.94	48.14
HUDCO Limited		Nil		3,47,429	6.45	4.37

The Company has not sold any equity shares during the current financial year. During the previous year, the Company has sold 58,82,025 equity shares of NHPC Limited and entire 3,47,429 no. of equity shares of HUDCO Limited considering the market scenario for a consideration of ₹60.94 crores and ₹6.45 crores respectively through stock exchange. The shares have thus been derecognised and the cumulative gain (net of tax) on such sale has been transferred from other comprehensive income to retained earnings.



Notes to Accounts

11.6 The Board of Directors of the Company has approved a proposal for incorporation of a Wholly Owned Subsidiary (WOS) for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City ("GIFT"), Gandhinagar, Gujarat. The Finance Company will be deemed as a non-resident entity under extant FEMA regulations and will be governed by unified regulator i.e International Financial Services Centres Authority (IFSCA). The Reserve Bank of India vide its letter dated 03rd May 2024, has accorded "No-Objection Certificate" (NOC) to set up the proposed entity. The Company is yet to receive the requisite approval of the Ministry of Power, Government of India to incorporate the proposed entity.

12. Other financial assets

The Company has categorised all the components under 'Other Financial Assets' at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)			
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Loans to Employees (Refer Note 12.1)	78.07	57.99	
(B) Advances to Employees	0.43	0.89	
(C) Recoverable from Holding Company	2.82	0.51	
(D) Recoverable from Subsidiary Company	7.18	6.96	
(E) Security Deposits	2.14	1.44	
(F) Advance paid towards variation margin	0.63	-	
(G) Recoverable from Government of India			
- Towards GoI Fully Serviced Bonds (Refer Note 23.5)	24,318.29	24,319.40	
(H) Other amounts recoverable	343.34	73.99	
Less: Impairment Loss allowance (Refer Note 12.2)	(149.22)	(39.44)	
Other Amounts Recoverable (Net)	194.12	34.55	
Total (A to H)	24,603.68	24,421.74	

12.1 Details of Loans to Employees (Considered Good)

The Company has extended loans to employees with specified terms and repayment schedule, categorised at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)			
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Secured Loans			
- To Key Managerial Personnel	0.01	0.06	
- To employees Other than Key Managerial Personnel	36.33	37.38	
Sub-total (A)	36.34	37.44	
(B) Unsecured Loans			
- To Key Managerial Personnel	0.12	0.24	
- To employees Other than Key Managerial Personnel	41.61	20.31	
Sub-total (B)	41.73	20.55	
Total (A+B)	78.07	57.99	

The figures above include interest accrued on such loans amounting to ₹12.92 crores (Previous year ₹10.3 crores).

12.2 Movement of impairment loss allowance on other amounts recoverable

(₹ in Crores)			
Particulars	Year ended 31-03-2025	Year ended 31-03-2024	
Opening balance	39.44	46.10	
Add: Created during the year	129.91	8.68	
Less: Reversed/ Adjusted during the year	(20.13)	(15.34)	
Closing balance	149.22	39.44	

13. Current tax assets (net)

(₹ in Crores)			
Particulars	As at 31-03-2025	As at 31-03-2024	
Advance Income-tax & TDS	4,394.52	289.47	
Provision for Income Tax	(4,000.49)	-	
Sub-Total (A)	394.03	289.47	

Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
Tax Deposited on income tax demands under contest	5.20	5.20
Provision for income tax for demand under contest	(0.25)	(0.25)
Sub-Total (B)	4.95	4.95
Current tax assets-Net (A+B)	398.98	294.42

14. Deferred tax assets (net)

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Deferred Tax Assets (Net)	2,852.75	2,485.46

14.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2025 are as follows

(₹ in Crores)					
Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	2,831.47	(269.40)	-	-	2,562.07
Provision for Earned Leave	8.42	1.39	-	-	9.81
Provision for Medical Leave	5.42	0.48	-	-	5.90
Fair Valuation of Investments	(1.67)	(8.67)	-	-	(10.34)
Fair Valuation of Derivatives	161.25	35.75	502.31	-	699.31
Total Deferred Tax Assets (A)	3,004.89	(240.45)	502.31	-	3,266.76
Deferred Tax Liabilities					
Depreciation and Amortisation	32.96	2.58	-	-	35.54
Unamortised Foreign Currency Exchange Fluctuations	187.43	(19.09)	-	-	168.34
Financial assets and liabilities measured at amortised cost	243.36	(35.45)	-	-	207.91
Fair valuation of Debt Securities	55.68	(53.46)	-	-	2.22
Total Deferred Tax Liabilities (B)	519.43	(105.42)	-	-	414.01
Total Deferred Tax Assets - Net (A-B)	2,485.46	(135.03)	502.31	-	2,852.75

Significant components of net deferred tax assets and liabilities for the year ended 31st March 2024 are as follows

(₹ in Crores)					
Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	3,346.46	(514.99)	-	-	2,831.47
Provision for Earned Leave	6.92	1.50	-	-	8.42
Provision for Medical Leave	5.19	0.23	-	-	5.42
Fair Valuation of Investments	14.49	(11.66)	(4.50)	-	(1.67)
Fair Valuation of Derivatives	446.46	35.48	(320.69)	-	161.25
Total Deferred Tax Assets (A)	3,819.52	(489.44)	(325.19)	-	3,004.89
Deferred Tax Liabilities					
Depreciation and Amortisation	26.93	6.03	-	-	32.96
Unamortised Foreign Currency Exchange Fluctuations	218.30	(30.87)	-	-	187.43
Financial assets and liabilities measured at amortised cost	232.11	11.25	-	-	243.36
Fair valuation of Debt Securities	65.19	(9.51)	-	-	55.68
Total Deferred Tax Liabilities (B)	542.53	(23.10)	-	-	519.43
Total Deferred Tax Assets - Net (A-B)	3,276.99	(466.34)	(325.19)	-	2,485.46



Notes to Accounts

15. Investment Property

(₹ in Crores)

Particulars	Opening Balance	Additions / transfer during the year	Sales/ adjustment during the year	Closing balance
As at 31-03-2025				
Gross Carrying Value	-	53.03	-	53.03
Accumulated depreciation	-	(4.79)	-	(4.79)
Net Carrying Value	-	48.24	-	48.24
As at 31-03-2024				
Gross Carrying Value	-	-	-	-
Accumulated depreciation	-	-	-	-
Net Carrying Value	-	-	-	-

15.1 The Company's investment properties consist of buildings situated in Delhi and Gurugram, India, which are re-classified during the year from Property, Plant and Equipment (PPE) of the Company as per IND AS 40. The rental income from these investment properties is ₹17.19 crores (previous year NIL) during the year. There were no direct operating expenses arising from the investment property.

15.2 The Company has no restrictions on the realisability of its investment properties and has no contractual obligation to purchase, construct or develop investment properties or for repair, maintenance and enhancement.

15.3 Fair value of investment property:

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Carrying Value	48.24	-
Fair Value	192.50	-

These valuations are based on valuations performed by an independent valuer. The Company obtains independent valuations for its investment properties at least annually. The fair values of investment property is determined by an independent registered valuer on the basis of Income Approach. All resulting fair value estimates for investment property are included in Level 2.

16. Property, Plant & Equipment, Capital Work-in-Progress and Other Intangible Assets

Particulars	Property, Plant & Equipment										Capital Work- in-Progress			Intangible Assets under Development		Other Intangible Assets	
	Freehold Land	Right-of- Use Land	Buildings	Plant & Equipment	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Total	Immovable Property	Computer Software	Computer Software	Computer Software	Computer Software	Computer Software	Computer Software	Computer Software
Gross carrying value																	
As at 31-03-2023	110.39	1.59	456.90	20.06	67.35	23.98	24.79	0.54	705.60	2.72	-	-	-	-	-	-	14.67
Additions	-	-	-	0.39	2.61	8.49	7.88	0.18	19.55	20.34	-	-	-	-	-	-	-
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	0.53	-	-	-	-	-	-	-
Disposals	-	-	-	-	(3.01)	(2.85)	(6.51)	(0.01)	(12.38)	-	-	-	-	-	-	-	(0.01)
As at 31-03-2024 (A)	110.39	1.59	456.90	20.45	66.95	29.62	26.16	0.71	712.77	23.59	-	-	-	-	-	-	14.66
As at 31-03-2024	110.39	1.59	456.90	20.45	66.95	29.62	26.16	0.71	712.77	23.59	-	-	-	-	-	-	14.66
Additions	-	-	-	-	4.59	11.92	11.17	0.25	27.93	49.40	-	-	-	-	-	-	1.61
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	3.02	-	-	-	-	-	-	-
Disposals/Transfers	-	-	(53.03)	-	(4.81)	(5.53)	(10.21)	(0.46)	(74.04)	-	-	-	-	-	-	-	-
As at 31-03-2025 (B)	110.39	1.59	403.87	20.45	66.73	36.01	27.12	0.50	666.66	76.01	-	-	-	-	-	-	16.27
Accumulated depreciation/ amortisation																	
As at 31-03-2023	-	0.39	20.61	2.23	15.40	16.27	11.41	0.38	66.69	-	-	-	-	-	-	-	13.05
Charge for the year	-	0.02	7.21	1.29	6.09	4.29	3.68	0.04	22.62	-	-	-	-	-	-	-	1.10
Adjustment for disposals	-	-	-	-	(1.50)	(1.85)	(3.40)	-	(6.75)	-	-	-	-	-	-	-	(0.01)
As at 31-03-2024 (C)	-	0.41	27.82	3.52	19.99	18.71	11.69	0.42	82.56	-	-	-	-	-	-	-	14.14
As at 31-03-2024	-	0.41	27.82	3.52	19.99	18.71	11.69	0.42	82.56	-	-	-	-	-	-	-	14.14
Charge for the year	-	0.09	6.42	1.30	6.09	5.20	4.16	0.04	23.30	-	-	-	-	-	-	-	0.29
Adjustment for disposals/transfers	-	-	(3.99)	-	(3.06)	(3.57)	(6.35)	(0.39)	(17.36)	-	-	-	-	-	-	-	-
As at 31-03-2025 (D)	-	0.50	30.25	4.82	23.02	20.34	9.50	0.07	88.50	-	-	-	-	-	-	-	14.43
Net block as at 31-03-2024 (A-C)	110.39	1.18	429.08	16.93	46.96	10.91	14.47	0.29	630.21	23.59	-	-	-	-	-	-	0.52
Net block as at 31-03-2025 (B-D)	110.39	1.09	373.62	15.63	43.71	15.67	17.62	0.43	578.16	76.01	-	-	-	-	-	-	1.84



Notes to Accounts

16.1 The formalities regarding registration of title deed in respect of an immovable property acquired by the Company is yet to be executed. The details are as below:

(a) As at 31st March 2025

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	1.83	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

(b) As at 31st March 2024

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	1.89	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

16.2 Certain Property, Plant & Equipment has been pledged as security against secured borrowings of the Company as per the details below:

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.26	2.31

16.3 Capital Work in Progress (CWIP)

(a) CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31-03-2025					As at 31-03-2024				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress										
- REC Township at Gurugram	52.42	20.87	1.24	1.48	76.01	20.87	1.24	0.08	1.40	23.59
Total	52.42	20.87	1.24	1.48	76.01	20.87	1.24	0.08	1.40	23.59

There are no capital work in progress as on the reporting year where activity has been suspended.

(b) CWIP completion schedule

(₹ in Crores)

Particulars	As at 31-03-2025					As at 31-03-2024				
	To be completed in				Total	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress										
- REC Township at Gurugram	76.01	-	-	-	76.01	-	23.59	-	-	23.59
Total	76.01	-	-	-	76.01	-	23.59	-	-	23.59

Notes to Accounts

16.4 There has been no revaluation of Property, Plant & Equipment and Other Intangible Assets during the year (previous year Nil).

16.5 In the opinion of management, there are no events or changes in circumstances that indicate the impairment of PPE and Other Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

16.6 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised an amount of ₹3.02 crores (previous year ₹0.53 crores) borrowing costs on account of general borrowings at an average rate of borrowings of 7.13% (previous year 7.28%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

16.7 Disclosure in respect of Intangible Assets as required under Ind-AS 38 "Intangible Assets"

Amortisation Rate 20% (100% in case the total cost of the asset is ₹5,000 or less)

17. Other non-financial assets

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good		
(A) Capital Advances	-	0.17
(B) Other Advances	7.72	7.97
(C) Balances with Government Authorities	28.56	37.47
(D) Pre-Spent Corporate Social Responsibility (CSR) Expenses	5.53	5.15
(E) Prepaid Expenses	15.71	21.96
(F) Deferred Employee Benefits	24.58	15.81
(G) Other Assets	-	0.01
Total (A to G)	82.10	88.54

18. Assets Classified as Held for Sale

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Assets Classified as Held for Sale-Building	0.01	0.05
Total	0.01	0.05

The assets held for sale as on March 31, 2025 for ₹0.01 crore is under litigation pending the outcome, the asset cannot be re-auctioned (previous year ₹0.01 crore).

18.1 With a view to monetise its idle assets, during the year the Company has disposed a residential building unit through e-auction process, with carrying value ₹0.04 crores (previous year ₹0.29 crores), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹6.03 crores during the current year (previous year ₹1.32 crores) (refer note 33).

19. Payable

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
(A) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	0.12	0.16
Total outstanding dues other than micro enterprises and small enterprises	10.68	7.23
Sub-total (A)	10.80	7.39
(B) Other payables		
Total outstanding dues of micro enterprises and small enterprises	6.52	2.83
Total outstanding dues other than micro enterprises and small enterprises	17.28	8.69
Sub-total (B)	23.80	11.52
Total (A+B)	34.60	18.91

19.1 Trade Payables ageing schedule

(₹ in Crores)							
Particulars	Outstanding as at 31-03-2025						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							
- Disputed	-	-	-	-	-	-	-
- Others	0.11	-	0.01	-	-	-	0.12
Sub-total (i)	0.11	-	0.01	-	-	-	0.12



Notes to Accounts

Particulars	Outstanding as at 31-03-2025						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(ii) Other than MSME							
- Disputed	-	-	-	-	-	-	-
- Others	6.19	-	4.49	-	-	-	10.68
Sub-total (ii)	6.19	-	4.49	-	-	-	10.68
Total (i+ii)	6.30	-	4.50	-	-	-	10.80

(₹ in Crores)

Particulars	Outstanding as at 31-03-2024						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							
- Disputed	-	-	-	-	-	-	-
- Others	0.08	-	0.08	-	-	-	0.16
Sub-total (i)	0.08	-	0.08	-	-	-	0.16
(ii) Other than MSME							
- Disputed	-	-	-	-	-	-	-
- Others	6.40	-	0.83	-	-	-	7.23
Sub-total (ii)	6.40	-	0.83	-	-	-	7.23
Total (i+ii)	6.48	-	0.91	-	-	-	7.39

19.2 Disclosure as per Section 22 of MSMED Act, 2006

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(a) The principal amount payable to suppliers at the year end	6.64	2.99
(b) The amount of interest accrued and due on the remaining unpaid amount to suppliers as at the year end	-	-
(c) The amount of interest paid by buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(f) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-	-

20. Debt Securities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(A) Secured Long-Term Debt Securities				
(i) Institutional Bonds	-	-	1,955.00	2,052.46
(ii) 54EC Capital Gain Tax Exemption Bonds	43,235.69	44,768.80	41,110.80	42,535.71
(iii) Tax Free Bonds	8,998.71	9,328.33	8,998.71	9,326.50
(iv) 54EC Bond Application Money pending allotment	595.88	594.63	1,245.41	1,244.57
Sub-total (A)	52,830.28	54,691.76	53,309.92	55,159.24
(B) Unsecured Long-Term Debt Securities				
(i) Institutional Bonds	2,00,803.29	2,06,783.97	1,72,275.29	1,78,093.90
(ii) Infrastructure Bonds	3.96	10.06	3.96	9.32
(iii) Zero Coupon Bonds	2,795.64	2,789.78	-	-
(iv) Foreign Currency Bonds	28,286.04	28,199.36	32,963.75	32,847.46
Sub-total (B)	2,31,888.93	2,37,783.17	2,05,243.00	2,10,950.68

Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(C) Unsecured Short-Term Debt Securities				
(i) Commercial Paper	-	-	-	-
Sub-total (C)	-	-	-	-
Total - Debt Securities (A+B+C)	2,84,719.21	2,92,474.93	2,58,552.92	2,66,109.92
Debt Securities issued in/ outside India				
(i) Debt Securities in India	2,56,433.17	2,64,275.57	2,25,589.17	2,33,262.46
(ii) Debt Securities outside India	28,286.04	28,199.36	32,963.75	32,847.46
Total - Debt Securities	2,84,719.21	2,92,474.93	2,58,552.92	2,66,109.92

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost

20.1 Details of Secured Long-Term Debt Securities - Refer Note 21.6 for details of the security
(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
123-IIIB Series - 9.34% Redeemed at par on 23.08.2024	-	-	1,955.00	2,052.46
Total - Institutional Bonds	-	-	1,955.00	2,052.46

(ii) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XIII (2019-20) - 5.75% Redeemed at par during financial year 2024-25	-	-	6,157.82	6,422.49
Series XIV (2020-21) - 5.75% and 5% Redeemable at par during financial year 2025-26	5,312.07	5,518.37	5,312.07	5,515.87
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	7,312.80	7,582.92	7,312.80	7,580.06
Series XVI (2022-23) - 5% Redeemable at par during financial year 2027-28	12,152.39	12,595.84	12,152.39	12,594.18
Series XVII (2023-24) - 5.25% Redeemable at par during financial year 2028-29	11,419.57	11,851.53	10,175.72	10,423.11
Series XVIII (2024-25) - 5.25% Redeemable at par during financial year 2029-30	7,038.86	7,220.14	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	43,235.69	44,768.80	41,110.80	42,535.71

(iii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Series 5A	300.00	306.48	300.00	306.50
7.17% payable annually Redeemable at par on 23.07.2025				
Series 2011-12	2,160.33	2,290.33	2,160.33	2,289.60
Redeemable at par. Bonds amounting to ₹2,160.33 crores are redeemable on 27.03.2027 with interest rates varying from 8.12% to 8.32% payable annually				
Series 2012-13 Series 2A & 2B	245.00	251.27	245.00	251.22
Redeemable at par. Bonds amounting to ₹245.00 crores are redeemable on 22.11.2027 with interest rates of 7.38% payable annually				
Series 2012-13 Tranche 1	852.04	872.71	852.04	872.59
Redeemable at par. Bonds amounting to ₹852.04 crores are redeemable on 20.12.2027 with interest rates varying from 7.38% to 7.88% payable annually				



Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2012-13 Tranche 2	49.71	50.88	49.71	50.88
Redeemable at par. Bonds amounting to ₹49.71 crores are redeemable on 27.03.2028 with interest rates varying from 7.04% to 7.54% payable annually				
Series 2013-14 Series 3A & 3B	1,141.00	1,195.81	1,141.00	1,195.48
Redeemable at par. Bonds amounting to ₹1,141.00 crores are redeemable on 29.08.2028 with interest rates of 8.46% payable annually				
Series 2013-14 Series 4A & 4B	45.00	46.73	45.00	46.72
Redeemable at par. Bonds amounting to ₹45.00 crores are redeemable on 11.10.2028 with interest rates of 8.54% payable annually				
Series 2013-14 Tranche 1	2,865.55	2,941.57	2,865.55	2,940.91
Redeemable at par. Bonds amounting to ₹2,810.26 crores are redeemable on 25.09.2028 and ₹55.28 crores are redeemable on 26.09.2033 with interest rates varying from 8.37% to 8.71% payable annually				
Series 2013-14 Tranche 2	640.08	657.35	640.08	657.37
Redeemable at par. Bonds amounting to ₹530.42 crores are redeemable on 23.03.2029 and ₹109.66 crores are redeemable on 24.03.2034 with interest rates varying from 8.61% to 8.88% payable annually				
Series 2015-16 Tranche 1	700.00	715.19	700.00	715.24
Redeemable at par. Bonds amounting to ₹105.93 crores are redeemable on 05.11.2025, ₹172.90 crores are redeemable on 05.11.2030 and ₹421.17 crores are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually				
Total - Tax Free Bonds	8,998.71	9,328.33	8,998.71	9,326.50

(iv) Bond Application Money Pending Allotment

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds	595.88	594.63	1,245.41	1,244.57
5.25% Redeemable at par after 5 years from the deemed date of allotment				
Total - Bond Application Money Pending Allotment	595.88	594.63	1,245.41	1,244.57

20.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
210th Series - 5.74 % Redeemed on 20.06.2024	-	-	4,000.00	4,179.33
180A Series - 8.10% Redeemed on 25.06.2024	-	-	1,018.00	1,080.60
191B Series - 6.99% Redeemed on 30.09.2024	-	-	1,100.00	1,106.69
212th Series - Floating (linked to T-Bill) Redeemed on 31.10.2024	-	-	2,500.00	2,579.54
186B Series - 7.40% Redeemed on 26.11.2024	-	-	1,500.00	1,538.41
128th Series - 8.57% Redeemed on 21.12.2024	-	-	2,250.00	2,419.44
129th Series - 8.23% Redeemed on 23.01.2025	-	-	1,925.00	2,064.19
130th Series - 8.27% Redeemed on 06.02.2025	-	-	2,325.00	2,493.92
131st Series - 8.35% Redeemed on 21.02.2025	-	-	2,285.00	2,304.78
190A Series - 6.88% Redeemed on 20.03.2025	-	-	2,500.00	2,515.30
201A Series - 5.90% Redeemed on 31.03.2025	-	-	900.00	935.51
133rd Series - 8.30% Redeemable at par on 10.04.2025	2,396.00	2,453.75	2,396.00	2,454.39

Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
94th Series - 8.75% Redeemable at par on 09.06.2025	1,250.00	1,339.00	1,250.00	1,339.30
95-II Series - 8.75% Redeemable at par on 14.07.2025	1,800.00	1,913.49	1,800.00	1,913.92
136th Series - 8.11% Redeemable at par on 07.10.2025	2,585.00	2,672.14	2,585.00	2,672.18
229A Series - 7.79% Redeemable at par on 29.11.2025	1,033.00	1,059.81	1,033.00	1,057.19
203B Series - 5.85% Redeemable at par on 20.12.2025	2,777.00	2,822.16	2,777.00	2,821.52
204B Series - 5.81% Redeemable at par on 31.12.2025	2,082.00	2,112.04	2,082.00	2,111.81
205B Series - 5.94 % Redeemable at par on 31.01.2026	2,000.00	2,022.91	2,000.00	2,010.05
214A Series - 7.32% Redeemable at par on 28.02.2026	500.00	503.19	500.00	503.26
219th Series - 7.60 % Redeemable at par on 28.02.2026	3,148.70	3,169.58	3,148.70	3,170.07
220B Series - 7.69 % Redeemable at par on 31.03.2033 with Put option exercisable on 31.03.2026	1,600.10	1,600.13	1,600.10	1,728.53
223A Series - 7.44% Redeemable at par on 30.04.2026	3,000.00	3,167.71	3,000.00	3,177.84
228A Series - 7.80% Redeemable at par on 30.05.2026	1,679.00	1,788.15	1,679.00	1,723.22
218A Series - 7.56 % Redeemable at par on 30.06.2026	3,000.00	3,170.55	3,000.00	3,170.45
225th Series - 7.64% Redeemable at par on 30.06.2026	2,210.00	2,336.85	2,210.00	2,314.55
221st Series - 7.51% Redeemable at par on 31.07.2026	2,848.00	2,990.60	2,848.00	2,990.53
234A Series - 7.70% Redeemable at par on 31.08.2026	2,500.00	2,661.37	-	-
227A Series - 7.77% Redeemable at par on 30.09.2026	2,670.00	2,773.48	2,670.00	2,750.77
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,230.67	1,200.00	1,230.74
237th Series - 7.55% Redeemable at par on 31.10.2026	2,000.00	2,062.33	-	-
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,170.00	2,100.00	2,153.26
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,061.81	3,000.00	3,023.86
230A Series - 7.71% Redeemable at par on 26-02-2027	3,685.00	3,720.31	1,000.00	1,015.57
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,757.74	2,745.00	2,721.28
231A Series - 7.64% Redeemable at par on 30.04.2027	2,875.00	3,076.42	2,875.00	2,896.70
232A Series - 7.59% Redeemable at par on 31.05.2027	3,183.00	3,342.34	-	-
236B Series - 7.56% Redeemable at par on 31.08.2027	3,000.00	3,131.18	-	-
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,614.62	3,533.00	3,615.03
245A Series - 7.44% Redeemable at par on 29.02.2028	3,000.00	3,006.85	-	-
216A Series - 7.55 % Redeemable at par on 31.03.2028	1,701.50	1,701.39	1,701.50	1,829.71
220A Series - 7.77 % Redeemable at par on 31.03.2028	2,000.00	2,000.00	2,000.00	2,162.07
223B Series - 7.46% Redeemable at par on 30.06.2028	2,993.60	3,160.35	2,993.60	3,170.48
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.48	2,500.00	2,637.66
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.12	2,500.00	2,628.32
168th Series - 8.56% payable semi-annually, Redeemable at par on 29.11.2028	2,552.40	2,625.82	2,552.40	2,626.17
169th Series - 8.37% payable semi-annually, Redeemable at par on 07.12.2028	2,554.00	2,621.12	2,554.00	2,621.46
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,736.01	1,600.70	1,735.93
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,174.17	1,097.00	1,172.67
234B Series - 7.58% Redeemable at par on 31.05.2029	2,500.00	2,657.70	-	-
180B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,180.89	2,070.90	2,176.90
184A Series - 8.25% Redeemable at par on 26.09.2029	1,451.00	1,512.23	1,451.00	1,512.37
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.76	2,382.00	2,396.62
188B Series - 7.89% Redeemable at par on 30.03.2030	3,100.00	3,138.62	3,100.00	3,368.55
189th Series - 7.92% Redeemable at par on 30.03.2030	3,054.90	3,055.11	3,054.90	3,296.98
240B Series - 7.34% Redeemable at par on 30.04.2030	2,901.00	2,983.29	-	-
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,990.35	3,740.00	3,990.27



Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,673.97	1,569.00	1,673.94
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.08	3,500.00	3,627.41
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.38	5,000.00	5,094.78
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,527.97	2,500.00	2,528.21
201B Series - 6.90% Redeemable at par on 31.03.2031	2,415.00	2,490.29	1,300.00	1,359.90
213th Series - 6.92% Redeemable at par on 20.03.2032	3,380.00	3,335.48	3,380.00	3,329.95
218B Series - 7.69 % Redeemable at par on 31.01.2033	2,004.40	2,028.92	2,004.40	2,029.20
214B Series - 7.50% Redeemable at par on 28.02.2033	4,947.60	4,949.83	4,947.60	4,948.08
217th Series - 7.53 % Redeemable at par on 31.03.2033	500.00	500.04	500.00	548.48
227B Series - 7.71% Redeemable at par on 31.10.2033	2,818.70	2,906.42	2,818.70	2,901.21
228B Series - 7.71% Redeemable at par on 30.11.2033	2,899.69	2,972.65	2,899.69	2,974.14
230B Series - 7.64% Redeemable at par on 31.01.2034	3,000.00	3,036.07	3,000.00	3,045.87
231B Series - 7.47% Redeemable at par on 28.02.2034	2,500.00	2,514.83	2,500.00	2,517.73
232B Series - 7.45% Redeemable at par on 29.04.2034	2,935.00	3,145.24	-	-
233rd Series - 7.53% Redeemable at par on 31.05.2034	3,000.00	3,196.63	-	-
235th Series - 7.35% payable semi-annually, Redeemable at par on 31.07.2034	4,000.00	4,045.71	-	-
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,314.70	5,063.00	5,315.13
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.28	3,028.00	3,163.58
242nd Series - 7.20% Redeemable at par on 15.01.2035	2,297.00	2,329.78	-	-
245B Series - 7.32% Redeemable at par on 28.02.2035	2,780.00	2,785.19	-	-
241st Series - 7.10% Redeemable at par on 30.04.2035	1,620.00	1,651.47	-	-
236A Series - 7.45% Redeemable at par on 31.08.2035	3,000.00	3,127.08	-	-
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,641.89	4,589.90	4,642.55
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.57	3,613.80	3,625.52
215th Series - 7.65 % Redeemable in 5 equal tranches on 30.11.2033, 30.11.2034, 30.11.2035, 30.11.2036 and 30.11.2037	3,889.00	3,988.08	3,889.00	3,988.60
216B Series - 7.67 % Redeemable at par on 30.11.2037	2,000.00	2,050.80	2,000.00	2,051.06
229B Series - 7.67% Redeemable at par on 30.11.2038	3,539.40	3,627.19	3,539.40	3,618.67
238th Series - 7.31% Redeemable at par on 30.09.2039	2,145.00	2,222.69	-	-
240A Series - 7.09% Redeemable at par on 30.11.2039	3,575.00	3,663.83	-	-
243rd Series - 7.28% Redeemable at par on 20.02.2040	2,595.00	2,616.32	-	-
Total - Institutional Bonds	2,00,803.29	2,06,783.97	1,72,275.29	1,78,093.90

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	10.06	3.96	9.32
Total - Infrastructure Bonds	3.96	10.06	3.96	9.32

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31-03-2025	As at 31-03-2024	Redemption Details
9.15% Cumulative	2.83	2.83	Redeemable on 15.02.2027 i.e 15 years from the date of allotment
9.15% Annual	1.13	1.13	
Total	3.96	3.96	

Amounts have been shown at face value

Notes to Accounts

(iii) Zero Coupon Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value*	Amortised Cost	Face Value*	Amortised Cost
ZCB-Bond Series 239	2,795.64	2,789.78	-	-
(Net of unamortised discount, 5,00,000 bonds with face value of ₹1,00,000 each redeemable at par on 03.11.2034)				
Total - Zero Coupon Bonds	2,795.64	2,789.78	-	-

* represents the face value net of unamortised discount on issue of Zero Coupon Bonds

(iv) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
3.375% US \$650 Mn Bonds - Redeemed on 25.07.2024	-	-	5,419.30	5,450.24
3.50% US \$500 Mn Bonds - Redeemed on 11.12.2024	-	-	4,168.70	4,210.34
2.25% US \$500 Mn Bonds - Redeemable at par on 01.09.2026	4,279.07	4,282.25	4,168.70	4,168.48
2.75% US \$400 Mn Bonds - Redeemable at par on 13.01.2027	3,423.26	3,440.91	3,334.96	3,350.67
3.875% US \$450 Mn Green Bonds - Redeemable at par on 07.07.2027	3,851.16	3,715.94	3,751.83	3,547.96
4.625% US \$300 Mn Bonds - Redeemable at par on 22.03.2028	2,567.44	2,464.82	2,501.22	2,366.73
5.625% US \$750 Mn Bonds - Redeemable at par on 11.04.2028	6,418.61	6,579.48	6,253.04	6,406.68
1.76% JPY 31000 Mn Bonds - Redeemable at par on 19.01.2029	1,759.25	1,762.88	1,707.79	1,712.28
1.41% JPY 27400 Mn Bonds - Redeemable at par on 19.04.2029	1,554.95	1,534.10	1,509.47	1,484.82
4.75% USD 500 Mn Bonds - Redeemable at par on 27.09.2029	4,279.07	4,265.34	-	-
2.20% JPY 2700 Mn Bonds - Redeemable at par on 19.01.2034	153.23	153.64	148.74	149.26
Total - Foreign Currency Bonds	28,286.04	28,199.36	32,963.75	32,847.46

Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 10 Billion which is listed on SGX-ST (Singapore Stock Exchange - Securities Trading), LSE-ISM (London Stock Exchange - International Securities Market), Global Securities Market (GSM) of the India INX (India International Exchange) and NSE IFSC (NSE International Exchange). The summary of funds raised under the GMTN Programme is as below:

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Funds raised during the year under GMTN Programme	USD 0.50 Billion	USD 1.17 Billion
Cumulative amount raised under GMTN Programme	USD 6.07 Billion	USD 5.57 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.32 Billion	USD 3.97 Billion

The amounts raised during the year have been utilized for the stated objects in the Offering Circular. There has been no default as on the Balance Sheet date in the repayment of debt securities and borrowings and the Company has met all its debt servicing obligations, whether principal or interest, during the year. Further, there has not been any breach of financial covenants under the Loan Agreements as on the Balance Sheet date.

21. Borrowings (Other than Debt Securities)

The Company has categorised all borrowings (other than debt securities) at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A) Unsecured Long-Term Borrowings				
(i) Term Loans from Banks	41,879.47	41,886.99	50,612.28	50,620.49
(ii) Term Loans from Financial Institutions	2,500.00	2,500.00	8,050.00	8,072.29
(iii) Term Loan in Foreign Currency	94,571.40	94,216.65	67,205.64	66,772.38
(iv) FCNR (B) Loans	4,279.07	4,279.79	-	-
(v) Term Loans from Government of India (NSSF)	10,000.00	10,325.12	10,000.00	10,325.12
Sub-total (A)	1,53,229.94	1,53,208.55	1,35,867.92	1,35,790.28



Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(B) Unsecured Short-Term Borrowings				
(i) FCNR (B) Loans	38,902.89	38,920.51	25,138.67	25,151.29
(ii) Short Term Loans/ Loans repayable on demand from Banks	1,600.00	1,600.32	10,875.94	10,883.04
(iii) Overdrafts/ Cash Credit repayable on demand from Banks	570.78	570.78	267.44	267.44
Sub-total (B)	41,073.67	41,091.61	36,282.05	36,301.77
Total - Borrowings (other than Debt Securities) (A to B)	1,94,303.61	1,94,300.16	1,72,149.97	1,72,092.05
Borrowings (other than Debt Securities) in/ outside India				
(i) Borrowings in India	99,732.21	1,00,083.51	1,04,944.33	1,05,319.67
(ii) Borrowings outside India	94,571.40	94,216.65	67,205.64	66,772.38
Total - Borrowings (other than Debt Securities)	1,94,303.61	1,94,300.16	1,72,149.97	1,72,092.05

Please refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost

21.1 Details of Unsecured Long-term Borrowings

(i) Term Loans from Banks

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Karnataka Bank	499.97	499.97	499.98	499.98
₹499.97 crores repayable on 15.05.2025				
- Punjab & Sind Bank	-	-	499.91	499.91
₹499.91 crores repaid on 09.08.2024				
- Jammu & Kashmir Bank	299.94	299.94	299.94	300.01
₹299.94 crores repayable on 28.10.2026				
- Deutsche Bank	-	-	500.00	500.22
₹500 crores repaid on 19.12.2024				
- South Indian Bank	499.89	499.99	499.89	500.00
₹299.93 crores repayable on 08.11.2026 and ₹199.96 crores repayable on 04.08.2027				
- Bank of Baroda	2,624.91	2,625.44	4,749.92	4,750.97
₹2,624.91 crores repayable in 4 annual instalments starting from 30.09.2025 and final instalment due on 30.09.2028				
- State Bank of India	709.92	709.92	7,750.94	7,750.94
₹709.92 crores repayable in one semi-annual instalments on 15.07.2025				
- Punjab National Bank	8,962.44	8,963.76	7,529.29	7,530.17
₹663.31 crores repayable on 31.08.2025, ₹1,999.64 crores repayable on 11.11.2026, ₹999.64 crores repayable in 4 equal annual installments of ₹200 crores starting from 29.03.2028 and last installment of ₹199.64 crores on 29.12.2031, ₹1,199.99 crores repayable on 03.11.2028, ₹1,999.99 crores repayable on 26.12.2028, ₹2,099.87 crores repayable on 20.06.2029				
- Central Bank	899.99	899.99	899.99	899.99
₹499.99 crores repayable in 7 annual instalments starting from 30.03.2026 and final instalment on 30.03.2032 and ₹400 crores repayable on 17.11.2025				
- HDFC Bank	17,850.00	17,853.65	17,850.00	17,853.86
₹850 crores repayable on 17.11.2026, ₹2,000 crores repayable on 31.03.2027, ₹2,000 crores repayable on 07.09.2027, ₹2,500 crores repayable on 29.12.2027, ₹2,500 crores repayable on 27.02.2028, ₹1,000 crores repayable on 27.06.2028, ₹1,500 crores repayable on 29.06.2028, ₹4,000 crores repayable on 30.09.2028 and ₹1,500 crores repayable on 28.12.2028				

Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Union Bank of India	3,999.41	4,000.20	3,999.42	4,000.27
₹1,999.66 crores repayable in 5 annual instalments of ₹400 crores each starting from 31.03.2027 and final installment on 31.03.2031 and ₹999.99 crores repayable on 04.01.2026, ₹499.87 crores repayable on 29.09.2028 and ₹499.89 crores repayable on 05.11.2028				
- ICICI Bank	5,533.00	5,534.13	5,533.00	5,534.17
₹4,000 crores repayable on 23.01.2030 and ₹1,533 crores repayable on 15.05.2028				
Total - Unsecured Term Loans from Banks	41,879.47	41,886.99	50,612.28	50,620.49

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL)	2,500.00	2,500.00	4,550.00	4,549.46
₹1,000 crore repayable on 09.08.2026 and ₹1,500 crore repayable on 11.12.2028				
- National Bank for Financing Infrastructure and Development (NaBFID)	-	-	3,500.00	3,522.83
₹3,500 crore repaid on 13.11.2024				
Total - Unsecured Term Loans from Others - Financial Institutions	2,500.00	2,500.00	8,050.00	8,072.29

(iii) Foreign Currency Borrowings

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(1) ODA Loans - Guaranteed by Government of India				
1.86% KfW-III Loan - Repaid in equal half-yearly instalments of €5.26 Mn, last instalment paid on 27.06.2024	-	-	47.49	47.72
Sub-Total (1)	-	-	47.49	47.72
(2) ODA Loans - Without Government Guarantee				
KfW-IV Loan - Repayable in equal half-yearly instalments of US \$ 12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2025	1,232.37	1,255.83	1,400.68	1,432.92
KfW-V Loan - Repayable in equal half-yearly instalments of US \$ 8.921 Mn till 15.05.2034, first instalment falling due on 15.05.2025	1,450.60	1,479.93	1,026.78	1,050.41
KfW-VI Loan - Repayable in equal half-yearly instalments of US \$ 14.37 Mn till 15.05.2036, first instalment falling due on 15.05.2029	622.63	629.63	-	-
Sub-Total (2)	3,305.60	3,365.39	2,427.46	2,483.33
(3) Bilateral/ Syndicated Loans				
US \$150 Mn - \$75 Mn repaid on 29.03.2024 and \$75 Mn repaid on 14.05.2024	-	-	625.30	625.00
US \$100 Mn - Repaid on 01.07.2024	-	-	833.74	847.51
SGD \$72.07 Mn - Repaid on 28.03.2025	-	-	444.93	442.68
US \$75 Mn - Repayable on 02.04.2025	641.86	651.58	625.30	620.58
JPY ¥ 10.519 Bn - Repayable on 25.09.2025	596.95	595.88	579.49	575.93
US \$170 Mn - \$100 Mn repaid on 26.03.2025 and \$ 70 Mn repayable on 06.10.2025	599.07	600.57	1,417.36	1,421.43
US \$425 Mn - Repayable on 16.03.2026	3,637.21	3,634.16	3,543.39	3,528.67
US \$600 Mn - Repayable on 25.08.2026	5,134.88	5,137.56	5,002.43	4,991.65
US \$75 Mn - Repayable on 07.10.2026	641.86	656.56	625.30	640.98



Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$1175 Mn - Repayable on 29.12.2026	10,055.81	9,978.86	9,796.43	9,680.47
JPY ₹ 37.506 Bn - Repayable on 03.03.2027	2,128.50	2,115.64	2,066.24	2,045.33
US \$100 Mn - Repayable on 13.06.2027	855.81	853.04	833.74	829.15
US \$45 Mn - Repayable on 02.07.2027	385.12	386.94	-	-
US \$200 Mn - Repayable on 28.07.2027	1,711.63	1,717.47	1,667.48	1,671.47
US \$150 Mn - Repayable on 13.09.2027	1,283.72	1,278.74	1,250.61	1,242.95
SGD 213.21 Mn - Repayable on 27.10.2027	1,358.36	1,353.58	1,316.19	1,309.63
€ 254.19 Mn - Repayable on 31.10.2027	2,346.84	2,342.96	2,293.28	2,286.52
€ 349.83 Mn - Repayable on 27.03.2028	3,229.79	3,199.82	3,156.09	3,117.13
JPY ₹ 38.624 Bn - Repayable on 20.04.2028	2,191.93	2,181.58	2,127.82	2,107.82
JPY 10.495 Bn - Repayable on 26.06.2028	595.60	591.29	578.18	571.55
US \$505 Mn - Repayable on 03.08.2028	4,321.86	4,297.39	4,210.38	4,173.93
US \$645 Mn - Repayable on 31.08.2028	5,520.00	5,465.21	5,377.62	5,305.50
US \$100 Mn - Repayable on 14.09.2028	855.81	857.81	833.74	822.89
JPY ₹ 68.485 Bn - Repayable on 21.09.2028	3,886.54	3,824.80	3,772.85	3,694.73
US \$100 Mn - Repayable on 25.09.2028	855.81	843.90	833.74	818.56
JPY ₹ 14.358 Bn - Repayable on 09.01.2029	814.84	817.66	791.01	793.01
US \$100 Mn - Repayable on 06.02.2029	855.81	851.32	833.74	827.74
JPY ₹ 22.101 Bn - Repayable on 15.02.2029	1,254.23	1,240.19	1,217.54	1,199.30
US \$200 Mn - Repayable on 07.03.2029	1,711.63	1,688.89	1,667.48	1,639.25
JPY ₹ 22.041 Bn - Repayable on 19.03.2029	1,250.83	1,235.03	1,214.24	1,194.77
JPY ₹ 14.847 Bn - Repayable on 21.03.2029	842.57	835.43	817.92	809.35
US \$225 Mn - Repayable on 27.03.2029	1,925.58	1,893.38	1,875.91	1,836.80
JPY ₹ 60.536 Bn - Repayable on 25.04.2029	3,435.42	3,361.97	-	-
JPY ₹ 9.376 Bn - Repayable on 17.05.2029	532.07	532.09	-	-
US \$300 Mn - Repayable on 04.06.2029	2,567.44	2,581.13	-	-
US \$90 Mn - Repayable on 13.06.2029	770.23	774.23	-	-
JPY ₹ 32.222 Bn - Repayable on 28.06.2029	1,828.60	1,813.54	-	-
US \$300 Mn - Repayable on 10.07.2029	2,567.44	2,564.53	-	-
JPY ₹ 31.964 Bn - Repayable on 30.07.2029	1,813.96	1,820.99	-	-
US \$125 Mn - Repayable on 30.10.2029	1,069.77	1,082.36	-	-
JPY ₹ 12.80 Bn - Repayable on 13.11.2029	726.40	722.57	-	-
US \$75 Mn - Repayable on 05.12.2029	641.86	653.83	-	-
JPY ₹ 45.02 Bn - Repayable on 06.12.2029	2,554.86	2,518.16	-	-
US \$250 Mn - Repayable on 26.12.2029	2,139.54	2,144.83	-	-
US \$320 Mn - Repayable on 22.01.2030	2,738.60	2,732.25	-	-
US \$250 Mn - Repayable on 07.02.2030	2,139.54	2,123.61	-	-
JPY ₹ 29.642 Bn - Repayable on 19.03.2030	1,682.18	1,670.32	-	-
US \$300 Mn - Repayable on 02.06.2030	2,567.44	2,627.61	2,501.22	2,569.05
Sub-Total (3)	91,265.80	90,851.26	64,730.69	64,241.33
Total - Foreign Currency Borrowings (1+2+3)	94,571.40	94,216.65	67,205.64	66,772.38

(iv) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$500 Mn - Repayable on 10.12.2027	4,279.07	4,279.79	-	-
Total - FCNR (B) Loans	4,279.07	4,279.79	-	-

Notes to Accounts
(v) Term Loans from Government of India - National Small Savings Fund (NSSF)

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Loan from NSSF	10,000.00	10,325.12	10,000.00	10,325.12
₹5,000 crores repayable on 13.12.2028 and ₹5,000 crores repayable on 04.10.2029				
Total - Term Loans from Government	10,000.00	10,325.12	10,000.00	10,325.12

21.2 Unsecured Short-Term Borrowings
(i) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$150 Mn - Repaid on 03.04.2024	-	-	1,250.61	1,251.45
US \$150 Mn - Repaid on 19.04.2024	-	-	1,250.61	1,251.46
US \$ 150 Mn - Repaid on 19.04.2024	-	-	1,250.61	1,251.50
US \$ 150 Mn - Repaid on 10.05.2024	-	-	1,250.61	1,250.82
US \$ 200 Mn - Repaid on 14.05.2024	-	-	1,667.48	1,667.76
US \$ 150 Mn - Repaid on 16.05.2024	-	-	1,250.61	1,250.82
US \$ 124.85 Mn - Repaid on 24.05.2024	-	-	1,040.92	1,041.62
US \$ 75.15 Mn - Repaid on 24.05.2024	-	-	626.55	626.98
US \$75 Mn - Repaid on 07.06.2024	-	-	625.30	625.73
US \$44 Mn - Repaid on 12.06.2024	-	-	366.85	367.10
US \$125 Mn - Repaid on 05.07.2024	-	-	1,042.17	1,042.37
US \$150 Mn - Repaid on 09.08.2024	-	-	1,250.61	1,250.85
US \$100 Mn - Repaid on 20.09.2024	-	-	833.74	833.90
US \$200 Mn - Repaid on 06.12.2024	-	-	1,667.48	1,668.61
US \$250 Mn - Repaid on 12.12.2024	-	-	2,084.35	2,085.79
US \$100 Mn - Repaid on 12.12.2024	-	-	833.74	834.30
US \$75 Mn - Repaid on 13.12.2024	-	-	625.30	625.74
US \$200 Mn - Repaid on 27.12.2024	-	-	1,667.48	1,667.80
JPY ₹ 34.229 Bn - Repaid on 27.12.2024	-	-	1,885.68	1,885.96
US \$150 Mn - Repaid on 14.02.2025	-	-	1,250.61	1,250.84
US \$70 Mn - Repaid on 14.02.2025	-	-	583.62	584.04
US \$100 Mn - Repaid on 18.03.2025	-	-	833.74	835.85
US \$148.039 Mn - Repayable on 03.04.2025	1,266.94	1,267.86	-	-
US \$62.09 Mn - Repayable on 03.04.2025	530.69	531.08	-	-
US \$150 Mn - Repayable on 08.04.2025	1,283.72	1,283.96	-	-
US \$ 85.547 Mn - Repayable on 17.04.2025	732.13	732.67	-	-
US \$100 Mn - Repayable on 23.04.2025	855.81	855.98	-	-
US \$150 Mn - Repayable on 25.04.2025	1,283.72	1,283.97	-	-
US \$200 Mn - Repayable on 02.05.2025	1,711.63	1,711.96	-	-
US \$150 Mn - Repayable on 06.05.2025	1,283.72	1,283.97	-	-
US \$ 240.103 Mn - Repayable on 23.05.2025	2,054.84	2,055.17	-	-
US \$124.098 Mn - Repayable on 23.05.2025	1,062.06	1,062.84	-	-
US \$75.15 Mn - Repayable on 23.05.2025	643.14	643.62	-	-
US \$75 Mn - Repayable on 06.06.2025	641.86	642.33	-	-
US \$44 Mn - Repayable on 11.06.2025	376.56	376.84	-	-
US \$49 Mn - Repayable on 12.06.2025	419.35	419.63	-	-
US \$119.793 Mn - Repayable on 27.06.2025	1,025.20	1,025.20	-	-
US \$120 Mn - Repayable on 27.06.2025	1,026.98	1,027.14	-	-



Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$125 Mn - Repayable on 03.07.2025	1,069.77	1,069.97	-	-
US \$200 Mn - Repayable on 09.07.2025	1,711.63	1,711.95	-	-
US \$150 Mn - Repayable on 17.07.2025	1,283.72	1,283.96	-	-
US \$250 Mn - Repayable on 22.08.2025	2,139.54	2,139.91	-	-
US \$200 Mn - Repayable on 04.09.2025	1,711.63	1,711.92	-	-
US \$60 Mn - Repayable on 15.10.2025	513.49	513.83	-	-
US \$150 Mn - Repayable on 16.10.2025	1,283.72	1,283.94	-	-
US \$100 Mn - Repayable on 07.11.2025	855.81	856.38	-	-
US \$100 Mn - Repayable on 25.11.2025	855.81	855.96	-	-
US \$100 Mn - Repayable on 26.11.2025	855.81	855.96	-	-
US \$200 Mn - Repayable on 05.12.2025	1,711.63	1,712.76	-	-
US \$141 Mn - Repayable on 11.12.2025	1,206.70	1,207.50	-	-
US \$75 Mn - Repayable on 12.12.2025	641.86	642.28	-	-
US \$225 Mn - Repayable on 17.12.2025	1,925.58	1,925.91	-	-
JPY ¥ 34,229 Bn - Repayable on 27.12.2025	1,942.50	1,942.50	-	-
US \$100 Mn - Repayable on 14.01.2026	855.81	859.96	-	-
US \$150 Mn - Repayable on 13.02.2026	1,283.72	1,283.94	-	-
US \$100 Mn - Repayable on 18.03.2026	855.81	857.66	-	-
Total - FCNR (B) Loans	38,902.89	38,920.51	25,138.67	25,151.29

(ii) Short Term Loans/ Loans repayable on demand from Banks

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-Bank of India	-	-	524.94	525.04
₹525 crores repaid on 29.05.2024				
-Central Bank of India	-	-	800.00	800.00
₹800 crores repaid on 12.04.2024				
-Punjab National Bank	-	-	1,500.00	1,500.30
₹1000 crores repaid on 15.04.2024 and ₹500 crores repaid on 29.04.2024				
-South Indian Bank	-	-	150.00	150.03
₹150 crores repaid on 26.04.2024				
-State Bank Of India	-	-	2,501.00	2,506.82
₹150 crores repaid on 01.05.2024, ₹425 crores repaid on 03.05.2024, ₹426 crores repaid on 15.04.2024, ₹700 crores repaid on 15.04.2024 & ₹800 crores repaid on 09.04.2024				
-UCO Bank	-	-	500.00	500.10
₹500 crores repaid on 08.04.2024				
-Union Bank of India	-	-	750.00	750.16
₹750 crores repaid on 26.04.2024				
-Indian Bank	-	-	1,000.00	1,000.00
₹1000 crores repaid on 02.04.2024				
-Indusind Bank	-	-	300.00	300.06
₹220 crores repaid on 03.04.2024 & ₹80 crores repaid on 06.04.2024				
-Karnataka Bank	-	-	250.00	250.00
₹250 crores repayable on 24.04.2024				
-HDFC Bank	1,500.00	1,500.30	2,500.00	2,500.51
₹1500 crores repayable on 26.11.2025				

Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-KEB Hana Bank	100.00	100.02	100.00	100.02
₹100 crores Repayable on 13.11.2025				
Total - Short Term Loans/ Loans repayable on demand from Banks	1,600.00	1,600.32	10,875.94	10,883.04

21.3 Term Loans from banks/ financial institutions/ Government as mentioned in Note No. 21.1 (i), (ii) and (iv) have been raised at interest rates ranging from 7.05% to 8.29% (previous year 7.50% to 8.29%) payable on monthly/quarterly/semi annual rests.

21.4 Foreign Currency Borrowings in Note No. 21.1(iii) have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210 bps) over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned.

21.5 The Company has not borrowed any funds from the banks or financial institutions on the basis of security of current assets.

21.6 Security Details of Secured Debt Securities and Borrowings

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.

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 receivables of ₹4,998.66 Crores of Maharashtra State Electricity Distribution Company Limited in favour of Vistra ITCL (India) Limited. (formerly known as IL&FS Trust Company Limited)

Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/ earmarked to lenders / other Trustees) of the Company in favour of SBICAP Trustee Company Limited.

Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 585, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

The Bond Series XIV, XV, XVI, XVII and XVIII of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

Refer Note No. 10 and 16.2 for the carrying value of loan assets and Property, Plant and Equipment (PPE) pledged as security.

21.7 No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.

22. Subordinated Liabilities

The Company has categorised all subordinated liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(i) 175th Series - Subordinate Tier-II Bonds - 8.97% Redeemable at par on 28.03.2029	2,151.20	2,136.98	2,151.20	2,091.95
(ii) 199th Series - Subordinate Tier-II Bonds - 7.96% Redeemable at par on 15.06.2030	1,999.50	2,093.18	1,999.50	2,041.60
(iii) 222nd Series - Perpetual Tier-I Bonds - 7.98% Perpetual with call option exercisable on 30.04.2033 or any annual anniversary date thereafter	2,000.00	2,144.57	2,000.00	2,145.28
(iv) 226th Series - Perpetual Tier-I Bonds - 8.03% Perpetual with call option exercisable on 30.09.2033 or any annual anniversary date thereafter	1,090.00	1,132.65	1,090.00	1,133.38
(v) 244th Series - Perpetual Tier-I Bonds - 7.99% Perpetual with call option exercisable on 28.02.2035 or any annual anniversary date thereafter	1,995.00	2,006.78	-	-
Total - Subordinated Liabilities	9,235.70	9,514.16	7,240.70	7,412.21
Subordinated Liabilities in/ outside India				
(i) Borrowings in India	9,235.70	9,514.16	7,240.70	7,412.21
(ii) Borrowings outside India	-	-	-	-
Total - Subordinated Liabilities	9,235.70	9,514.16	7,240.70	7,412.21

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost



Notes to Accounts

22.1 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Rating
Domestic Long-Term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long-Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short-Term Borrowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-Term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)

There has been no migration of ratings during the year.

22.2 Reconciliation between carrying values and the contractual amounts outstanding in respect of Borrowings:

(₹ in Crores)

Particulars	Debt Securities	Other Borrowings	Subordinated Liabilities	Total
As at 31st March 2025				
Total Amount as per Ind-AS	2,92,474.93	1,94,300.16	9,514.16	4,96,289.25
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(8,293.10)	(952.79)	(333.79)	(9,579.68)
Add: Ind-AS Adjustments including EIR	537.37	956.24	55.33	1,548.94
Total Borrowings Outstanding	2,84,719.20	1,94,303.61	9,235.70	4,88,258.51
As at 31st March 2024				
Total Amount as per Ind-AS	2,66,109.92	1,72,092.05	7,412.21	4,45,614.18
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(8,264.50)	(766.66)	(321.21)	(9,352.37)
Add: Ind-AS Adjustments including EIR	707.50	824.58	149.70	1,681.78
Total Borrowings Outstanding	2,58,552.92	1,72,149.97	7,240.70	4,37,943.59

22.3 The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Government agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the year have been utilized for the stated objects in the offer document/ information memorandum. There has been no default as on the Balance Sheet date in the repayment of debt securities, borrowings and subordinated liabilities and the Company has met all its debt servicing obligations, whether principal or interest, during the year. Further, there has not been any breach of covenant of Debt Securities, Borrowings and Debt Securities issued by the company.

23. Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(A) Unpaid Dividends (Refer Note 23.1)	1,079.07	1,192.72
(B) Unpaid Principal & Interest on Bonds (Refer Note 23.1)		
- Matured Bonds & Interest Accrued thereon	26.99	22.42
- Interest on Bonds	13.03	10.52
Sub-total (B)	40.02	32.94
(C) Advance received towards variation margin	10,579.60	4,638.80
(D) Funds Received from Government of India for Disbursement as Subsidy/ Grant (cumulative)	96,280.91	96,282.52
Add: Interest on such funds (net of refund)	3.62	3.56
Less: Disbursed to Beneficiaries (cumulative)	(96,271.36)	(96,269.71)
Undisbursed Funds to be disbursed as Subsidy/ Grant	13.17	16.37
(E) Payables towards Bonds Fully serviced by Government of India	24,318.29	24,382.40
(F) Other Liabilities*	1,494.51	1,558.52
Total (A to F)	37,524.66	31,821.75

*includes amounts received from borrowers which are subject to appropriation as per contractual terms of loan agreement.

23.1 Unpaid dividends, unpaid principal and interest on bonds include the amounts which have either not been claimed by the investors or are on hold pending formalities pursuant to investors' claims etc. The amount due to be transferred to Investor Education and Protection Fund (IEPF) as at 31st March 2025 is ₹0.83 crores (₹0.58 crores as at 31st March 2024) which has been transferred within the prescribed time limit. Further, Unpaid Dividend also includes an amount of ₹947.96 crores (previous year ₹1,184.95 crores) pertaining to Interim Dividend declared by the company in March 2025 for which balance has been transferred in earmarked bank account but yet to be paid to the shareholders.

23.2 Subsidy Under Accelerated Generation & Supply Programme (AG&SP)

The Company is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Government 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

Notes to Accounts

schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹0.79 crores as at 31st March 2025 (₹0.77 crores as at 31st March 2024) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance of Interest Subsidy Fund	0.77	0.75
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	0.79	0.77

23.3 Government of India has appointed REC Ltd. 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 schemes are kept in a respective separate bank accounts. The undisbursed funds for the schemes (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under "Undisbursed Funds to be disbursed as Subsidy/ Grant "under the head "Other Financial Liabilities".

23.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	3.56	3.12
Add: Interest earned during the year	0.16	0.65
Less: Amount refunded to Government during the year	(0.10)	(0.21)
Closing Balance	3.62	3.56

23.5 For meeting Government of India's (GoI) funding requirement of DDUGJY and Saubhagya Scheme, during the year, the Company has raised an aggregate amount of ₹Nil (Previous year Nil) through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹10 lakhs at par on private placement basis. As per Ministry of Finance (MoF) letter dated 2nd December 2020 and 3rd March 2021, the repayment of principal and interest of the above bonds shall be made by GoI by making suitable budget provisions in the demand of Ministry of Power (MoP). Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from Government of India (Note 12).

Details of the GoI Fully Serviced Bonds raised are as follows:

(₹ in Crores)					
Particulars	Coupon Rate	Interest Frequency	Redemption Date	As at 31-03-2025	As at 31-03-2024
GoI-I Series	8.09%	Semi-annual	21.03.2028	1,837.00	1,837.00
GoI-II Series	8.01%	Semi-annual	24.03.2028	1,410.00	1,410.00
GoI-III Series	8.06%	Semi-annual	27.03.2028	753.00	753.00
GoI-IV Series	8.70%	Semi-annual	28.09.2028	3,000.00	3,000.00
GoI-V Series	8.54%	Semi-annual	15.11.2028	3,600.00	3,600.00
GoI-VI Series	8.80%	Semi-annual	22.01.2029	2,027.00	2,027.00
GoI-VII Series	8.60%	Semi-annual	08.03.2029	1,200.00	1,200.00
GoI-VIII Series	8.30%	Semi-annual	25.03.2029	4,000.00	4,000.00
GoI- IX Series	7.14%	Semi-annual	02.03.2030	1,500.00	1,500.00
GoI- X Series	8.25%	Semi-annual	26.03.2030	532.30	532.30
GoI- XI Series	7.20%	Semi-annual	31.03.2030	1,750.00	1,750.00
GoI- XII Series	6.45%	Semi-annual	07.01.2031	1,000.00	1,000.00
GoI- XIII Series	6.63%	Semi-annual	28.01.2031	1,000.00	1,000.00
GoI- XIV Series	6.50%	Semi-annual	26.03.2031	500.00	500.00
Total				24,109.30	24,109.30

24. Current tax liabilities (net)

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Provision for Income Tax	-	3,283.85
Less: Advance Income-tax & TDS	-	(3,217.34)
Current tax liabilities (Net)	-	66.51



Notes to Accounts

25. Provisions

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
Provisions for			
(A) Employee Benefits			
Gratuity	3.26	0.13	
Earned Leave Liability	38.98	33.45	
Medical Leave Liability	23.44	21.52	
Settlement Allowance	2.56	2.40	
Economic Rehabilitation Scheme	6.70	4.92	
Long Service Award	5.17	4.51	
Incentive	37.40	36.55	
Others	0.80	1.07	
Sub-total (A)	118.31	104.55	
(B) Others			
Expected Credit Loss on Letters of Comfort	18.48	32.02	
Sub-total (B)	18.48	32.02	
Total (A+B)	136.79	136.57	

25.1 Movement of Expected Credit Loss provision on Letters of comfort

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
Opening balance	32.02	15.87	
Add: Created during the year	16.90	25.97	
Less: Reversed/ Adjusted during the year	(30.44)	(9.82)	
Closing balance	18.48	32.02	

25.2 The Company has maximum credit risk exposure of ₹7,990.22 crores (previous year ₹5,961.13 crores) (net of Impairment Loss Allowances) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

26. Other Non-financial Liabilities

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Sundry Liabilities Account (Funded Interest Capitalisation)	46.67	47.80	
(B) Unbilled Liability towards Capital Account	48.38	48.38	
(C) Unamortised Fee on Undisbursed Loans	75.14	85.38	
(D) Advance received from Government towards Government Schemes	0.08	-	
(E) Statutory Dues	91.88	58.06	
Total (A to E)	262.15	239.62	

27. Equity Share Capital

				(₹ in Crores)
Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of ₹10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
Issued, Subscribed and Paid up :				
Fully paid up Equity shares of ₹10 each	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22
Total	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22

Notes to Accounts

27.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Share Capital at the beginning of the year	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22
Increase/ (Decrease) during the year	-	-	-	-
Share Capital at the end of the year	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22

27.2 Allotment of Bonus Shares during the year and during preceding five years

During the current year and preceding five years, no bonus shares were issued by the Company except in the FY 2022-23, when the Company had allotted 65,83,06,000 Equity Shares of ₹10 each as fully paid up by way of bonus shares in the ratio of 1 (One) equity share for every 3 (Three) equity share outstanding on the record date i.e. 18th August 2022 by capitalising ₹658.30 crores out of the sum standing to the credit of 'Securities Premium Account'.

27.3 The Company has neither issued any equity shares pursuant to contracts without payment being received in cash nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

27.4 Rights, Preferences and Restrictions attached to Equity shares

The holders of the equity shares of the Company are entitled to receive dividends as and when declared by the Company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to a shareholder of a listed public company, under the Companies Act, 2013 and rules made thereunder, Companies Act, 1956 (to the extent applicable), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

27.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date

Name of the Shareholder	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

27.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Name of the Company	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

27.7 Details of equity shares held by the promoter

Name of the Promoter	As at 31-03-2025			As at 31-03-2024		
	No. of Shares	Percentage	% change during the year	No. of Shares	Percentage	% change during the year
The President of India	-	-	-	-	-	-
Power Finance Corporation Limited	1,38,59,93,662	52.63%	-	1,38,59,93,662	52.63%	-

28. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number	Amount	Number	Amount
Fully paid-up Perpetual Debt Instruments entirely equity in nature of ₹10 lakhs each	5,584	558.40	5,584	558.40
Total	5,584	558.40	5,584	558.40

28.1 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	5,584	558.40	5,584	558.40



Notes to Accounts

28.2 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date (₹ in Crores)

Name of the Shareholder	As at 31-03-2025		As at 31-03-2024	
	Number	Amount	Number	Amount
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

28.3 The Company 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 Company; and (b) Subordinated to the claims of all other creditors of the Company. 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 the Company. The coupon of the securities is not cumulative except where the Company 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 Company does not have any redemption obligation and discretion on payment of coupon, these have been classified as equity. Further, the periodic coupon payments are accordingly adjusted with retained earnings.

29. Other Equity

		(₹ in Crores)	
Particulars		As at 31-03-2025	As at 31-03-2024
(A) Other Reserves			
(i) Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961		31,595.40	28,044.83
(ii) Reserve for Bad and doubtful debts u/s 36(1)(vii)(c) of the Income Tax Act, 1961		841.80	687.76
(iii) Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934		13,971.63	10,828.99
(iv) Securities Premium		1,577.53	1,577.53
(v) Foreign Currency Monetary Item Translation Difference Account		(611.65)	(675.14)
(vi) General Reserve		13,416.20	11,978.44
(B) Retained Earnings		15,387.09	13,363.40
(C) Other Comprehensive Income (OCI)			
- Equity Instruments through Other Comprehensive Income		(81.84)	(57.99)
- Effective Portion of Cash Flow Hedges		(931.35)	(1,846.93)
- Cost of Hedging reserve		(718.46)	1,690.64
Total - Other Equity		74,446.35	65,591.53

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

29.1 Drawdown/ Transfer from Reserves: Pursuant to regulatory guidelines and utilisation of reserves created for specific purposes, the Company has transferred the following amounts from different reserves to General Reserve:

(i) During the financial year 2024-25

₹687.76 crores from Reserve for Bad & Doubtful Debts under Section 36(1)(vii)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

(ii) During the financial year 2023-24

No amount has been drawn from the reserves during the financial year 2023-24

29.2 Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961

Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961 is maintained by the Company 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.

Detail of Movement during the year

		(₹ in Crores)	
Particulars		For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year		28,044.83	24,977.89
Add: Transferred from Retained Earnings		3,550.57	3,066.94
Less: Transferred to General Reserve		-	-
Balance as at the end of the year		31,595.40	28,044.83

Notes to Accounts

29.3 Reserve for Bad and doubtful debts u/s 36(1)(vii)(c) of the Income Tax Act, 1961

Reserve for Bad and doubtful debts u/s 36(1)(vii)(c) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per Section 36(1)(vii)(c) of the 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 per cent of the total income as per Income Tax Act. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof.

Detail of Movement during the year

Particulars	₹ in Crores	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	687.76	-
Add: Transferred from Retained Earnings	841.80	687.76
Less: Transferred to General Reserve	(687.76)	-
Balance as at the end of the year	841.80	687.76

29.4 Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934

The Company is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. 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 from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

Detail of Movement during the year

Particulars	₹ in Crores	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	10,828.99	8,025.15
Add: Transferred from Retained Earnings	3,142.64	2,803.84
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	13,971.63	10,828.99

29.5 Securities Premium

Securities Premium represents the premium received by the Company on issue of shares and debt securities. It is utilised in accordance with the provisions of the Companies Act, 2013.

Detail of Movement during the year

Particulars	₹ in Crores	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	1,577.53	1,577.53
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	1,577.53	1,577.53

29.6 Foreign Currency Monetary Item Translation Difference Account

The company had opted towards an irrevocable option for amortising the foreign exchange fluctuation loss/gain on the long term foreign currency monetary items over the balance period of such items in accordance with Para 46A of the erstwhile applicable Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. The Company opted to continue the policy of such amortisation as per the previous GAAP in respect of the exchange differences arising from translation of long-term foreign currency monetary items as on 31st March 2018 in line with the provisions of Ind-AS. The balance in this account represents the unamortised gain/ (loss) which will be amortised over the balance period of the eligible long term foreign currency monetary liabilities.

Detail of Movement during the year

Particulars	₹ in Crores	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	(675.14)	(790.44)
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(120.43)	(85.73)
Less: Amortisation during the year	183.92	201.03
Balance as at the end of the year	(611.65)	(675.14)



Notes to Accounts

29.7 General Reserve

General Reserve includes the amounts appropriated from the profits of the Company and also amounts transferred from Statutory Reserves.

Detail of Movement during the year

Particulars	(₹ in Crores)	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	11,978.44	11,978.44
Add: Transferred from Retained Earnings	750.00	-
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viiia)(c) of the Income Tax Act, 1961	687.76	-
Balance as at the end of the year	13,416.20	11,978.44

29.8 Equity Instruments through Other Comprehensive Income (OCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the OCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the related equity securities are derecognised.

Detail of Movement during the year

Particulars	(₹ in Crores)	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	(57.99)	(101.47)
Add: Recognition through Other Comprehensive Income (net of taxes)	(23.85)	91.48
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	(48.00)
Balance as at the end of the year	(81.84)	(57.99)

29.9 Effective Portion of Cash Flow Hedges

The Company uses derivative instruments in pursuance of managing its foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent the derivative contracts designated under the hedge accounting are effective hedges, the change in fair value of the hedging instrument is recognised in 'Effective Portion of Cash Flow Hedges'. Amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Detail of Movement during the year:

Particulars	(₹ in Crores)	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	(1,846.93)	600.05
Add: Recognition through Other Comprehensive Income (net of taxes)	915.58	(2,446.98)
Balance as at the end of the year	(931.35)	(1,846.93)

29.10 Cost of Hedging Reserve

The Company designates the intrinsic value of foreign currency option contracts as hedging instruments in 'Cash Flow Hedge' relationships. The changes in fair value of the time value of an option are recognised in OCI and amortised to the Statement of Profit and Loss on a rational basis.

Detail of Movement during the year

Particulars	(₹ in Crores)	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	1,690.64	(1,709.87)
Add: Recognition through Other Comprehensive Income (net of taxes)	(2,409.10)	3,400.51
Balance as at the end of the year	(718.46)	1,690.64

29.11 Detail of Movement in Retained Earnings during the year

Particulars	(₹ in Crores)	
	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	13,363.40	9,930.77
Add: Profit for the year	15,713.21	14,019.21
Add: Remeasurement of Defined Benefit Plans (net of taxes)	0.57	(0.74)
Less: Transferred to General Reserve	(750.00)	-
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,550.57)	(3,066.94)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viiia)(c) of the Income Tax Act, 1961	(841.80)	(687.76)

Notes to Accounts

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Less: Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(3,142.64)	(2,803.84)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	48.00
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)
Less: Dividend during the year	(5,371.78)	(4,042.00)
Balance as at the end of the year	15,387.09	13,363.40

29.12 Dividend declared/ proposed by the Company for Equity Shares of ₹10/- each

Particulars	For the year ended 31-03-2025		For the year ended 31-03-2024	
	Dividend per Equity Share	Dividend Amount	Dividend per Equity Share	Dividend Amount
	(₹)	(₹ in crores)	(₹)	(₹ in crores)
No. of Equity Share at the end of the year	2,63,32,24,000		2,63,32,24,000	
Interim Dividend	15.40	4,055.16	11.00	2,896.55
Final/ Proposed Dividend	2.60	684.64	5.00	1,316.61
Total Dividend	18.00	4,739.80	16.00	4,213.16

The Board of Directors at its meeting held on May 08, 2025 recommended final dividend of ₹2.60 per equity share (on face value of ₹10/- each) for the financial year 2024-25, subject to approval of Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year is ₹18/- per equity share (on face value of ₹10/- each) including total interim dividend of Rs. 15.40 per share.

As per the requirements of Ind-AS 10 'Events after the Reporting Period', the Company is not required to provide for the dividend proposed by the Board of Directors after the end of the financial year. Such appropriation is made after the approval in the Annual General Meeting (AGM) in case of final dividend.

30. Interest Income

		(₹ in Crores)					
Particulars		Year ended 31-03-2025			Year ended 31-03-2024		
		On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A) Interest on Loan Assets							
(i) Long term financing		-	49,611.60	-	-	42,941.50	-
(ii) Short term financing		-	4,414.82	-	-	2,717.24	-
Sub-total (A)		-	54,026.42	-	-	45,658.74	-
(B) Interest Income from Investments							
(i) Interest from Long Term Investments		-	408.91	81.43	-	187.89	69.16
Sub-total (B)		-	408.91	81.43	-	187.89	69.16
(C) Interest on Deposits with Banks							
(i) Interest from Deposits		-	240.28	-	-	315.22	-
Sub-total (C)		-	240.28	-	-	315.22	-
(D) Other Interest Income							
(i) Interest on Delayed Payments by Borrowers		-	294.46	-	-	173.80	-
(ii) Interest from Staff Advances		-	6.11	-	-	5.06	-
(iii) Interest on Mobilisation Advance		-	0.14	-	-	0.24	-
(iv) Interest on unwinding of Receivable on account of Stressed Loan Assets		-	12.36	-	-	-	-
Sub-total (D)		-	313.07	-	-	179.10	-
Total - Interest Income (A to D)		-	54,988.68	81.43	-	46,340.95	69.16



Notes to Accounts

31. Dividend Income

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Dividend from Subsidiary Company	90.63	23.40
Dividend from Other Investments	8.42	2.28
Total - Dividend Income	99.05	25.68

31.1 Details of dividend income recognised on Other Investments :

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Dividend on Equity Investments measured at FVOCI		
- Investments held at the end of the year	8.42	1.94
- Investments derecognized during the year	-	0.34
Total	8.42	2.28

32. Fees and Commission Income

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Fees based Income	201.20	70.80
Prepayment Premium	138.75	50.74
Fee/ Other Income for Implementation of Government Schemes	53.79	114.49
Total - Fees and Commission Income	393.74	236.03

33. Other Income

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Net gain/ (loss) on disposal of assets classified as held for sale	6.03	1.32
Recoveries against written off financial assets	12.15	-
Rental Income	17.34	17.85
Liabilities/Provision Written Back	2.35	21.69
Fees from Training Courses	1.34	12.33
Miscellaneous Income	29.29	14.66
Total - Other Income	68.50	67.85

34. Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Interest on Borrowings		
- Loans from Government of India (NSSF)	822.50	822.50
- Loans from Banks/ Financial Institutions	4,590.64	5,461.62
- External Commercial Borrowings	6,602.12	4,774.11
Sub-Total (i)	12,015.26	11,058.23
(ii) Interest on Debt Securities		
- Domestic Debt Securities	17,776.73	15,090.00
- Foreign Currency Debt Securities	1,334.12	1,553.60
- Commercial Paper	-	135.64
Sub-Total (ii)	19,110.85	16,779.24
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	687.76	631.89
Sub-Total (iii)	687.76	631.89
(iv) Other Interest Expense		
- Swap Premium	1,796.86	1,368.64
- Interest on Variation Margin	524.81	114.70

Notes to Accounts

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Interest on Advance Income Tax	-	1.94
- Interest on liability towards employee benefits	2.46	(4.84)
Sub-Total (iv)	2,324.13	1,480.44
Total - Finance Costs	34,138.00	29,949.80
Less: Finance Costs Capitalised	(3.02)	(0.53)
Total - Finance Costs (Net)	34,134.98	29,949.27

35. Net translation/ transaction exchange loss/ (gain)

₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Net translation/ transaction exchange loss/ (gain)	208.15	166.57
Total	208.15	166.57

The figures above include amortisation of net translation/ transaction exchange loss/ (gain) on Long Term Foreign Currency Monetary Items recognised in the financial statements before 1st April 2018 amounting to ₹183.92 crores (Previous year ₹201.03 crores).

35.1 The foreign currency monetary items are translated at FBIL (Financial Benchmark India Private Ltd) reference rates prevailing at the end of each reporting period or where the FBIL reference rate is not available for any currency, the closing rate for the same date quoted on Bloomberg. The respective rates as on the reporting date are as below:

Particulars	USD/INR	JPY/INR	EUR/INR	SGD/INR
As at 31 st March 2025*	85.5814	0.5675	92.3246	63.7098
As at 31 st March 2024*	83.3739	0.5509	90.2178	61.7319

* as on 28th March 2025 and 28th March 2024 being the last working day.

36. Fees and commission expense

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Guarantee Fee	0.14	1.71
(ii) Listing and Trusteeship Fee	0.03	0.06
(iii) Agency Fees	2.49	1.42
(iv) Credit Rating Expenses	4.26	4.08
(v) Other Finance Charges	6.74	16.99
Total (i to v)	13.66	24.26

37. Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Net gain/ (loss) on financial instruments at Fair Value through profit or loss		
(i) On trading Portfolio	-	-
(ii) Others		
- Changes in fair value of Derivatives	80.95	425.55
- Changes in fair value of Long Term Investments	265.35	46.33
- Changes in fair value of Short-term MF investments	1.92	2.60
Sub-total (ii)	348.22	474.48
Total (A)	348.22	474.48
Breakup of Fair Value Changes		
- Realised	388.64	(217.04)
- Unrealised	(40.42)	691.52
Total Net Gain/ (loss) on Fair Value Changes	348.22	474.48

Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense and represents changes in fair value of derivatives designated as economic hedges not designated under hedge accounting and ineffective hedge



Notes to Accounts

38. Impairment on financial instruments

(₹ in Crores)

Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i) Loans *	-	886.24	-	(1,367.07)
(ii) Investments	-	3.26	-	-
(iii) Others**	-	129.91	-	8.68
Total (i+ii+iii)	-	1,019.41	-	(1,358.39)

* includes ₹ -13.54 crores (Previous year ₹16.14 crores) towards impairment allowance on Letter of Comfort.

** this represents the impairment allowance on other recoverable on account of stressed loan assets (refer note 12 above).

39. Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Salaries and Allowances	150.85	132.76
- Contribution to Provident and Other Funds	32.97	32.44
- Rent towards Residential Accommodation for Employees	10.45	6.65
- Staff Welfare Expenses	50.53	42.16
Total	244.80	214.01

40. Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Depreciation on Property, Plant & Equipment	23.30	22.62
- Depreciation on Investment Property	0.80	-
- Amortization on Intangible Assets	0.29	1.10
Total	24.39	23.72

41. Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Direct Expenditure	279.00	241.77
- Overheads	9.48	8.09
Total	288.48	249.86

41.1 The Ministry of Corporate Affairs (MCA) has prescribed Companies (Corporate Social Responsibility Policy) Rules, 2014, amended from time to time. These rules require that any unspent CSR amount, other than for any ongoing project, must be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. In case such unspent amount pertains to any ongoing project, it must be transferred to unspent CSR Account by 30th April of the next year. However, if such amount is not utilised within three financial years, it is required to be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. The Company also carries the right to set-off any amount spent in excess of the requirement under the Act within three succeeding financial years against the amount to be spent. Further, companies undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure or fifty lakh rupees, whichever is higher.

41.2 Details of Gross Amount required to be spent by the company:

- Gross amount required to be spent by the company during the year is ₹288.48 crores (previous year ₹249.86 crores)
- Amount approved by the Board to be spent during the year is ₹288.48 crores (previous year ₹249.86 crores)
- Refer Note no. 57 for related party transactions related to CSR.
- Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(A) Opening Balance - Excess amount spent	5.15	7.70
(B) Amount required to be spent during the year	288.48	249.86
(C) Amount spent during the year*	288.86	247.31
(D) Closing Balance - Excess amount spent** (A-B+C)	5.53	5.15

*Excludes amount spent on CSR activities from interest earned on temporarily parked funds by REC Foundation (implementing agency) of ₹Nil (previous year ₹Nil)

**eligible to be set-off in the next three succeeding financial years

Notes to Accounts

41.3 Amount spent during the year:

(₹ in Crores)

Particulars	Year ended 31-03-2025			Year ended 31-03-2024		
	In Cash	Yet to be paid	Total	In Cash	Yet to be paid	Total
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above						
Health/Sanitation / Waste Management / Drinking water	128.78	-	128.78	67.41	-	67.41
Education/ Vocational/ Skill Development	15.88	-	15.88	10.09	-	10.09
Environmental Sustainability	7.00	-	7.00	21.18	-	21.18
Sports	38.98	-	38.98	21.83	-	21.83
Contribution to PM CARES Fund	50.00	-	50.00	85.00	-	85.00
Others (Rural Development, Benefits of Armed Forces / Incubators/ Disaster Management)	38.74	-	38.74	33.72	-	33.72
Impact Assessment	0.28	-	0.28	0.13	-	0.13
Administrative overheads including training etc.	9.20	-	9.20	7.95	-	7.95
Total (i+ii)	288.86	-	288.86	247.31	-	247.31

42. Other Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Travelling and Conveyance	29.36	20.51
- Publicity & Promotion Expenses	29.87	31.74
- Repairs and Maintenance	34.93	23.40
- Rent, taxes and energy costs	7.64	5.57
- Insurance Charges	0.56	0.16
- Communication costs	7.18	2.32
- Printing & stationery	1.35	1.62
- Director's sitting fees	0.50	0.49
- Auditors' fees and expenses	1.72	1.76
- Legal & Professional Charges	16.89	11.64
- Donations & Charity	0.01	-
- Net Loss on Disposal of Property, Plant & Equipment	7.61	5.56
- Training And Conference Expense	5.98	13.76
- Government Scheme Monitoring Expenses	17.11	11.71
- Other Expenditure	25.26	33.97
Total	185.97	164.21

42.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Fees paid to statutory auditors :		
- for audit fees	0.68	0.68
- for taxation matters	0.16	0.16
- for company law matters/ limited review fees	0.37	0.36
- for other services	0.18	0.38
- for reimbursement of expenses	0.20	0.05
Sub-total	1.59	1.63
Non-recoverable tax credit in respect of fees paid to auditors	0.13	0.13
Total - Auditor's fees and expenses	1.72	1.76



Notes to Accounts

43. Tax Expense

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Current tax expense	4,011.49	3,293.00
- Current tax expense/ (benefit) pertaining to earlier years	0.05	2.09
Sub-total - Current Tax	4,011.54	3,295.09
- Deferred tax expense/ (credit)	135.03	466.34
Total	4,146.57	3,761.43

43.1 Reconciliation of Effective Tax Rate

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Profit before Tax	19,859.78	17,780.64
Statutory income tax rate	25.168%	25.168%
Expected income tax expense	4,998.31	4,475.03
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(893.61)	(771.89)
Non-allowability of CSR expenses & other adjustments	72.01	63.47
Income not Taxable	(28.04)	-
Other non-deductible expenses	(2.15)	(1.30)
Interest on Advance Income tax disallowed	-	0.49
Non Taxable Income	-	(6.46)
Tax Expense Earlier Years	0.05	2.09
Tax expense	4,146.57	3,761.43

44. Earnings per Share

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
<u>Numerator</u>		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in crores)*	15,679.91	13,985.91
Profit for the year from discontinued operations as per Statement of Profit and Loss (₹ in crores)*	-	-
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in crores)*	15,679.91	13,985.91
<u>Denominator</u>		
Weighted average Number of equity shares	2,63,32,24,000	2,63,32,24,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	59.55	53.11
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	59.55	53.11

* The profit denotes Profit after Tax less coupon expenses (net of taxes) of ₹33.30 crores (Previous year ₹33.30 crores) on Perpetual Debt Instruments entirely equity in nature.

45. Contingent Liabilities and Commitments

45.1 Contingent Liabilities not provided for in respect of:

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
(A) Claims against the Company not acknowledged as debts	10.79	0.85
(B) Taxation Demands		
(i) - Demands raised by the Income Tax Department	46.59	212.84

Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
(ii) - Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	162.12	0.90
(iii) - Demands raised in respect of GST	20.71	17.89
(C) Guarantees	-	-
(D) Others		
(i) - Arbitration Proceedings through Project Management Consultant (PMC) (counter claim of ₹41.66 crores (previous year ₹33.23 crores))	441.28	352.94
(ii) - Fine imposed by Stock Exchanges	0.18	
(iii) - Letters of Comfort	7,990.22	5,961.13

The amount referred to in 'A' above are in respect of cases pending in various courts and is dependent upon the verdict of the court.

The amount referred to in B(i) above are against the various demands raised by Income Tax Department. The company is contesting these demands and the management believes that its position will likely be upheld in the appellate process.

The amount referred to in B(ii) above are against the appeal filed by Income Tax Department in High Court against the relief allowed to the Company at ITAT level.

The amount referred to in B(iii) above includes ₹17.89 crores towards the GST refund appeal filed by the company. Apart from this, ₹2.81 crores is on account of demand raised by GST Department which the company is contesting and management believes that its position will likely be upheld in the appellate process.

Against the total of taxation demands of ₹229.42 crore as referred in B(i)/(ii)/(iii) above, Company has paid or adjudicating authority has adjusted ₹163.91 crore under protest and remaining ₹65.51 crore is unpaid as on 31st March, 2025.

The amount referred to in D(i) above represent arbitration matters between the contractor and PMC appointed by the company. The claim is being contested by the PMC and company believes that its position will likely be upheld in the arbitration process. The amount includes 18% p.a interest on the claim amount.

The amount referred to in D(ii) above represents the fine imposed by National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of ₹0.18 crores (inclusive of GST) for non-compliance on the Corporate Governance requirement of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 regarding the position/quorum requirement of Board/Committee, due to inadequate number of independent Directors.

The Company has requested the Stock Exchanges to waive the fine since the power to appoint Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors or the Company cannot appoint Independent Directors on the Board of the Company. As such, there is no violation on the part of the Company in the appointment of Independent Directors. The Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by NSE and BSE for similar reasons after complying with the requirement.

45.2 Commitments not provided for in respect of:

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	25.64	94.85
- Other Commitments		
- CSR Commitments	446.75	418.81

46. Details of Registration/ License/ authorisation obtained from financial sector regulators:

Particulars	Regulator Name	Registration Details
(i) Corporate Identification Number	Ministry of Corporate Affairs	L40101DL1969GOI005095
(ii) Registration Number	Reserve Bank of India	14.000011
(iii) Legal Entity Identifier (LEI) Code	Global Legal Entity Identifier Foundation (GLEIF)	335800B4YRYWAMIJZ374
(iv) Registration Number	Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)	L0012

47. Implementation of Government of India Schemes

47.1 Rooftop Solar Program (RTS)

PM-Surya Ghar: Muft Bijli Yojana was launched by Government of India on 29.02.2024 for installation of Rooftop Solar (RTS) in one crore households with the financial outlay of ₹75,021 crore (including central financial assistance of Rs 65,700 crore) and is to be implemented till FY 2026-27. The scheme aims to install rooftop solar systems in 1 crore residential households, providing free or low-cost electricity of up to 300 units per month. It targets the generation of 1,000 billion units of renewable electricity from the installed capacity, which is expected to reduce carbon dioxide equivalent emissions by 720 million tons over the 25-year lifespan of these rooftop solar projects. This initiative supports India's commitment to its Nationally Determined Contributions (NDCs) under the UNFCCC by aiming to achieve 30 GW of rooftop solar capacity in the residential sector by FY 2026-27.



Notes to Accounts

47.2 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.

The main objective of the scheme includes :

- (i) Reduction of AT&C losses to pan-India levels of 12-15% by the FY 2024-25.
- (ii) Reduction of ACS-ARR gap to zero by the FY 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.

47.3 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. REC has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

47.4 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 October 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹16,320 crore including Gross Budgetary Support of ₹12,320 crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

47.5 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 November 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;
- (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.

48. Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximizing the return to stakeholders. The capital structure of the Company consists of the equity and the long-term borrowings made by the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Company is also guided, inter alia, by revised 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. The Company has complied with all externally imposed capital requirements.

The debt-equity ratio of the Company is as below:

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Net debt	4,88,203.82	4,37,897.33
Net worth	77,637.97	68,783.15
Debt-equity ratio	6.29	6.37

Net debt represents principal outstanding less cash and cash equivalents available.

Notes to Accounts

Dividend Distribution Policy

Board of Directors monitors the dividend pay-out to the shareholders of the Company. Dividend distribution policy of the Company focuses on various factors including but not limited to the present & future capital requirements, profits earned during the financial year, Capital to Risk-weighted Assets Ratio (CRAR), cost of raising funds from alternate sources, cash flow position and applicable taxes if any and net worth of the Company, subject to the applicable circulars/ guidelines issued by RBI, DIPAM etc. as applicable from time to time.

As per the extant guidelines issued by DIPAM, Government of India, the Company is required to pay a minimum annual dividend of 30% of PAT. Though the Company endeavors to declare the dividend as per these guidelines, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth.

Other Policies

The Company has also adopted various policies for the management of the Company which *inter-alia* include Comprehensive Risk Management Policy, Whistle Blower Policy, Code of Conduct for Regulating, Monitoring & Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure, Policy for prevention of Fraud, The Code of Business Conduct and Ethics for Board Members and Senior Management, Fair Practices Code, Internal Guidelines on Corporate Governance, Policy on 'fit & proper' criteria of Directors, Policy on diversity and skills of the Board, criteria for appointing senior management personnel and remuneration to Directors, KMPs and other employees etc.

49. Capital to Risk-weighted Assets Ratio and Liquidity Coverage Ratio

The Company is complying with the Capital Adequacy requirements as per the master directions/ circulars/ guidelines prescribed by the RBI, amended from time to time. Being an NBFC and Infrastructure Finance Company (NBFC-IFC), REC is required to maintain a Capital Adequacy Ratio or Capital to Risk Weighted Assets Ratio (CRAR) of 15% (with a minimum Tier I Capital of 10%), computed by dividing company's Tier-I and Tier-II capital by Risk Weighted Assets.

Particulars	As at 31-03-2025			As at 31-03-2024			% Variance**
	Numerator* (₹in Crores)	Denominator* (₹in Crores)	%	Numerator* (₹in Crores)	Denominator* (₹in Crores)	%	
(i) CRAR	86,963.54	3,34,562.05	25.99%	73,859.00	2,86,046.00	25.82%	0.66%
CRAR-Tier I Capital	79,491.30	3,34,562.05	23.76%	66,716.00	2,86,046.00	23.32%	1.89%
CRAR-Tier II Capital	7,472.24	3,34,562.05	2.23%	7,143.00	2,86,046.00	2.50%	-10.80%
(ii) Liquidity Coverage Ratio (LCR) (Refer Note 50.2.4(vi))	4,214.07	2,809.00	150.02%	2,762.42	3,132.25	88.19%	70.11%

The amount of Perpetual Debt Instrument of the Tier-I capital is 7.10% (previous year 5.47%)

*For CRAR-Numerator being Tier-I & Tier-II capital majorly consists of Equity (Refer Note no. 27, 28 and 29) and Denominator being Risk Weighted Assets majorly represents the weighted sum of company's credit exposure(s) such as Loans (Refer Note no. 10) and Investments (Refer Note no. 11), calculated in line with circular(s) issued by RBI in this regard, from time to time.

*For LCR-Numerator being HQLAs held by Company (Refer Note no. 11.1) and Denominator being total net Cash Outflow over next 30 days as calculated in line with circular(s) issued by RBI in this regard, from time to time.

** Variance in LCR is on account of comparative increase in HQLA Securities in order to align with the growing business of the Company.

Details of Tier II capital and Perpetual Debt Instruments raised during the year are as under

Particulars	(₹ in Crores)	
	Year ended 31-03-2025	Year ended 31-03-2024
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount of Perpetual Debt Instruments raised as Tier-I capital*	1,995.00	3,090.00

* Refer Note No. 22 on Subordinated Liabilities.

50. Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company has a Integrated Risk Management Policy, which covers, *inter-alia*, Credit Risk, Liquidity Risk, Market Risk, Operational Risk and Other risk of the organization. The Company's risk management policies are guided by well-defined systems & processes appropriate for various risk categories, independent risk oversight and periodic monitoring. A Board Level Risk Management Committee (RMC) has also been constituted under the chairmanship of Chairman & Managing Director, whose main function is to identify and monitor various risks of the organization and to suggest actions for mitigation of the same.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash Equivalents, Bank Balances (other than Cash and Cash Equivalents), Loans, Financial Assets, Investments	Ageing analysis	Detailed Appraisal Process, Bank deposits, liquid funds, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings, Debt Securities, Subordinated Liabilities and Other Financial Liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - Currency risk	Recognised Financial Assets and Liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Derivative contracts



Notes to Accounts

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate risk	Borrowings, Debt Securities and Subordinated Liabilities at variable interest rates	Sensitivity analysis	Derivative contracts
Market risk - equity price risk	Investments in Quoted Equity Securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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. Pursuant to RBI notification DNBR (PD) CC.NO./099/03.10.001/2018-19 dated May 16, 2019 to augment risk management practices in the Company, the Board has also appointed a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. Company's objectives, policies and processes for measuring and managing each of above risk is set out in the subsequent paragraphs.

RBI vide its Master Direction-RBI/2023-24/107 DoS.CO.CSITG/SEC.7/31.01.015/2023-24 dated 07th November, 2023 on Information Technology Governance, Risk, Controls and Assurance Practice, has mandated the appointment of Chief Information Security Officer (CISO). The Company has appointed the CISO w.e.f 16th January, 2024 in compliance of the RBI Directions.

50.1 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balances (other than cash and cash equivalents), investments, loan assets, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

50.1.1 Financial assets that expose the entity to credit risk

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
(i) Low credit risk on financial reporting date			
Cash and cash equivalents	54.69	46.26	
Bank balances (other than cash and cash equivalents)	1,695.15	2,452.44	
Loans *	5,21,767.83	4,82,554.12	
Investments (excluding equity investments)	6,167.36	4,833.20	
Trade and Other Receivables	1.99	2.78	
Other financial assets	24,603.68	24,421.74	
(ii) Moderate credit risk			
Loans *	45,471.51	18,999.65	
(iii) High credit risk			
Loans *	7,652.65	13,810.33	
Investments in Preference Share **	28.72	28.72	
Trade and Other Receivables	27.11	27.86	
Other financial assets	149.22	39.44	

* Represents the principal outstanding (along with undisbursed amount towards Letters of Comfort) without deduction for expected credit losses

** Represents principal outstanding without deduction for expected credit losses in respect to the investment in Redeemable Preference Shares of RattanIndia Power Limited.

Cash and Cash Equivalents and Bank Balances

Credit risk related to cash and cash equivalents and bank deposits is managed by parking funds in investment grade rated instruments and highly rated banks and also diversifying the deposit base by investing in different instruments/ banks across the country.

Loans

Credit risk related to borrowers are mitigated through adequate security arrangements for the loans by way of hypothecation of future project loan assets, receivables, inventories or any other assets, Government Guarantees, Corporate guarantees etc. and additionally Collaterals wherever required. The Company closely monitors the credit-worthiness of the promoters through well-defined entity appraisal guidelines that are configured from systematic institutional and project appraisal process analysis to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures in form of pre-disbursement conditions.

Investment in Government Securities (G-SEC), State Development loans and Debt Securities

Credit risk related to investment in High Quality Liquid Assets (HQLAs) is managed by investment in Government Securities, State Development Loans and PSU Bonds with sound financial health and also diversifying the investment portfolio in different maturity/sector and monitoring the financial health on regular basis.

Notes to Accounts

Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution

The company received various securities issued by borrower entities as a part of the settlement/ resolution plan duly approved by the Company or the Consortium of Lenders, as applicable and in case of resolutions under Insolvency & Bankruptcy Code 2016, approved by Committee of Creditors and National Company Law Tribunal (NCLT) of the competent jurisdiction. Credit risk related to these securities is managed by monitoring the recoverability of such amounts continuously.

Trade and Other Receivables

Trade and Other Receivables measured at amortized cost includes the fee income and training programme fee at REC Institute of Power Management & Training Center. Credit risk related to such receivables is managed by monitoring the recoverability of amounts continuously.

Other Financial Assets

Other financial assets measured at amortized cost includes loans and advances to employees and subsidiary, security deposits and other amounts recoverable, including from Government of India. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

50.1.2 Expected Credit Losses (ECL) for financial assets other than loans and investment

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- **For cash and cash equivalents and bank balances (other than cash and cash equivalents)** - Since the Company deals with only high-rated banks and financial institutions for banking operations and the liquid funds category in the debt funds with consistent track record for short term investment of surplus funds, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- **For Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution** - Credit risk is evaluated on the basis of recoverability of such securities. Wherever medium or high risk evaluated on such investments, suitable ECL allowance is provided.
- **For trade and other receivables** - Credit risk is evaluated based on Company's knowledge of the credit worthiness and on the basis of recoverability of receivables from those parties.
- **For other financial assets** - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

Details of expected credit loss for financial assets other than loans is disclosed as follows:

Particulars	As at 31-03-2025			As at 31-03-2024		
	Gross Carrying Amount (A)	ECL (B)	Net Carrying amount (C=A-B)	Gross Carrying Amount (D)	ECL (E)	Net Carrying amount (F=D-E)
Cash and cash equivalents	54.69	-	54.69	46.26	-	46.26
Bank balances (other than cash and cash equivalents)	1,695.15	-	1,695.15	2,452.44	-	2,452.44
Investments* (excluding equity investments)	6,199.34	31.98	6,167.36	4,861.92	28.72	4,833.20
Trade and other receivable	29.10	27.11	1.99	30.64	27.86	2.78
Other financial assets **	24,752.90	149.22	24,603.68	24,461.18	39.44	24,421.74

* The impairment allowance has been provided in full on 'Investments in Redeemable Preference Shares' of RattanIndia Power Limited considered as credit-impaired.

** The impairment allowance has been provided in full on 'Other financial assets' considered as credit-impaired.

50.1.3 Expected Credit Loss for loans and investment

For risk management reporting purposes, the Company considers and consolidates following elements of credit risk:

Credit default risk: The risk of loss arising from a debtor / issuer being unlikely to pay its obligations in full more than 90 days past due on any material credit obligation; default risk may impact all credit-sensitive transactions, including loans and securities.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations.

(A) Credit Risk Management

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. The Company has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, the company follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorized as High/Moderate/Low based on ECL methodology. The process for Credit Risk Management are as under:

- The Company 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
- For all existing private sector projects, where the Company is Lead Financial Institution, the Company 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



Notes to Accounts

lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

The Company also endeavors to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilization and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialized monitoring/Cash Flow monitoring agencies are being appointed by REC/Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

- (iii) The Company 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) The Company 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 the Company 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 are also subject to the same review process.
- (viii) The Company continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, the Company 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.

(B) Credit risk Measurement

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).

The Company has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for State Distribution Companies (DISCOMs), the Company 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, the Company uses the external rating as published by various credit rating agencies, or proxy risk score in case such rating is not available. The proxy risk score model considers following parameters:

Quantitative factors

- Debt/ EBITDA (30% weightage)
- Return on Capital Employed (15% weightage)
- Interest Coverage (25% weightage)
- Gearing (Debt/Equity) (30% weightage)

Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, LAF, CUF etc.
- Actual Default dates
- Status of the Project

(C) Measurement of Expected Credit Loss (ECL)

Ind AS 109 outlines a “three stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as “Stage 1”.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to “Stage 3”.
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months. Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

Notes to Accounts

(D) Significant Increase in Credit Risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk in following cases:

- When on any financial instrument if the payment is more than 30 days past due on its contractual payments,
- Stage 1 loan asset is undergoing restructuring, until one year of regular payments as per restructuring plan,
- Downgrade in the credit rating of borrower to 'C';
- Delay in the date of commencement of commercial operation of project by more than 4 year for Private Sector borrowers only.

(E) Definition of default and credit-impaired assets

The Company 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 or any such period allowed by the company in line with circular issued by the Reserve Bank of India.

(F) Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC) that the Company expects to be owed at the time of default.
- LGD represents the Company'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.

Determination of Probability of Default (PD)

The Company has analysed the available average annual rating transition matrices published by Credit Rating Agencies to arrive at annual transition matrix based PD. This annual transition matrix PD was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated.

Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking the Company 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 the company has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realizable value of the assets were arrived using suitable assumptions, including valuation reports carried out by the company, outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, the Company 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.

(G) 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.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

(H) Credit Risk Exposure

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under

(₹ in Crores)

Credit Risk Category (Internal/ Mapped Ratings)	As at 31-03-2025				As at 31-03-2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA AA A Government Loan)	2,27,156.98	41,032.49	-	2,68,189.47	2,03,407.58	18,161.39	-	2,21,568.97
Good (BBB BB B)	1,78,400.70	4,088.70	-	1,82,489.40	2,22,710.25	445.30	-	2,23,155.55
Average (C)	1,16,210.15	-	-	1,16,210.15	56,025.85	-	-	56,025.85
Fair (D)	-	350.32	-	350.32	410.44	-	-	410.44
Non- Performing (D)	-	-	7,652.65	7,652.65	-	392.96	13,810.33	14,203.29
Gross Exposure	5,21,767.83	45,471.51	7,652.65	5,74,891.99	4,82,554.12	18,999.65	13,810.33	5,15,364.10
Loss allowance (including LoC)	4,822.81	501.95	5,489.48	10,814.24	2,767.04	191.70	9,453.80	12,412.54
Net Exposure	5,16,945.02	44,969.56	2,163.17	5,64,077.75	4,79,787.08	18,807.95	4,356.53	5,02,951.56

(I) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. The Company 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



Notes to Accounts

- 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

(J) Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables explain the changes in the loan assets (including undisbursed Letters of Comfort) and the corresponding ECL allowance between the beginning and the end of the reporting period:

(₹ in Crores)

For the Year ended 31st March 2025	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	4,82,554.12	2,767.04	18,999.65	191.70	13,810.33	9,453.80	5,15,364.10	12,412.54
Transfer to 12 months ECL	392.16	41.21	(392.16)	(41.21)	-	-	-	-
Transfer to life time ECL not credit impaired	(28,280.78)	(113.48)	28,280.78	113.48	-	-	-	-
Transfer to Lifetime ECL credit impaired	(14.89)	(1.03)	-	-	14.89	1.03	-	-
Additional provision due to changes in PD/ LGD	-	268.70	-	258.26	-	0.97	-	527.93
New Financial assets originated or purchased (including further disbursements in existing assets)	1,95,040.20	2,321.88	1,888.35	7.80	-	-	1,96,928.55	2,329.68
Financial Assets that have been derecognised (including recoveries in existing assets)	(1,27,922.98)	(461.51)	(3,305.11)	(28.08)	(3,688.03)	(1,481.78)	(1,34,916.12)	(1,971.37)
Write offs	-	-	-	-	(2,484.54)	(2,484.54)	(2,484.54)	(2,484.54)
Closing Balance	5,21,767.83	4,822.81	45,471.51	501.95	7,652.65	5,489.48	5,74,891.99	10,814.24

(₹ in Crores)

For the Year ended 31st March 2024	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	4,12,304.47	3,521.81	10,913.58	238.30	14,892.08	10,519.51	4,38,110.13	14,279.62
Transfer to 12 months ECL	9,954.90	(194.96)	(9,954.90)	194.96	-	-	-	-
Transfer to life time ECL not credit impaired	(18,708.02)	(75.05)	19,077.40	191.51	(369.38)	(116.46)	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	(723.10)	-	(426.85)	-	(448.16)	-	(1,598.11)
New Financial assets originated or purchased (including further disbursements in existing assets)	1,66,140.76	916.02	90.95	0.73	-	-	1,66,231.71	916.75
Financial Assets that have been derecognised (including recoveries in existing assets)	(87,137.99)	(677.68)	(1,127.38)	(6.95)	(212.35)	(1.07)	(88,477.72)	(685.70)

Notes to Accounts

For the Year ended 31 st March 2024	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Write offs	-	-	-	-	(500.02)	(500.02)	(500.02)	(500.02)
Closing Balance	4,82,554.12	2,767.04	18,999.65	191.70	13,810.33	9,453.80	5,15,364.10	12,412.54

(K) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31-03-2025				As at 31-03-2024			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	5,21,767.83	45,471.51	7,652.65	5,74,891.99	4,82,554.12	18,999.65	13,810.33	5,15,364.10
Impairment Allowance	4,822.81	501.95	5,489.48	10,814.24	2,767.04	191.70	9,453.80	12,412.54
ECL %	0.92%	1.10%	71.73%	1.88%	0.57%	1.01%	68.45%	2.41%

(L) Concentration of credit risk

The Company monitors concentration of credit risk (loan assets including undisbursed Letters of Comfort) by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by industry				
Generation	1,55,078.89	6,762.83	1,45,871.05	9,871.35
Renewables	63,665.96	1,013.41	42,312.34	567.57
Transcos	47,874.68	41.35	48,701.40	47.77
Discoms	2,34,130.98	2,942.82	2,19,983.23	1,732.67
Power Infrastructure	50,953.11	43.35	45,875.48	170.51
Infrastructure & Logistics	20,638.62	10.44	9,727.33	22.61
Government Loans	2,549.75	0.04	2,893.27	0.06
Total	5,74,891.99	10,814.24	5,15,364.10	12,412.54
Concentration by ownership				
State	4,94,580.49	4,612.58	4,54,702.64	2,598.19
Private	80,311.50	6,201.66	60,661.46	9,814.35
Total	5,74,891.99	10,814.24	5,15,364.10	12,412.54

(M) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

Particulars	As at 31-03-2025	As at 31-03-2024
Infrastructure Sector	1.35%	2.71%
- Power	1.35%	2.71%

(N) Movement of Credit-impaired Assets

(₹ in Crores)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
(i) Gross Credit-impaired Assets to Gross Advances (%)	1.35%	2.71%
(ii) Net Credit-impaired Assets to Gross Advances (%)	0.38%	0.86%
(iii) Net Credit-impaired Assets to Net Advances (%)	0.39%	0.88%
(iv) Movement of Credit-impaired Assets (Gross)		
(a) Opening balance	13,810.33	14,892.08
(b) Additions during the year	14.89	-
(c) Reductions during the year	(3,688.03)	(581.73)
(d) Write-off during the year	(2,484.54)	(500.02)
(e) Closing balance	7,652.65	13,810.33



Notes to Accounts

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
(v) Movement of Credit-impaired Assets (Net)		
(a) Opening balance	4,356.53	4,372.57
(b) Additions during the year	12.89	448.16
(c) Reductions during the year	(2,206.25)	(464.20)
(d) Write-off during the year	-	-
(e) Closing balance	2,163.17	4,356.53
(vi) Movement of provisions for Credit-impaired Assets		
(a) Opening balance	9,453.80	10,519.51
(b) Provisions made during the year	2.00	(448.16)
(c) Write-back of excess provisions	(1,481.78)	(1,17.53)
(d) Provision on assets written off during the year	(2,484.54)	(500.02)
(e) Closing balance	5,489.48	9,453.80

(O) In accordance with RBI Circular on Implementation of Ind AS by NBFCs dated 13.03.2020, had the loans otherwise required to be classified as NPA as per IRACP norms been considered, Gross NPA to Gross Loans ratio would have been 3.62% (previous year 3%) and Net NPA to Net Loans would have been 2.56% (previous year 1.16%) as at 31st March 2025.

(P) Write off policy

The Company writes off financial assets, in whole or in part, as directed by the order of the Judicial Authority or when it has exhausted all practical recovery efforts and has concluded 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.

(Q) Business Model Policy

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

The Company is in the business of lending loans across power sector value chain and such loans are managed to realize the cash flows by collecting contractual payments (including principal and interest) over the tenure of the loan. Further, investments in the nature of debt investments and other financial assets may also be held by the Company to collect the contractual payments as per the agreed terms.

The Company's business model therefore is "hold to collect" for Loans, certain Financial Investments and Other Financial Assets. Such financial assets are measured at amortised cost if the contractual terms gives rise to cash flows that are solely payments of principal and interest on the amount outstanding.

(R) Policy for sales out of amortised cost business

The Company does not resort to the sale of financial assets, including loan assets, in ordinary course of business.

However, the company may proceed for realization of amount due in respect of credit-impaired assets, as per the regulatory framework in India. As a result, the credit impaired loan may be either restructured/renewed or settled as part of IBC proceedings or otherwise and is assessed for derecognition as per the requirements of Ind AS 109 – 'Financial Instruments'.

(S) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil)

(T) There is one case of loans transferred and NIL for acquired during the FY 2024-25 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021. Details of such transferred case to ACRE (ARC) is as under:

(₹ in Crores)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
No: of accounts	1	
Aggregate principal outstanding of loans transferred	797.00	
Weighted average residual tenor of the loans transferred	2 years	
Net book value of loans transferred (at the time of transfer)	-	NIL
Aggregate consideration	63.00	
Additional consideration realized in respect of accounts transferred in earlier years	-	

Notes to Accounts

(U) Comparison between provision required as per RBI Income Recognition, Asset Classification and Provisioning norms (IRACP) and Impairment Allowance as per Ind-AS

(₹ in Crores)

For the Year ended 31 st March 2025	Asset classification as per Ind AS 109	Outstanding amount	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
Asset Classification as per RBI Norms							
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	5,00,906.40	5,02,886.60	4,031.67	4,98,854.93	2,683.62	1,348.05
	Stage 2	45,471.51	46,488.16	501.95	45,986.21	181.89	320.06
Sub Total (1)		5,46,377.91	5,49,374.76	4,533.62	5,44,841.14	2,865.51	1,668.11
Non-Performing Assets							
Substandard Assets							
	Stage 1	12,467.39	12,470.98	764.17	11,706.81	1,246.74	(482.57)
	Stage 3	13.77	13.77	2.75	11.02	1.28	1.47
Subtotal for substandard assets		12,481.16	12,484.75	766.92	11,717.83	1,248.02	(481.10)
Doubtful Assets							
1 to 3 years	Stage 3	1,512.43	1,512.43	754.87	757.56	480.16	274.71
More than 3 years	Stage 1	385.34	385.44	8.48	376.96	169.92	(161.44)
	Stage 2	-	-	-	-	-	-
	Stage 3	6,126.45	6,126.45	4,731.86	1,394.59	4,111.46	620.40
Subtotal for doubtful assets		8,024.22	8,024.32	5,495.21	2,529.11	4,761.54	733.67
Loss Assets							
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
Subtotal for loss assets		-	-	-	-	-	-
Sub-total for NPA (2)		20,505.38	20,509.07	6,262.13	14,246.94	6,009.56	252.57
Total Loan Assets		5,66,883.29	5,69,883.83	10,795.75	5,59,088.08	8,875.07	1,920.68
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	8,008.70	8,008.70	18.48	7,990.22	-	18.48
Sub-Total (3)		8,008.70	8,008.70	18.48	7,990.22	-	18.48
Total	Stage 1	5,21,767.83	5,23,751.72	4,822.80	5,18,928.92	4,100.28	722.52
	Stage 2	45,471.51	46,488.16	501.95	45,986.21	181.89	320.06
	Stage 3	7,652.65	7,652.65	5,489.48	2,163.17	4,592.90	896.58
	Total	5,74,891.99	5,77,892.53	10,814.23	5,67,078.30	8,875.07	1,939.16

* Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109

(₹ in Crores)

For the Year ended 31 st March 2024	Asset classification as per Ind AS 109	Outstanding amount	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
Asset Classification as per RBI Norms							
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	4,75,471.73	4,77,502.34	2,712.85	4,74,789.49	2,470.03	242.82
	Stage 2	18,606.69	18,777.30	149.69	18,627.61	74.43	75.26
Sub Total (1)		4,94,078.42	4,96,279.64	2,862.54	4,93,417.10	2,544.46	318.08



Notes to Accounts

For the Year ended 31 st March 2024	Asset classification as per Ind AS 109	Outstanding amount	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
Asset Classification as per RBI Norms							
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Non-Performing Assets							
Substandard Assets	Stage 1	1,029.43	1,029.73	20.94	1,008.79	102.94	(82.00)
Doubtful Assets							
Up to 1 year	Stage 1	59.81	59.81	1.23	58.58	11.96	(10.73)
1 to 3 years	Stage 3	1,545.70	1,545.70	757.81	787.89	510.56	247.25
	Stage 2	392.16	392.27	41.21	351.06	172.93	(131.72)
More than 3 years	Stage 3	12,262.67	12,262.66	8,694.03	3,568.63	9,039.67	(345.64)
Subtotal for doubtful assets		14,260.34	14,260.44	9,494.28	4,766.16	9,735.12	(240.84)
Loss Assets	Stage 2	0.80	0.80	0.80	-	0.80	-
	Stage 3	1.96	1.96	1.96	-	1.96	-
		2.76	2.76	2.76	-	2.76	-
Sub-total for NPA (2)		15,292.53	15,292.93	9,517.98	5,774.95	9,840.82	(322.84)
Total Loan Assets		5,09,370.95	5,11,572.57	12,380.52	4,99,192.05	12,385.28	(4.76)
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	5,993.15	5,993.15	32.02	5,961.13	-	32.02
Sub-Total (3)		5,993.15	5,993.15	32.02	5,961.13	-	32.02
Total	Stage 1	4,82,554.12	4,84,585.03	2,767.04	4,81,817.99	2,584.93	182.11
	Stage 2	18,999.65	19,170.37	191.70	18,978.67	248.16	(56.46)
	Stage 3	13,810.33	13,810.32	9,453.80	4,356.52	9,552.19	(98.39)
	Total	5,15,364.10	5,17,565.72	12,412.54	5,05,153.18	12,385.28	27.26

* Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109

(V) There has been no divergence in Asset Classification and Provisioning assessed during last annual inspection conducted by the RBI for the FY 2023-24 vis-à-vis as reported by the company (Nil for FY 2022-23).

50.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis.

The Company maintains adequate bank balances, short term investments that are readily convertible into cash and adequate borrowing and overdraft facilities by continuously monitoring the forecast and actual cash flows.

Notes to Accounts

50.2.1 Maturity Pattern of Future Undiscounted Cash Flows

The cash flows towards items of financial liabilities (representing future undiscounted cash flows towards principal and interest) is as under:

As at 31 st March 2025	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	2,396.00	52.58	206.41	1,829.60	3,123.67	17,681.45	75,127.23	50,515.99	1,05,500.25	2,56,433.18
- Interest	-	63.20	634.87	1,375.99	3,341.64	3,392.50	9,105.32	30,103.65	20,547.66	33,233.13	1,01,797.96
Other Borrowings											
- Principal	570.78	-	-	499.97	-	1,747.94	3,071.70	16,042.34	32,475.86	2,141.64	56,550.23
- Interest	299.75	3.78	135.82	276.83	499.78	844.35	1,912.70	6,661.98	2,819.78	249.66	13,704.43
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	-	2,151.20	7,084.50	9,235.70
- Interest	-	-	159.60	-	181.64	87.53	377.23	1,608.58	1,393.45	1,968.02	5,776.05
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	-	14,120.93	14,011.88	153.23	28,286.04
- Interest	-	180.03	-	-	-	350.31	530.50	1,809.13	519.13	13.47	3,402.57
Other Borrowings											
- Principal	2,439.49	1,283.72	2,871.66	6,934.43	3,489.95	8,513.23	19,203.59	34,127.57	55,053.09	3,836.63	1,37,753.36
- Interest	25.42	50.80	132.08	277.73	492.81	1,057.51	1,751.12	5,528.33	2,697.32	292.49	12,305.61
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	-	-	10.52	197.92	73.89	282.33
Currency derivatives	53.31	30.33	90.31	215.99	51.87	242.02	160.83	100.85	442.22	-	1,387.73

Notes to Accounts

As at 31 st March 2024	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
(₹ in Crores)											
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	-	391.12	459.10	5,431.49	4,646.73	19,487.39	60,218.77	52,456.46	82,498.11	2,25,589.17
- Interest	-	0.24	201.16	1,182.57	4,371.36	2,362.72	7,915.89	26,486.87	18,680.23	25,792.46	86,993.50
Other Borrowings											
- Principal	567.41	-	1,000.00	1,524.94	8,051.00	1,505.69	914.29	13,638.99	34,712.06	17,891.28	79,805.66
- Interest	309.37	-	183.90	479.74	482.01	1,397.56	2,706.54	10,007.92	6,407.24	1,766.55	23,740.83
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	-	2,151.20	5,089.50	7,240.70
- Interest	-	-	160.91	-	186.03	88.49	283.53	1,432.10	1,434.06	1,696.36	5,281.48
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	4,168.69	7,503.65	14,213.88	1,658.23	32,963.75
- Interest	-	176.35	-	-	73.15	269.76	427.14	1,368.56	753.32	16.34	3,084.62
Other Borrowings											
- Principal	1,250.61	-	2,501.22	6,561.53	1,039.64	3,960.26	13,436.01	22,894.62	37,367.25	3,333.17	92,344.31
- Interest	11.75	9.81	115.87	170.38	351.10	907.69	1,383.53	4,286.13	1,734.24	284.06	9,254.56
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	31.56	-	100.53	72.96	104.70	309.75
Currency derivatives	8.03	-	38.56	36.65	8.44	153.45	61.40	12.08	93.21	38.13	449.95

Bonds with put & call option have been shown considering the earliest exercise date. The liquidity analysis for derivative financial liabilities is based on fair values of the derivative contracts and the maturity buckets have been derived on the basis of the remaining tenor of the respective derivative instrument.

Significant cashflows required for financial liabilities shall be funded through the undiscounted cash flows (principal and interest) from loans as below:

Particulars	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
(₹ in Crores)											
As at 31st March 2025											
Principal	4,336.99	742.83	4,062.85	8,404.38	9,675.82	27,622.50	42,181.09	1,17,481.59	1,01,027.57	2,40,551.93	5,56,087.54
Interest	2,378.51	28.77	1,085.31	3,376.36	6,912.33	13,193.46	24,184.83	81,455.26	58,841.79	1,10,700.77	3,02,157.39
As at 31st March 2024											
Principal	3,582.21	214.74	2,023.71	4,928.26	7,024.12	22,172.19	42,402.16	1,03,565.04	93,801.98	2,17,276.02	4,96,990.43
Interest	1,900.52	54.05	932.74	2,820.67	6,586.41	11,918.26	21,848.61	73,716.25	53,333.52	92,143.18	2,65,254.20

The principal cash flows relating to Stage III assets, net of Expected Credit Loss have been considered in over 5 years bucket irrespective of the maturity date.



50.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

As at 31 st March 2025	(₹ in Crores)										Total
	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	
Loan Assets	6,666.41	770.92	4,153.88	8,886.91	10,262.02	27,595.51	42,139.88	1,17,366.80	1,00,928.86	2,40,316.87	5,59,088.06
Investments	-	-	-	-	60.15	56.34	39.49	770.91	1,393.89	4,320.82	6,641.60
Rupee Borrowings											
Debt Securities	-	2,453.75	719.15	1,348.32	4,344.42	5,012.63	19,449.81	75,148.60	50,470.25	1,05,328.66	2,64,275.59
Other Borrowings	574.71	-	85.21	499.97	81.28	1,747.94	3,234.26	16,042.34	32,475.86	2,141.64	56,883.21
Subordinated Liabilities	2.11	-	146.92	-	126.46	43.88	14.41	-	2,134.86	7,045.51	9,514.15
Foreign Currency Borrowings											
Debt Securities	-	-	-	-	-	-	250.21	13,837.70	13,958.48	152.97	28,199.36
Other Borrowings	2,453.53	1,291.16	2,953.17	7,059.27	3,658.32	8,716.31	19,210.69	33,912.39	54,330.33	3,831.76	1,37,416.93

As at 31 st March 2024	(₹ in Crores)										Total
	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	
Loan Assets	5,409.37	222.11	2,363.18	4,928.26	7,352.45	22,172.19	42,401.51	1,03,557.69	93,798.08	2,16,987.21	4,99,192.05
Investments	-	-	-	-	4.52	4.52	104.17	241.48	1,773.07	3,192.55	5,320.31
Rupee Borrowings											
Debt Securities	-	-	-	-	-	-	-	-	-	-	-
Other Borrowings	793.01	-	884.86	1,667.72	7,831.36	6,140.16	21,814.25	60,134.86	52,397.78	82,391.47	2,33,262.46
Subordinated Liabilities	-	-	1,015.31	1,524.94	8,172.84	1,505.61	916.07	13,717.14	34,862.06	17,661.40	80,168.38
Foreign Currency Borrowings	-	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	166.10	-	-	44.18	5,526.47	4,166.17	7,491.45	13,823.91	1,629.18	32,847.46
Other Borrowings	1,330.43	3.34	2,508.38	6,595.15	1,042.01	4,130.55	13,533.74	22,672.34	36,779.75	3,327.98	91,923.67



Notes to Accounts

50.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Expiring within one year		
- Fixed rate	-	-
- Floating rate	14,291.72	11,813.99
Expiring beyond one year		
- Fixed rate	-	-
- Floating rate	1,222.19	386.44

50.2.4 Additional Disclosures in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on liquidity risk management

The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis. The Company continuously monitors the projected and actual cash flows and accordingly maintains adequate bank balances, overdraft facilities, short term investments that are readily convertible into cash and adequate borrowing plans.

(i) Funding Concentration based on significant counterparty (borrowings)

Particulars	As at 31-03-2025	As at 31-03-2024
Number of significant counterparties*	15	14
Amount (₹in Crores)	2,40,439.89	2,12,903.39
% of Total Liabilities	44.87%	44.48%

(ii) Top 10 borrowings

	Particulars	Amount (₹in Crores)	% of Total borrowings
	As at 31-03-2025		
1	Term Loan from HDFC Bank	17,850.00	3.66%
2	54EC- Series XVI (2022-23)	12,152.39	2.49%
3	54EC- Series XVII (2023-24)	11,419.57	2.34%
4	Foreign Currency Borrowings- US \$1175 Mn	10,055.81	2.06%
5	Term Loan from Government of India- National Small Savings Fund (NSSF)	10,000.00	2.05%
6	Term Loan from Punjab National Bank	8,962.44	1.84%
7	54EC- Series XV (2021-22)	7,312.80	1.50%
8	Foreign Currency Bond - US \$ 750 Mn	6,418.61	1.31%
9	Term Loan from ICICI Bank	5,533.00	1.13%
10	54EC- Series XVIII (2024-25)	7,038.86	1.44%
	Total	96,743.48	19.81%

	Particulars	Amount (₹in Crores)	% of Total borrowings
	As at 31-03-2024		
1	Term Loan from HDFC Bank	17,850.00	4.08%
2	54EC- Series XVI (2022-23)	12,152.39	2.77%
3	54EC- Series XVII (2023-24)	10,175.72	2.32%
4	Term Loan from Government of India- National Small Savings Fund (NSSF)	10,000.00	2.28%
5	Foreign Currency Borrowings- US \$1175 Mn	9,796.43	2.24%
6	Term Loan from State Bank of India	7,750.94	1.77%
7	Term Loan from Punjab National Bank	7,529.29	1.72%
8	54EC- Series XV (2021-22)	7,312.80	1.67%
9	Foreign Currency Bond - US \$ 750 Mn	6,253.04	1.43%
10	54EC- Series XIII (2019-20)	6,157.82	1.41%
	Total	94,978.43	21.69%

Notes to Accounts

(iii) Funding Concentration based on significant instrument/ product

Name of significant instrument/ product*	As at 31-03-2025		As at 31-03-2024	
	Amount (₹in Crores)	% of Total Liabilities	Amount (₹in Crores)	% of Total Liabilities
1 Debt Securities				
Institutional Bonds	2,00,803.29	37.47%	1,74,230.29	36.40%
Foreign Currency Bonds	28,286.04	5.28%	32,963.75	6.89%
54EC Capital Gain Tax Exemption Bonds	43,831.57	8.18%	42,356.21	8.85%
Tax Free Bonds	8,998.71	1.68%	8,998.71	1.88%
Sub-Total (1)	2,81,919.61	52.61%	2,58,548.96	54.02%
2 Borrowings (Other than Debt Securities)				
Term Loans from Banks	41,879.47	7.81%	50,612.28	10.57%
Foreign Currency Borrowings	94,571.40	17.65%	67,205.64	14.04%
FCNR (B) Loans	43,181.96	8.06%	25,138.67	5.25%
Loans repayable on demand from Banks	1,600.00	0.30%	10,875.94	2.27%
Term Loans from Government of India (NSSF)	10,000.00	1.87%	10,000.00	2.09%
Term Loans from Financial Institutions	2,500.00	0.47%	8,050.00	1.68%
Sub-Total (2)	1,93,732.83	36.16%	1,71,882.53	35.90%
3 Subordinated Liabilities	9,235.70	1.72%	7,240.70	1.51%
Total (1+2+3)	4,84,888.14	90.49%	4,37,672.19	91.43%

*Significant counterparty/ significant instrument/ product is defined as a single counterparty/ single instrument/ product or group of connected or affiliated counterparties accounting in aggregate to more than 1% of the company's total liabilities.

(iv) Stock Ratios

Particulars	As at 31-03-2025				As at 31-03-2024			
	Amount (₹in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Commercial Papers	-	-	-	-	-	-	-	-
Non-Convertible debentures having maturity of less than one year	-	-	-	-	-	-	-	-
Other Short-Term liabilities	54,769.14	11.22%	10.22%	8.93%	44,305.04	10.12%	9.26%	8.09%

(v) Refer Note 50.2 for institutional set-up for management of liquidity risk in the Company.

(vi) Liquidity Coverage Ratio (LCR)

Reserve Bank of India, vide its Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of more than ₹10,000 Crores w.e.f. 01st December, 2020. These guidelines of RBI aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is represented by:

$$\frac{\text{The Stock of High-Quality Liquid Assets}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

where,

- Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the next 30 calendar days, where the cash flows are assigned a predefined stress percentage, as prescribed by RBI.
- High Quality Liquid Assets (HQLA) means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

The LCR requirement is binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024.

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and majorly AAA/AA Corporate Bonds. Management is of the view that Company has sufficient liquidity cover to meet its likely future short-term requirements.



Notes to Accounts

Composition of HQLA

Out of the Stock of HQLA, the Government Securities is the highest proportion of HQLA followed by AAA/AA Corporate bonds and auto swap balances. The position of HQLA holding is as follows:

HQLA Items	As at 31-03-2025	As at 31-03-2024
	% of Overall	% of Overall
Assets without Haircut	39.79%	57.23%
- G-Sec and SDLs	39.79%	57.23%
Assets with 15% Haircut	59.96%	42.40%
- Corporate Bonds	59.96%	42.40%
Assets with 50% Haircut	0.25%	0.37%
-Corporate Bonds	0.25%	0.37%
Total	100%	100%

Notes to Accounts

Liquidity Coverage Ratio Disclosure

Particulars	(₹ in Crores)									
	Quarter ended 31-03-2025		Quarter ended 31-12-2024				Quarter ended 30-09-2024		Quarter ended 30-06-2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	From 01-10-2024 to 30-11-2024	Total Unweighted Value (average)*	Total Weighted Value (average)*	From 01-12-2024 to 31-12-2024	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets										
Total High Quality Liquid Assets (HQLA)	4,648.08	4,214.07	4,541.98	4,106.98	4,476.11	4,040.97	4,186.72	3,796.12	3,478.96	3,234.58
- AA/AAA Corporate Bonds	2,846.51	2,412.51	2,852.97	2,417.97	2,853.96	2,418.82	2,556.77	2,166.17	1,580.11	1,335.81
- G-SEC Bonds/ State Development Loans (SDLs)	1,593.99	1,593.98	1,594.34	1,594.34	1,596.72	1,596.72	1,580.43	1,580.43	1,569.01	1,568.93
- Cash and Cash equivalents	207.58	207.58	94.67	94.67	25.43	25.43	49.52	49.52	329.84	329.84
Cash Outflows										
Other contractual funding obligations	9,573.09	11,009.00	9,076.58	10,438.00	8,370.37	9,626.00	6,656.00	7,654.00	9,472.00	10,893.00
Other contingent funding obligations	197.53	227.00	257.02	296.00	291.75	336.00	368.00	423.00	152.00	175.00
Total Cash Outflows	9,770.62	11,236.00	9,333.60	10,734.00	8,662.12	9,962.00	7,024.00	8,077.00	9,624.00	11,068.00
Cash Inflows										
Inflows from fully performing exposures	14,246.58	10,685.00	11,442.65	8,582.00	16,092.85	12,070.00	11,713.00	8,785.00	10,378.00	7,784.00
Other cash inflows	16,202.92	12,152.00	9,902.70	7,427.00	7,861.12	5,896.00	10,321.00	7,741.00	10,026.00	7,520.00
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	30,449.50	8,427.00	21,345.35	8,050.50	23,953.98	7,471.50	22,034.00	6,057.75	20,404.00	8,301.00
Total Adjusted Value										
Total HQLA (A)		4,214.07		4,106.98		4,040.97		3,796.12		3,234.58
Total Net Cash Outflows (B)		2,809.00		2,683.50		2,490.50		2,019.25		2,767.00
Liquidity Coverage Ratio (A / B)		150.02%		153.05%		162.26%		188.00%		116.90%
% Variance (from previous period)		-4%		-17%				61%		33%**

* For average daily observation during the respective quarter has been considered.

** The average holding of HQLA for the quarter ended as on 30.06.2024 and 30.09.2024 was 116.90% and 188% which was above the regulatory requirement of 85% as on then date. This has been due to increase in HQLA Investment securities and decrease in the net cash outflow though being within the regulatory requirement of 85%



Notes to Accounts

50.3 Market Risk - Currency Risk

The Company is exposed to foreign currency risk from various foreign currency debt securities and borrowings primarily denominated in USD, EUR, JPY and SGD. The Company has a risk management policy which aims to manage the foreign currency risk arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses combination of foreign currency options structures, forward contracts and cross currency swap to hedge its exposure to foreign currency risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of Chairman and Managing Director (CMD) with Functional Directors, executive directors and Chief General Managers from Finance and Operating Divisions as its members. ALCO monitors Foreign currency risk with exchange rate and interest rate managed through various derivative instruments. The Company enters into various derivative transactions to cover exchange rate through various instruments like foreign currency forwards contracts, currency options, principal only swaps and forward rate agreements. The company has also entered into cross currency swaps in EUR, JPY and CHF to manage risks associated with foreign currency borrowings. The derivative transactions done by the Company are for hedging purpose and not for trading or speculative purpose.

The outstanding position of Foreign Currency Exposure as at 31st March 2025 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹Crores)

Currency	As at 31-03-2025			As at 31-03-2024		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD \$	14,904.99	14,832.24	72.75	11,950.15	11,827.00	123.15
INR Equivalent	1,27,559.03	1,26,936.40	622.63	99,633.09	98,606.31	1,026.78
JPY ¥	5,55,865.90	5,55,865.90	-	3,34,306.77	3,34,306.77	-
INR Equivalent	31,545.39	31,545.39	-	18,416.96	18,416.96	-
EURO €	604.02	604.02	-	609.29	604.02	5.26
INR Equivalent	5,576.63	5,576.63	-	5,496.88	5,449.37	47.51
SGD \$	213.21	213.21	-	285.29	285.29	-
INR Equivalent	1,358.36	1,358.36	-	1,761.13	1,761.13	-
Total (INR Equivalent)	1,66,039.41	1,65,416.78	622.63	1,25,308.06	1,24,233.77	1,074.29

Sensitivity Analysis

The table below represents the impact* on P&L including FCMITDA (+ Gain / (Loss) for 5% change in foreign currency exchange rate against INR on the unhedged exposures:

Particulars	As at 31-03-2025		As at 31-03-2024	
	Favorable	Adverse	Favorable	Adverse
USD/INR	23.30	(23.30)	38.42	(38.42)
JPY/INR	-	-	-	-
EUR/INR	-	-	1.78	(1.78)

* Holding all other variables constant

50.4 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 and liquidity in the market. Some of the borrowings of the Company are exposed to interest rate risk with floating interest rates linked to external benchmarks such as EURIBOR, Overnight SOFR, Term SOFR, SORA, TONA, T-Bills, Repo Rate etc. The Company manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimize the risk of fluctuation in interest rates. The Company 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 the Company to the liabilities linked with floating interest rates as at 31st March 2025 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹Crores)

Currency	As at 31-03-2025			As at 31-03-2024		
	Floting Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floting Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	44,379.47	-	44,379.47	61,162.28	-	61,162.28
USD \$	8,166.15	7,533.40	632.75	5,611.15	5,218.00	393.15
INR Equivalent	69,887.05	64,471.86	5,415.19	46,782.38	43,504.51	3,277.87
JPY ¥	4,85,390.31	4,51,161.24	34,229.07	2,73,206.75	-	2,73,206.75
INR Equivalent	27,545.90	25,603.40	1,942.50	15,050.96	-	15,050.96
EURO €	604.02	-	604.02	604.02	-	604.02
INR Equivalent	5,576.63	-	5,576.63	5,449.37	-	5,449.37

Notes to Accounts

Currency	As at 31-03-2025			As at 31-03-2024		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
SGD \$	213.21	-	213.21	285.29	72.08	213.21
INR Equivalent	1,358.36	-	1,358.36	1,761.13	444.93	1,316.20
Total (INR Equivalent)	1,48,747.41	90,075.26	58,672.15	1,30,206.12	43,949.44	86,256.68

The Company also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹13,955.70 crores as on 31st March 2025 (Previous year ₹15,950.70 crores) have been converted into floating rate borrowings through the use of MIBOR-linked Overnight Indexed Swaps.

The Company's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/6/12/36/60/120 months reset option with the borrower. The Company 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, the Company 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.

The Company is exposed to interest rate risk on following Loan Assets which are at semi-fixed rates:

Description	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Rupee Loans	5,48,015.73	4,96,192.74

Sensitivity Analysis

The table below represents the impact* on P&L Gain / (Loss) for 50 basis points increase or decrease in interest rate on Company's floating rate assets and liabilities on the unhedged exposures:

Particulars	As at 31-03-2025		As at 31-03-2024	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(219.53)	219.53	(322.74)	322.74
Interest Rate Swaps	(52.37)	52.37	(59.68)	59.68
Floating/ semi-fixed Rate Loan Assets	2,050.46	(2,050.46)	1,856.55	(1,856.55)

* Holding all other variables constant

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

50.4.1 Disclosures in respect of Interest Rate Benchmark Reform (IBOR)

The Company has variable interest rate borrowings with interest rates linked with different benchmarks. Such interest rate benchmarks for foreign currency borrowings include 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, Overnight SORA (Singapore Overnight Rate Average), Overnight TONAR (Tokyo Overnight Average Rate) etc. The summary of such borrowings as on March 31, 2025 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31-03-2025		As at 31-03-2024	
	Amount (₹ in Crores)	Amount (USD Mn Equivalent)	Amount (₹ in Crores)	Amount (USD Mn Equivalent)
3M Term SOFR	4,365.53	510.10	3,084.83	370.00
6M Term SOFR	8,611.65	1,006.25	2,427.46	291.15
Overnight SOFR	56,909.87	6,649.79	41,270.08	4,950.00
3M EURIBOR	2,346.84	274.22	2,293.28	275.06
6M EURIBOR	3,229.79	377.39	3,156.10	378.55
Overnight TONA	27,545.90	3,218.68	15,050.96	1,805.24
Overnight SORA	1,358.36	158.72	1,761.12	211.23
Total	1,04,367.94	12,195.15	69,043.83	8,281.23

50.5 Hedge accounting

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges. For option contracts, the Company designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to Profit or Loss on a straight-line basis.



Notes to Accounts

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. The Company applies the following effectiveness testing strategies

- For cross currency swaps and interest rate swaps that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.
- 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.
- For option structures, the Company analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

The Company 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.

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

As at 31 st March 2025		Notional amount (in Mn)	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
Type of hedge and risks			Assets	Liabilities					
Cash flow hedge									
Foreign exchange and interest rate risk									
(i)	Foreign currency options structures								
	- Seagull Structure	USD 14,457.24	10,721.55	1,105.39	Apr 2025 - May 2034	1:1	81.73	1,170.72	(1,170.72)
		EUR 604.02	733.20	-	Oct 2027 - Mar 2028	1:1	85.86	(101.88)	101.88
		SGD 213.21	251.39	77.47	Oct 2027	1:1	63.01	19.47	(19.47)
		JPY 5,55,865.90	4,582.67	203.25	Sep 2025 - Jan 2034	1:1	0.56	(1,098.29)	1,098.29
(ii)	Principal only swaps	USD 375.00	87.12	-	Apr 2025 - June 2030	1:1	75.41	(18.43)	18.43
		JPY -	-	-	Matured in Jan 2025	1:1	-	1.47	(1.47)
(iii)	Interest rate swaps	USD 6,583.50	391.39	173.66	Apr 2025 - May 2034	1:1	3.67%	277.79	(277.79)
		JPY 4,38,361.30	254.46	8.42	Sep 2025 - Mar 2030	1:1	1.57%	58.81	(58.81)
		SGD -	-	-	Matured in March 2025	1:1	-	(15.09)	15.09
		INR 55,280.00	-	25.39	June 2025 - Sep 2034	1:1	8.44%	(10.40)	10.40

(₹ in Crores)

As at 31 st March 2024	Notional amount (in Mn)	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
Type of hedge and risks		Assets	Liabilities					
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Foreign currency options structures								

Notes to Accounts

As at 31 st March 2024	Notional amount (in Mn)	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					
- Seagull Structure	USD 11,452.00	7,137.02	269.59	Apr 2024 - Nov 2030	1:1	79.66	111.47	(111.47)
	EUR 604.02	679.46	-	Oct 2027- Mar 2028	1:1	85.93	16.20	(16.20)
	SGD 285.29	311.62	93.21	Mar 2025- Oct- 2027	1:1	60.28	(3.51)	3.51
	JPY 3,34,306.79	2,942.85	49.01	Dec 2024- Jan 2034	1:1	0.58	(872.94)	872.94
- Call Spread	USD -	-	-	Matured during year	1:1	-	3.68	(3.68)
(ii) Principal only swaps	USD 375.00	43.34	38.13	Mar 2025 - Jun 2030	1:1	75.41	(155.79)	155.79
(iii) Interest rate swaps	USD 5,218.00	834.11	12.02	May 2023 - Mar 2025	1:1	3.12%	1,237.36	(1,237.36)
	USD -	-	-	Matured during year	-	-	(0.05)	0.05
	SGD 72.075	18.08	-	Aug 2023	1:1	1.18%	(4.44)	4.44
	INR 55,280.00	53.11	-	May 2023 - Nov 2030	1:1	8.44%	53.11	(53.11)

(b) Effects of Cash Flow hedge accounting on Statement of Profit and Loss

(₹ in Crores)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from other comprehensive income	Line item affected on reclassification
Year ended 31-03-2025				
-Currency risk and interest rate risk	284.16	-	(4,076.86)	Gain/ loss on foreign exchange translation
			1,796.86	Finance cost
Year ended 31-03-2024				
-Currency risk and interest rate risk	385.09	-	(479.51)	Gain/ loss on foreign exchange translation
			1,368.65	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Effective portion of Cash Flow Hedges		
Opening Balance	(1,846.93)	600.05
Changes in intrinsic value of currency derivatives	7,304.05	(2,899.59)
Changes in fair value of interest rate swaps	305.62	1,275.44
Amounts reclassified to profit or loss	(6,386.16)	(1,645.82)
Deferred tax relating to above (net)	(307.94)	822.99
Closing Balance	(931.35)	(1,846.93)
Costs of hedging reserve		
Opening Balance	1,690.64	(1,709.87)
Change in deferred time value of foreign currency option structures	(7,325.51)	2,009.23
Amortisation of time value	4,106.16	2,534.96
Deferred tax relating to above (net)	810.26	(1,143.68)
Closing Balance	(718.46)	1,690.64



Notes to Accounts

(d) Fair Value Hedges

At 31st March 2025, Company has outstanding interest rate swap agreements of ₹13,995.70 crores (Previous year ₹15,950.70 crores) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e. notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

(₹ in Crores)					
Particulars	Fair value hedge	Notional amount	Carrying amount *	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Interest rate swap	13,995.70	(8.92)	Derivative financial instruments	212.41
As at 31-03-2024	- Interest rate swap	15,950.70	(221.33)	Derivative financial instruments	57.69

* Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.

The impact of the hedged item on the balance sheet is as follows:

(₹ in Crores)					
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 31-03-2025	- Subordinated Liabilities	4,230.16	(47.37)	Subordinated Liabilities	96.40
	- Institutional bonds	10,012.46	38.45	Debt Securities- Institutional Bonds	116.01
As at 31-03-2024	- Subordinated Liabilities	4,133.55	(143.77)	Subordinated Liabilities	34.39
	- Institutional bonds	11,960.91	(77.56)	Debt Securities- Institutional Bonds	23.30

The increase in fair value of the interest rate swap of ₹212.41 crores (Previous year ₹57.69 crores) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

50.6 Market Risk - Price risk

The Company is exposed to price risks arising from investments in quoted equity shares. The Company's investments are held for strategic rather than trading purposes.

Sensitivity Analysis

The table below represents the impact on OCI Gain / (Loss) for 5% increase or decrease in the respective prices on Company's equity investments, outside the group:

(₹ in Crores)				
Particulars	As at 31-03-2025		As at 31-03-2024	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	4.30	(4.30)	4.70	(4.70)
Impact on Profit and Loss account (PL)	4.53	(4.53)	3.82	(3.82)

51 Additional Disclosures in respect of derivatives

51.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)			
Particulars		As at 31-03-2025	As at 31-03-2024
(i)	The notional principal of swap agreements	1,07,505.58	72,128.13
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,056.25	1,367.71
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Refer Note Below	Refer Note Below
(v)	The fair value of the swap book	772.30	1057.96

REC, being NBFC has entered into swap agreements with Category-I, Authorized Dealers Banks only, in accordance with the RBI guidelines. All the swap agreements entered into with banks are well within the credit risk limit defined in the Board approved Risk Management Policy.

51.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives

Notes to Accounts

51.3 Quantitative Disclosures

(₹ in Crores)

Particulars	Currency Derivatives *		Interest Rate Derivatives **		Other Derivatives (Reverse cross currency swaps)***	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
(i) Derivatives (Notional Principal Amount)						
For hedging	1,65,416.77	1,24,233.76	1,07,505.58	72,128.13	-	-
(ii) Marked to Market Positions						
a) Asset (+)	16,375.93	11,114.31	1,056.25	1,367.71	-	-
b) Liability (-)	1,386.11	449.95	283.95	309.75	-	-
(iii) Credit Exposure	12,527.27	9,156.47	1,237.73	973.15	-	-
(iv) Unhedged Exposures	622.63	1,074.29	N.A.	N.A.	N.A.	N.A.

* Includes Full Hedge, Principal only Swap and Call Spread and Seagull Options

** Includes Interest Rate Derivatives as a strategy of cost reduction

*** Includes Reverse Cross Currency swap as a strategy of cost reduction

51.4 Refer Note No. 50.3 and 50.4 for Qualitative disclosures on Derivatives and Note No. 50.5 for disclosures related to Hedge Accounting.

52. RBI Scale Based Regulation (SBR) for NBFCs

RBI has introduced Scale Based Framework (SBR) for NBFCs effective from 01st October, 2022, categorising NBFCs in four layers based on their size, activity, and perceived risk. RBI has subsequently issued "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on 19th October, 2023. The Company being a government company, is categorised as NBFC – Middle Layer and is subject to the guidelines / regulation as mentioned in the Master Direction for NBFC-Middle Layer.

53. Disclosure of frauds reported during the Year

RBI has introduced RBI (Fraud Risk Management in NBFCs) Direction, 2024 effective from 15th July, 2024. There were NIL cases (31st March, 2024: 01 case) of frauds amounting to ₹NIL crores (31st March, 2024: ₹33.24 crore) reported during the year.

54. Exposure Related Disclosures

RBI, vide its letter dated 17th September 2010 had categorized REC Limited as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular DNBS.PD.CC.NO.168/03.02.089/2009-10 dated 12th February 2010. As an IFC, the total permissible exposure for lending and investing is 30% of Tier-I capital in case of a single borrower and 50% in case of a single group of borrowers, respectively. The exposure w.r.t outstanding loans to its borrowers as on date is within the prescribed norms.

54.1 Exposure to Real Estate Sector

The Company has no direct or indirect exposure to real estate sector as at 31st March 2025 (As at 31st March 2024 Nil).

54.2 Exposure to Capital Market

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in optionally convertible preference shares)	477.52	604.20
(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	-	-
(vii) Bridge loans to companies against expected equity flows/ issues	-	-
(viii) 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	-	-



Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds	-	-
Total Exposure to Capital Market	477.52	604.20

54.3 Sectoral Exposure

(₹ in Crores)

Sectors	As at 31-03-2025					As at 31-03-2024				
	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD
Industry										
Lending to Infrastructure Sector										
- Power	5,54,253.37	3,403.34	5,57,656.70	7,652.65	1.37%	5,05,636.77	2,449.98	5,08,086.75	13,810.33	2.72%
- Infrastructure and Logistic	20,638.62	140.55	20,779.18	-	-	9,727.33	52.36	9,779.69	-	-
Total Exposure	5,74,891.99	3,543.89	5,78,435.88	7,652.65	1.32%	5,15,364.10	2,502.34	5,17,866.44	13,810.33	2.67%

Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)

54.4 Intra-Group Exposures

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Total amount of intra-group exposures		
- Investment in equity shares of Subsidiary company	0.10	0.10
(ii) Total amount of top 20 intra-group exposures	0.10	0.10
(iii) Percentage of intra-group exposures to total exposure	-	-

54.5 The company does not have any financing of Parent Company products during the current and previous year.

54.6 Concentration of Advances, Exposures and Credit-impaired Assets

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Concentration of Advances		
Total Advances to twenty largest borrowers (₹in Crores)	3,26,580.55	3,08,299.02
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	57.61%	60.53%
(ii) Concentration of Exposures*		
Total Exposure to twenty largest borrowers (₹in Crores)	3,29,045.94	3,10,056.72
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	56.89%	59.87%
(iii) Concentration of Credit-impaired Assets		
Total Exposure to the top four Credit-impaired Assets (₹in Crores)	6,175.48	8,645.97

* Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)

55. Fair value disclosures

The carrying values of financial instruments measured at amortised cost and fair value by category are as follows:

(₹ in Crores)

Particulars	Note No.	As at 31-03-2025	As at 31-03-2024
Financial assets measured at fair value			
Derivative financial instruments measured at			
(i) Fair value through other comprehensive income (FVOCI)	8	17,044.69	12,019.60
(ii) Fair value through profit and loss (FVTPL)	8	387.49	462.42
Investments* measured at			

Notes to Accounts

Particulars	Note No.	As at 31-03-2025	As at 31-03-2024
(i) Fair value through other comprehensive income (FVOCI)	11	386.80	410.64
(ii) Fair value through profit and loss (FVTPL)	11	1,058.80	1,141.40
Financial assets measured at amortised cost			
Cash and cash equivalents	6	54.69	46.26
Bank balances (other than cash and cash equivalents)	7	1,695.15	2,452.44
Trade and Other Receivables	9	1.99	2.78
Loan Assets	10	5,59,088.08	4,99,192.05
Investments*#	11	5,195.92	3,768.17
Other financial assets	12	24,603.68	24,421.74
Total		6,09,517.29	5,43,917.50
Financial liabilities measured at fair value			
Derivative financial instruments measured at			
(i) Fair value through other comprehensive income (FVOCI)	8	1,670.06	759.70
(ii) Fair value through profit and loss (FVTPL)	8	-	-
Financial liabilities measured at amortised cost			
Trade Payable	19	34.6	18.91
Debt securities	20	2,92,474.93	2,66,109.92
Borrowings (other than debt securities)	21	1,94,300.16	1,72,092.05
Subordinated liabilities	22	9,514.16	7,412.21
Other financial liabilities	23	37,524.66	31,821.75
Total		5,35,518.57	4,78,214.54

* Investment in subsidiary are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

Amount includes investment in Redeemable Preference Shares of RattanIndia Power Limited net of impairment loss.

55.1 Fair values hierarchy

The fair value of financial instruments as referred above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

The Company's policy is to recognize transfers into and transfer out of fair value hierarchy at the date of event or change in circumstances that caused the transfer.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31-03-2025				As at 31-03-2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments*	86.06	-	300.74	386.80	93.91	-	316.73	410.64
Investments at FVTPL								
Equity investments	90.62	-	-	90.62	76.37	-	-	76.37
Perpetual Bonds	-	-	968.18	968.18	-	-	947.94	947.94
Debentures	-	-	-	-	-	-	117.09	117.09
Preference Shares**	-	-	-	-	-	-	-	-
Assets at FVOCI								
Derivative financial instruments	-	17,044.69	-	17,044.69	-	12,019.60	-	12,019.60
Assets at FVTPL								
Derivative financial instruments	-	387.49	-	387.49	-	462.42	-	462.42
Liability at FVOCI								
Derivative financial instruments	-	1,670.06	-	1,670.06	-	759.70	-	759.70



Notes to Accounts

Particulars	As at 31-03-2025				As at 31-03-2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liability at FVTPL								
Derivative financial instruments	-	-	-	-	-	-	-	-

* includes investments in Universal Commodity Exchange Ltd of ₹16.00 crores, fair valued at Nil.

** represents investments in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of RattanIndia Power Limited of ₹43.30 crores, fair valued at Nil.

Valuation Techniques for fair value disclosures (Level 1, Level 2 and Level 3)

- (A) **Investment in Quoted Equity Investments - Level 1** - Investment in listed equity instruments of NHPC Limited and RattanIndia Power Limited are measured at their readily available quoted price in the market.
- (B) **Derivative Financial Instruments - Level 2** - The fair value has been determined on the basis of mark to market value provided by the banks that have contracted to hedge the underlying risk. Such valuation is calculated using market observable inputs including forward exchange rates, interest rates corresponding to the maturity of the contract and implied volatilities.
- (C) **Investment in Perpetual Bond - Level 3** - The Company had made investments in perpetual bonds of Canara Bank, UCO Bank and Punjab National Bank which are quoted on NSE/BSE. The Company get the active market transactions (trading data) for these bonds available with NSE/BSE and valued these perpetual bonds based on trading price as well as by using Yield to Maturity rate(s) available with FIMMDA and rating of the investee banks.
- (D) **Investment in Unquoted Equity of Universal Commodity Exchange Limited (UCX) - Level 3** - Investment in unquoted equity shares of UCX is classified as Level 3. It has been carried at Nil value by the Company due to the company specific reasons. UCX was shut down in 2014, thereby, ceasing to exist as a going concern.
- (E) **Investment in Unquoted Equity of Energy Efficiency Services Limited (EESL) - Level 3** - Investment in unquoted equity shares of EESL is classified as Level 3. EESL ceases to be a Joint Venture (JV) with effect from September 01, 2021. The management decided to value such equity shares on the basis of valuation from independent valuer which have considered Market Multiple Method of valuation i.e. the valuation technique covered in IND AS 113.
- (F) **Investment in Unquoted Equity of Jhabua Power Limited (JPL) and JSW Energy (Utkal) Limited (JSWEUL) - Level 3** - Investment in unquoted equity shares of JPL and IBEUL are classified as Level 3. The company has been allotted equity shares of the borrower companies pursuant to their respective resolution plans. The management decided to value these equity shares on the basis of valuation from independent valuer which have considered Market Multiple Method of valuation i.e. the valuation technique covered in IND AS 113.
- (G) **Investment in Unquoted Preference Shares - Level 3** - Investment in unquoted OCCRPS of RattanIndia Power Limited (RIPL) are classified as Level 3. The company has been allotted OCCRPS of the borrower company pursuant to One Time Settlement arrangement executed on 23rd December 2019. The fair value has been taken as Nil as future cash flows are uncertain in such instruments. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.
- (H) **Investment in Optionally Convertible Debentures of R.K.M PowerGen Private Limited - Level 3** - Investment in unquoted Optionally Convertible Debentures (OCDs) of R.K.M PowerGen Private Limited are classified as Level 3, which have been allotted to the Company upon implementation of restructuring plan with the borrower. The fair value has been taken as Nil as such debentures are unsustainable in nature and future cash flows are uncertain. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.
- (I) **Investment in Optionally Convertible Debentures of Dans Energy Private Limited - Level 3** - Investment in unquoted Optionally Convertible Debentures (OCDs) of Dans Energy Private Limited are classified as Level 3, which have been allotted to the Company upon implementation of restructuring plan with the borrower. The fair value has been taken as Nil as such debentures are unsustainable in nature and future cash flows are uncertain. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

55.2 Reconciliation of Financial Instruments measured at Fair Value through Level 3 inputs

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

Particulars	For the Year ended 31 st March 2025				
	FVTPL ⁽ⁱⁱ⁾			FVOCI ⁽ⁱⁱⁱ⁾	Total
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	947.94	-	117.09	316.73	1,381.76
Received in Loan Settlement (Refer Note 10.3)	-	-	-	-	-
Investment/ (Settlement)	-	-	(347.93)	-	(347.93)
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income ⁽ⁱ⁾	20.24	-	-	-	20.24
Fair value changes	-	-	230.84	(15.99)	214.85
Closing Balance	968.18	-	-	300.74	1,268.92
Unrealised gain/ (loss) at year-end	20.25	-	-	(15.99)	4.26

Notes to Accounts

(₹ in Crores)

Particulars	For the Year ended 31 st March 2024				
	FVTPL ⁽ⁱⁱ⁾			FVOCI ⁽ⁱⁱⁱ⁾	Total
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	437.26	-	125.08	314.48	876.82
Received in Loan Settlement (Refer Note 10.3)	-	-	-	-	-
Investment/ (Settlement)	500.00	-	(18.92)	-	481.08
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income ⁽ⁱ⁾	10.68	2.73	10.93	-	24.34
Fair value changes	-	(2.73)	-	2.25	(0.48)
Closing Balance	947.94	-	117.09	316.73	1,381.76
Unrealised gain/ (loss) at year-end	19.94	-	10.94	(13.75)	17.13

Refer Note No. 11.5 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year

* represents investments in Redeemable Preference Shares of RattanIndia Power Limited of ₹43.30 crores, fair valued at Nil

⁽ⁱ⁾ forms part of line item 'Interest Income' in the Standalone Statement of Profit and Loss.

⁽ⁱⁱ⁾ 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.

⁽ⁱⁱⁱ⁾ Fair value gain/ (loss) on Investments at FVOCI forms part of line item 'Changes in Fair Value of FVOCI Equity Instruments' in the Standalone Statement of Profit and Loss.

55.3 There were no transfers between Level 1 and Level 2 during the year.

55.4 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	54.69	54.69	46.26	46.26
Bank balances (other than cash and cash equivalents)	1,695.15	1,695.15	2,452.44	2,452.44
Trade and Other Receivables	1.99	1.99	2.78	2.78
Loans	5,59,088.08	5,59,417.16	4,99,192.05	4,99,309.15
Investments	5,195.92	5,438.99	3,768.17	3,731.74
Other financial assets	24,603.68	24,603.17	24,421.74	24,421.44
Total	5,90,639.51	5,91,211.15	5,29,883.44	5,29,963.81
Financial liabilities				
Debt securities	2,92,474.93	2,91,142.61	2,66,109.92	2,62,207.61
Borrowings (other than debt securities)	1,94,300.16	1,94,412.84	1,72,092.05	1,72,017.85
Subordinated liabilities	9,514.16	9,710.47	7,412.21	7,475.35
Trade and other payables	34.60	34.60	18.91	18.91
Other financial liabilities	37,524.66	37,524.66	31,821.75	31,821.75
Total	5,33,848.51	5,32,825.18	4,77,454.84	4,73,541.48

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, contract assets and contract liability without a specific maturity.

Loans and advances to customers

Fair values of loan assets are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate



Notes to Accounts

interest rate estimates considering all significant characteristics of the loans. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Financial assets at amortised cost

The fair values of debt securities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2025 was assessed to be insignificant.

Investment in Government Securities (G-SEC) and State Development Loan (SDL)

The Company has made investments in G-SEC and SDL in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The market price of Government of India securities and state development loan is available as at reporting date and accrued interest from last coupon date to the reporting date is added to market price.

Investment in PSU Bonds

The Company has made investments in PSU Bonds in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The company has computed fair value using market inputs i.e. Yield of G-Sec bonds for similar remaining maturity or credit rating wise spread for PSUs for remaining maturity as per industry practice.

Investments in securities issued by Borrower entities at the time of Loan Settlement/ Resolution

The fair value has been derived by present value technique by discounting future cash flows at interest rate applicable to the borrowers. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

All other debt securities, borrowings and subordinated liabilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Investments Property

The Company obtains independent valuations for its investment properties annually. The fair values of investment property are determined by an independent registered valuer and the valuation technique adopted is Income approach.

56. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2025 (previous year Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

57. Related Party Disclosures

57.1 List of Related Parties

(1) Key Managerial Personnel	
Sh. Jitendra Srivastava	Chairman & Managing Director (Appointed w.e.f. 22 nd April, 2025)
Smt. Parminder Chopra	Chairman & Managing Director (Appointed w.e.f. 21 st March, 2025 and ceased w.e.f. 22 nd April, 2025)
Sh. Vivek Kumar Dewangan	Chairman & Managing Director (Ceased w.e.f. 21 st March, 2025)
Sh. V.K. Singh	Director (Technical)
Sh. Harsh Baweja	Director (Finance) (appointed w.e.f. 14 th May, 2024)
Sh. Shashank Misra	Government Nominee Director
Sh. Manoj Sharma	PFC Nominee Director
Dr. Gambheer Singh	Part Time Non-Official Independent Director (Ceased w.e.f. 15 th November, 2024)
Dr. Manoj M. Pande	Part Time Non-Official Independent Director (Ceased w.e.f. 15 th November, 2024)
Dr. Durgesh Nandini	Part Time Non-Official Independent Director (Ceased w.e.f. 27 th December, 2024)
Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director
Sh. J.S. Amitabh	Executive Director & Company Secretary
Shri Rajesh Kumar	Executive Director (Finance) (Designated as KMP w.e.f. 26 th October, 2024)
(2) Holding Company	
Power Finance Corporation Limited	
(3) Subsidiary Company	
REC Power Development and Consultancy Limited	
(4) Associates of REC Power Development and Consultancy Limited	
Chandil Transmission Limited	NERGS-I Power Transmission Limited
Dumka Transmission Limited	Kankani Power Transmission Limited

Notes to Accounts

Mandar Transmission Limited	ERES-XXXIX Power Transmission Limited
Koderma Transmission Limited	Bikaner A Power Transmission Limited
Luhri Power Transmission Limited	Bikaner B Power Transmission Limited
Rajasthan Part I Power Transmission Limited	Rajasthan IV 4A Power Transmission Limited
Shongtong Power Transmission Limited	Rajasthan IV 4B Power Transmission Limited
Meerut Shamli Power Transmission Limited	Tuticorin Power Transmission Limited
NERES XVI Power Transmission Limited	WRNES Talegaon Power Transmission Limited
Khavda IV-E2 Power Transmission Limited	RAJGARH III Power Transmission Limited
Jalpura Khurja Power Transmission Limited	Bhadla-III Power Transmission Limited
Kallam Transco Limited	Lakadia B Power Transmission Limited
Khavda II-D Transmission Limited	Bidar Transco Limited
Khavda IV C Power Transmission Limited	Khavda V-B1B2 Power Transmission Limited
Khavda IVA Power Transmission Limited	Ratle Kiru Power Transmission Limited
Khavda V-A Power Transmission Limited	Rajasthan V Power Transmission Limited
Rajasthan IV A Power Transmission Limited	Banaskantha Transco Limited
Rajasthan IV C Power Transmission Limited	Kurnool-IV Transmission Limited
Rajasthan IV H1 Power Transmission Limited	Mahan Transmission Limited
Rajasthan IV E Power Transmission Limited	Jejuri Hinjewadi Power Transmission Limited
Tumkur-II REZ Power Transmission Limited	Velgaon Power Transmission Limited
(5) Employment Benefit Trusts/ Funds	
REC Limited Contributory Provident Fund Trust	
REC Gratuity Fund	
REC Employees' Superannuation Trust	
REC Employees' Benevolent Fund	
REC Retired Employees' Medical Trust	
(6) Society registered for undertaking CSR Initiatives	
REC Foundation	
(7) Other Companies in which Key Managerial Personnel are Directors	
Samarpan Hospitals Private Limited	Part Time Non-Official Independent Director- Dr. Gambheer Singh-(Ceased w.e.f. 15 th November, 2024)
(8) Below mentioned related parties of the Ultimate Holding Company are also considered as related parties of REC:	
(a) Key Managerial Personnel of Holding Company	
Smt. Parminder Chopra	Chairman & Managing Director (w.e.f. 14 th August, 2023) and D(F) (till 13 th August, 2023)
Sh. Rajiv Ranjan Jha	Director (Projects)
Sh. Manoj Sharma	Director (Commercial)
Sh. Sandeep Kumar	Director (Finance) (appointed w.e.f 11 th July, 2024)
Sh. Ajay Tiwari	Government Nominee Director (Ceased w.e.f.25 th June, 2024)
Sh. Shashank Misra	Government Nominee Director (appointed w.e.f 25 th June, 2024)
Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director (Ceased w.e.f 23 rd December, 2024)
Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director (Ceased w.e.f 23 rd December, 2024)
Shri. Prasanna Tantri	Part Time Non-Official Independent Director (Ceased w.e.f 23 rd December, 2024)
Mr. Manish Kumar Agarwal	Company Secretary
(b) Subsidiary Companies of Holding Company	
PFC Consulting Limited (PFCL)	
PFC Projects Limited	
PFC Infra Finance IFSC Limited	
(c) Associates of Holding Company	
Bihar Mega Power Limited	Sakhigopal Integrated Power Company Limited
Orissa Integrated Power Limited	Ghogarpalli Integrated Power Company Limited
Jharkhand Infrapower Limited	Odisha Infrapower Limited
Coastal Tamil Nadu Power Limited	Deoghar Mega Power Limited



Notes to Accounts

Bihar Infrapower Limited	Cheyur Infra Limited
Deoghar Infra Limited	South Olpad Transmission Limited
Chhatarpur Transmission Limited	Siot Transmission Limited
Joda Barbil Transmission Limited	Gola B -Ramgarh B Transmission Limited
Ramakanali B -Panagarh Transmission Limited	Angul Sundargarh Transmission Limited
Bhuj II Transmission Limited	KPS III HVDC Transmission Limited
Navinal Transmission Limited	Bijapur REZ Transmission Limited
Chitradurga Bellary REZ Transmission Limited	Kudankulam ISTS Transmission Limited
Jam Khambhaliya Transmission Limited	Bhadla and Bikaner Complex Transmisssion Limited
Gadag II and Koppal II Transmission Limited	Wahipora and Sallar Transmission Limited
Bhuj ICT Transmission Limited	MEL Power Transmission Limited
Kandla GHA Transmission Limited	Kurnool III PS RE Transmission Limited
Raghanesda RE Transmission Limited	NER Expansion Transmission Limited
Mundra I Transmission Limited	Fatengarh II and Barmer I PS Transmission Limited
Anantapur II REZ Transmission Limited	Kakinada I Transmission Limited
NES Dharashiv Transmission Limited	NES Navi Mumbai Transmission Limited
NES Pune East New Transmission Limited	Barmer I Transmission Limited
Beawar - Mandsaur Transmission Limited	Bhadla-III & Bikaner-III Transmission Limited
Jamnagar Transmission Limited	Khavda PS1 And 3 Transmission Limited
Paradeep Transmission Limited	Pune- III Transmission Limited
Sirohi Transmission Limited	

57.2 Amount due from/ to the related parties

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Power Finance Corporation Limited (PFC)		
Other Financial Assets	2.82	0.51
Other Financial Liabilities- Unpaid Dividend	498.96	623.70
REC Power Development and Consultancy Limited (RECPDCL)		
Debt Securities	45.44	45.44
Other Financial Assets	7.18	5.80
Employment Benefit Trusts/ Funds		
Debt Securities	3.00	3.00
Subordinated Liabilities	3.70	2.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions	3.26	0.13
Other financial assets	34.78	23.55
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.13	0.30
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.15
REC Foundation		
Other non-financial assets (Advance to CSR Foundation)	1.67	1.25

The aggregate amount of sanctioned loans and advances by the Company to directors or senior officer or their relative or entities associated with directors and their relatives is NIL (previous year NIL), except Loan & Advances of ₹0.74 Crores (previous year ₹1.14 Crore) sanctioned to Key Managerial Personnel (KMP) under schemes applicable generally to the employees of the Company.

57.3 Maximum amount of loans/ advances/ investments outstanding during the year

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Power Finance Corporation Limited (PFC)		
Other Financial Assets	3.83	3.83
Other Financial Liabilities- Unpaid Dividend	623.70	623.70

Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
REC Power Development and Consultancy Limited (RECPDCL)		
Debt Securities	45.44	57.44
Other Financial Asset- Loans & Advances to Subsidiaries	7.18	8.34
Investment	0.10	0.10
Employment Benefit Trusts/ Funds		
Debt Securities	3.00	6.00
Subordinated Liabilities	3.70	2.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.16
Staff Loans & Advances	0.41	0.55
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.17
REC Foundation		
Other non-financial assets (Advance to CSR Foundation)	11.31	35.47

57.4 Transactions with the related parties :

Particulars	(₹ in Crores)	
	Year ended 31-03-2025	Year ended 31-03-2024
Power Finance Corporation Limited (PFC)		
Dividend Paid	2,952.17	1,503.80
Directors' Sitting Fee	0.11	0.05
Apportionment of Other Expenses/Administrative Expenses	4.12	0.69
REC Power Development and Consultancy Limited (RECPDCL)		
Apportionment of Employee Benefit and Other Expenses	17.35	18.39
Dividend Income	90.63	23.40
Rental Income	2.22	3.89
Other Income	3.75	3.00
Finance Costs - Interest Paid	3.70	3.71
Other Expenses	0.62	2.56
Employment Benefit Trusts/ Funds		
Contributions made by the Company	11.40	21.29
Finance Costs - Interest Paid	3.04	2.87
Subscription to the bonds of Company	1.00	2.00
Key Managerial Personnel (KMP)		
Recovery of Staff Loans & Advances	0.22	0.23
Disbursement of Staff Loans & Advances	-	0.35
Interest Income on Staff Loans	0.05	0.03
Finance Costs - Interest Paid	0.00	0.00
Employee Benefits Expense - Managerial Remuneration	3.78	3.51
Directors' Sitting Fee	0.35	0.40
Dividend paid	0.02	0.00
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Finance Cost	0.01	0.01
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	268.00	243.00



Notes to Accounts

57.5 Terms and conditions of transactions with related parties

The transactions with the related parties are being made at arm's length basis. The remuneration and the staff loans & advances to Key Managerial Personnel are in line with the service rules of the Company. The finance costs paid to the related parties are on account of their investments in the debt securities of the Company. The interest rate payable on such debt securities is uniformly applicable to all the bondholders. The Company also makes advances to its subsidiary company on account of apportionment of establishment and administrative expenses, which are recovered on quarterly basis. Even while the outstanding balances of subsidiary company at the year-end are unsecured, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is made on the basis of short-term realisation of the advances so given.

57.6 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

		(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024	
(i) Short-term employee benefits	3.48	3.24	
(ii) Post employment benefits	0.30	0.27	
Total	3.78	3.51	

As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Company as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in the above table. Gratuity and compensated absence, are included based on actual payment in respective year based in the above table.

57.7 Disclosure in respect of entities under the control of the same government (Government related entities)

List of Government related entities

Entities/ Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government or State Public Sector Undertaking in which Central Government has significant influence. List of Government related entities with which the Group has done transactions, includes but not limited to:

Bihar Grid Company Limited
 Damodar Valley Corporation
 HPCL Rajasthan Refinery Limited
 Nabinagar Power Generating Co. Pvt. Limited
 Neyveli Uttar Pradesh Power Limited
 NTPC Tamil Nadu Energy Company Limited
 Patratu Vidut Utpadan Nigam Limited
 Tusco Limited
 SJVN Thermal Pvt. Limited
 SJVN Limited
 Energy Efficiency Services Limited (EESL)
 Himachal Renewables Limited
 Chenab Valley Power Projects Private Limited
 Power Foundation of India

Aggregate transactions with such government related entities are as under:

		(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024	
Disbursement of Loans	7,113.40	5,443.35	
Interest income recognised	2,526.56	2,039.94	
Other Expenditure- REC's contribution to Power Foundation	5.00	5.00	

Aggregate balance outstanding from such government related entities are as under:

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
Loan Assets	31,796.82	25,554.99	
LoU & LoC (Non Fund Based)	2.33	-	
Interest Accrued	60.66	48.72	

Refer Note No. 12, 21, 23, 34 and 47 in respect of material transactions with the Central Government.

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 administrative expenses, expenses on Government Programmes, etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

Notes to Accounts

57.8 Related Party Transactions where Ultimate Beneficiary is Subsidiary Company i.e. REC Power Development and Consultancy Limited

a) ANVIL Cables Private Limited

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Sanction of Letter of Undertaking	5.61	19.80
Sanction of Loan	119.71	119.71
Disbursement of Loan	33.51	83.79
Repayment of Loan	98.99	18.31

b) RS Infra Projects Private Limited

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Sanction of Loan	-	57.96
Disbursement of Loan	-	38.67
Repayment of Loan	-	38.67

c) Techno Electric & Engineering Company Limited

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Sanction of Loan	-	48.06

d) Lumino Industries Limited

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Sanction of Loan	-	28.37

e) Transrail Lighting Limited

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Sanction of Loan	-	53.00

58. Disclosures in respect of Ind AS 116 'Leases'

During the year ended 31st March, 2025, the expenses relating to short-term leases are ₹12.44 crores (previous year ₹8.23 crores). The total cash outflow towards all leases, including Right-of-Use Assets is ₹12.44 crore. (previous year ₹8.25 crore).

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the year:

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Opening Balance	-	0.02
Finance cost accrued during the year	-	-
Payments made during the year	-	(0.02)
Closing Balance	-	-

59. Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits'

59.1 Defined Contribution Plans

A. Defined Contribution Superannuation Scheme

The Company pays fixed contribution towards superannuation scheme at pre-determined rates to NPS Trust which invests the funds in the permitted securities. The balance with the NPS Trust/ separate trust includes the monthly contributions in the members' account along with the accumulated returns. When the pension becomes payable to the member, the amount standing to the credit of the member is appropriated towards the member's accumulation and annuities, as opted for by the member.

The Company has recognised an expense of ₹11.08 crores (previous year ₹8.95 crores) towards defined contribution plans

59.2 Defined Benefit Plans - Post-Employment Benefits

A. Provident Fund

The Company pays fixed contribution of Provident Fund at pre-determined rates to a separate registered trust which invests the funds in permitted securities. The trust declares the rate of interest on contribution to the members based upon the returns earned on its investments during the year, subject to minimum interest rate specified by Employees' Provident Fund Organisation. Any shortfall in the specified interest rate and returns earned on investments of the trust, for payment of interest to members, is to be compensated by the Company. The Company's obligation towards provident fund is determined and provided for on the basis of actuarial valuation as per IND AS 19 on Employee Benefits. The details of the fair value of plan assets and obligations are as under :



Notes to Accounts

Net Defined Benefit (Asset)/ Liability

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation	313.04	297.79
Fair Value of Plan Assets	317.40	298.03
Net Defined Benefit (Asset)/ Liability	(4.36)	(0.24)

Movement in net defined benefit (asset)/ liability

	(₹ in Crores)					
Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	297.79	276.16	298.03	281.00	(0.24)	(4.84)
Included in profit or loss						
Current service cost	11.10	9.58	-	-	11.10	9.58
Past service cost	-	-	-	-	-	-
Interest cost / income	24.01	22.63	24.17	23.12	(0.16)	(0.49)
Total amount recognised in profit or loss	35.11	32.21	24.17	23.12	10.94	9.09
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	1.36	0.51	5.31	(4.57)	(3.95)	5.08
Total amount recognised in OCI	1.36	0.51	5.31	(4.57)	(3.95)	5.08
Contribution by participants	16.98	16.35	16.98	16.35	-	-
Contribution by employers	-	-	11.10	9.58	(11.10)	(9.58)
Net Liability transferred In / (Out)	9.97	14.80	9.97	14.80	-	-
Benefits paid	(48.16)	(42.24)	(48.16)	(42.25)	-	0.01
Closing Balance	313.05	297.79	317.40	298.03	(4.35)	(0.24)

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹0.20 crores on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability of Gratuity is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation	28.54	27.31
Fair Value of Plan Assets	25.28	27.18
Net Defined Benefit (Asset)/ Liability	3.26	0.13

Movement in net defined benefit (asset)/ liability

	(₹ in Crores)					
Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	27.31	29.23	27.18	26.55	0.13	2.68
Included in profit or loss						
Current service Cost	1.34	1.08	-	-	1.34	1.08
Past service cost	2.73	-	-	-	2.73	-
Interest cost / income	1.78	1.99	1.93	1.94	(0.15)	0.05
Total amount recognised in profit or loss	5.85	3.07	1.93	1.94	3.92	1.13
Included in OCI						

Notes to Accounts

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	0.76	0.40	-	-	0.76	0.40
- Actuarial loss (gain) arising from Experience adjustments	(0.64)	(0.89)	-	-	(0.64)	(0.89)
Return on plan assets excluding interest income	-	-	0.78	0.51	(0.78)	(0.51)
Total amount recognised in OCI	0.12	(0.49)	0.78	0.51	(0.66)	(1.00)
Contribution by employers	-	-	0.13	2.68	(0.13)	(2.68)
Benefits paid	(4.74)	(4.50)	(4.74)	(4.50)	-	-
Closing Balance	28.54	27.31	25.28	27.18	3.26	0.13

C. Post Retirement Medical Facility (PRMF)

The Company has Post Retirement Medical Facility under which the entitled retired employees and their dependent family members are covered as per Company Rules. The scheme is funded by the Company and is managed by separate trust. The liability towards the same is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

Particulars	As at 31-03-2025		As at 31-03-2024	
	As at 31-03-2025		As at 31-03-2024	
Present value of Defined benefit obligation	176.86		171.28	
Fair Value of Plan Assets	211.64		194.83	
Net Defined Benefit (Asset)/ Liability	(34.78)		(23.55)	

Movement in net defined benefit (asset)/ liability

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	171.28	164.67	194.83	179.78	(23.55)	(15.11)
Included in profit or loss						
Current service Cost	6.60	5.10	-	-	6.60	5.10
Past service cost	-	-	-	-	-	-
Interest cost / income	11.86	11.73	13.81	13.14	(1.95)	(1.41)
Total amount recognised in profit or loss	18.46	16.83	13.81	13.14	4.65	3.69
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(13.32)	(5.30)	-	-	(13.32)	(5.30)
- Actuarial loss (gain) arising from Experience adjustments	14.65	8.28	-	-	14.65	8.28
Return on plan assets excluding interest income	-	-	2.89	1.85	(2.89)	(1.85)
Total amount recognised in OCI	1.33	2.98	2.89	1.85	(1.56)	1.13
Contribution by participants	0.10	0.06	0.11	0.06	(0.01)	-
Contribution by employers	-	-	-	-	-	-
Benefits paid	(14.31)	(13.26)	-	-	(14.31)	(13.26)
Closing Balance	176.86	171.28	211.64	194.83	(34.78)	(23.55)



Notes to Accounts

D. Economic Rehabilitation Scheme (ERS)

The Company has an Economic Rehabilitation Scheme (ERS) to support the family financially in case of permanent disability/ death of an employee during the service tenure. This scheme is unfunded and the liability is determined based on actuarial valuation.

Net Defined Benefit (Asset)/ Liability for ERS

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation		
- ERS	6.70	4.92

Movement in net defined benefit (asset)/ liability for ERS

Particulars	(₹ in Crores)	
	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	4.92	4.17
Included in profit or loss		
Current service Cost	0.39	0.30
Interest cost / income	0.33	0.28
Total amount recognised in profit or loss	0.72	0.58
Included in OCI		
- Actuarial loss (gain) arising from changes in financial assumptions	0.25	0.12
- Actuarial loss (gain) arising from Experience adjustments	1.21	0.74
Total amount recognised in OCI	1.46	0.86
Benefits paid	(0.40)	(0.69)
Closing Balance	6.70	4.92

59.2.1 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) Asset volatility

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 and macro-economic factors.

(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 market yields at the end of the reporting period. A decrease in discount rate will increase present values of defined benefit obligations, although this will be partially offset by an increase in the value of the plans' investments.

(iii) 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 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/ Withdrawal risk

The present value of the defined benefit plan liability is calculated by reference to the expected withdrawal rate in the future. As such, if the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the plan's liability.

59.2.2 Plan Assets

The fair value of plan assets at the end of reporting period for each category, are as follows:

Particulars	(₹ in Crores)					
	Provident Fund		Gratuity		PRMF	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
Cash & Cash Equivalents	7.10	0.62	0.36	0.07	4.34	3.94
Quoted Plan Assets						
Equity Instruments	23.81	20.53	1.02	0.99	-	-
State Government Debt Securities	127.60	127.64	10.22	10.22	41.76	41.63
Central Government Debt Securities	42.56	45.94	-	-	-	-
Corporate Bonds/ Debentures	116.33	103.30	9.34	9.35	165.54	149.25
Sub-total - Quoted Plan Assets	310.30	297.41	20.58	20.56	207.30	190.88

Notes to Accounts

Particulars	Provident Fund		Gratuity		PRMF	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
Unquoted Plan Assets						
Others - Insurer managed funds & T-bills	-	-	4.34	6.55	-	-
Sub-total - Unquoted Plan Assets	-	-	4.34	6.55	-	-
Total	317.40	298.03	25.28	27.18	211.64	194.82

Actual return on plan assets is ₹43.58 crores (previous year ₹ 40.56 crores)

59.2.3 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 31st March, 2025 by M/s Transvalue Consultants. 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 (PUCM). The principal assumptions used for actuarial valuations are:-

Particulars	Provident Fund		Gratuity		PRMF		ERS	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Method Used	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM
Discount Rate	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%
Expected Return on Plan Assets, if funded	8.26%	8.24%	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%
Future Salary Increase / medical inflation			6.00%	6.00%	4.50%	5.50%	6.00%	6.00%
Expected average remaining working lives of employees (years)			21.17	20.07	21.17	20.07	21.17	20.07
Mortality Rate			IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover / Withdrawal Rate			0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

The principal assumptions are the discount rate, salary growth rate and expected average remaining working lives of employees. The discount rate is generally based on the market yields available on Government bonds at the reporting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotions and other relevant factors as long term basis. The above information is certified by the Actuary.

59.2.4 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at 31-03-2025		As at 31-03-2024	
	Increase		Increase	
	Decrease		Decrease	
Discount rate (0.50% movement)				
- Gratuity	(1.11)	1.21	(0.89)	0.97
- PRMS	(8.87)	9.77	(9.23)	9.86
- ERS	(0.36)	0.39	(0.20)	0.22
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.23	(0.15)	0.17	(0.17)
- PRMS	-	-	-	-
- ERS	0.24	(0.23)	0.18	(0.16)
Medical inflation Rate (0.50% movement)				
- PRMS	9.89	(9.04)	9.92	(9.06)
Medical Cost (10% movement)				
- PRMS	17.64	(17.54)	17.24	(17.08)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.



Notes to Accounts

59.2.5 Expected maturity analysis of the defined benefit plans in future years

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
Less than 1 year	5.99	5.15	16.23	15.20	1.10	0.95
From 1 to 5 years	11.47	12.52	90.62	84.88	3.09	2.61
Beyond 5 years	44.85	37.67	422.40	329.93	6.30	5.21
Total	62.31	55.34	529.25	430.01	10.49	8.77

59.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Provident Fund		Gratuity		PRMF	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Expected contribution	-	-	5.14	1.48	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.51 years (as at 31.03.2024 is 11.78 years).

59.3 Other Long-term Employee Benefits

59.3.1 Earned Leave and Half Pay 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, while there is no limit for accumulation of half pay leave. Total expenses amounting to ₹10.85 crores (Previous year 8.58 crores) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

59.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to ₹1.27 crores (previous year ₹2.15 crores) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

59.4 Employee benefits including Gratuity, PRMF, 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.

59.5 The Company is managing all the superannuation schemes i.e Contributory Provident Fund (CPF), Gratuity, Pension and Post-Superannuation / Retirement Medical Benefits (PSMB/PRMB) within the overall limit, as prescribed by Department of Public Enterprises (DPE) from time to time.

60. Status of Documentation Subsequent to Unbundling of SEBs/Utilities

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.

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 (UTs) – Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of J&K have been restructured vide unbundling order dated 23rd October 2019. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documentation, the existing loans for Generation, T&D and Government schemes are being serviced / repaid in line with the existing loan agreements.

Status of Documentation Subsequent to Reorganisation of the State of Andhra Pradesh

Subsequent to the reorganisation of erstwhile State of Andhra Pradesh, the state of Telangana has been formed on 2 June 2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal Gazette Notification.

Status of Documentation is as under:

- Wherever 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).
- Wherever 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.
- Wherever 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.
- Once the final transfer scheme is notified through Gazette Notification by Government, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

Status of Documentation Subsequent to Trifurcation of TANGEDCO

Government of Tamil Nadu vide G.O.No.6 & G.O.No 7 dated 24 January, 2024 ordered the trifurcation of TANGEDCO into 3 entities i.e. (i) the existing company TANGEDCO would be renamed as Tamil Nadu Power Distribution Corporation Limited (TNPDC) and continue to carry on distribution

Notes to Accounts

business (ii) Formation of Tamil Nadu Power Generation Company Limited (TNPGL) for carrying out thermal & gas power generation business and (iii) Tamil Nadu Green Energy Corporation Limited (TNGECL) to carry out the green power generation business. Pursuant thereto, the two new entities viz. TNPGL and TNGECL were formed on 09.02.2024 and 10.02.2024 respectively.

Thereupon, Government of Tamil Nadu vide G.O.No.32 dt.06th March, 2024 ordered provisional transfer of assets and liabilities among three companies namely TNPGL, TNGECL and TNPDL. As per the order, the transfer of Assets and Liabilities are provisional in nature for one year and final transfer of assets and liabilities would be notified subsequently.

In terms of the aforesaid notifications, tripartite agreements dated 29th May 2024 were executed between (i) REC, TANGEDCO and TNGECL (in respect of green energy loans of erstwhile TANGEDCO) and (ii) REC, TANGEDCO and TNPGL (in respect of thermal and gas power business of erstwhile TANGEDCO) wherein TNGECL and TNPGL have agreed to repay the respective portion of their loan amounts as per the loan documents executed by REC with erstwhile TANGEDCO. Final documentation with the new entities would be executed with the respective entities based upon the final notification issued by Govt. of Tamil Nadu.

61 Modifications in the Material Accounting Policies

The company has continued to follow the same accounting policies as was followed during the financial year ended 31-03-2024 and has added accounting policies on investment property in note no. 3.7 and recoveries from written-off financial assets in note no. 3.12. Further, certain accounting policies have been reworded to bring in more clarity and align with company's practice. There is no financial impact of such modification carried out in the accounting policies.

62 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Impairment Loss Allowance for loans*	886.24	(1,367.07)
(ii) Impairment Loss Allowance for Investments	3.26	-
(iii) Impairment Loss Allowance for Other Receivables	129.91	8.68
(iv) Provision made for Income Tax	4,146.57	3,761.43

* includes ₹-13.54 crores (Previous year ₹16.14 crores) towards impairment allowance on Letter of Comfort.

63 The Company's operation comprise of only one business segment - lending to power, logistic and infrastructure sector. Hence, there is no other reportable segment in terms of Indian Accounting Standard (Ind-AS) 108 "Operating Segments". Based on "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

63.1 Information about Revenue from major products and services

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(A) Income from Loan Assets	54,660.83	45,954.08
(B) Fee for Implementation of Government Schemes	53.79	114.49
(C) Income from Treasury Operations	730.62	572.27
Total	55,445.24	46,640.84

63.2 The Company does not have any reportable geographical segment as the lending operations of the Company are carried out within the country.

63.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2024-25 and 2023-24.

63.4 In line with the RBI Scale Based Regulations and accounting policy of the Company and on a prudent basis, the Interest Income on net of provision Credit Impaired Loan Assets (Stage III) of Rs. 2,163.17 Crores (Previous Year Rs. 4,356.53 Crores) has not been recognized.



Notes to Accounts

64. Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	54.69	-	46.26	-
(b) Bank balances other than (a) above	1,695.15	-	2,452.44	-
(c) Derivative financial instruments	2,637.20	14,794.98	1,995.61	10,486.41
(d) Trade and Other Receivables	1.99	-	2.78	-
(e) Loans	1,00,475.55	4,58,612.53	84,849.07	4,14,342.98
(f) Investments	156.00	6,485.62	113.21	5,207.10
(g) Other financial assets	432.51	24,171.17	267.42	24,154.32
Total - Financial Assets (1)	1,05,453.09	5,04,064.30	89,726.79	4,54,190.81
(2) Non-Financial Assets				
(a) Current tax assets (net)	-	398.98	-	294.42
(b) Deferred tax assets (net)	-	2,852.75	-	2,485.46
(c) Investment Property	-	48.24	-	-
(d) Property, Plant & Equipment	-	578.16	-	630.21
(e) Capital Work-in-Progress	-	76.01	-	23.59
(f) Other Intangible Assets	-	1.84	-	0.52
(g) Other non-financial assets	82.10	-	88.54	-
Total - Non-Financial Assets (2)	82.10	3,955.98	88.54	3,434.20
(3) Assets classified as held for sale	0.01	-	0.05	-
Total ASSETS (1+2+3)	1,05,535.20	5,08,020.28	89,815.38	4,57,625.01
LIABILITIES				
(1) Financial Liabilities				
(a) Derivative financial instruments	844.66	825.40	338.08	421.62
(b) Trade and Other Payables	34.60	-	18.91	-
(c) Debt Securities	33,578.27	2,58,896.66	48,241.27	2,17,868.65
(d) Borrowings (other than debt securities)	51,565.83	1,42,734.33	43,071.37	1,29,020.68
(e) Subordinated Liabilities	333.79	9,180.37	321.21	7,091.00
(g) Other financial liabilities	13,415.36	24,109.30	7,712.45	24,109.30
Total - Financial Liabilities (1)	99,772.52	4,35,746.05	99,703.29	3,78,511.25
(2) Non-Financial Liabilities				
(a) Current tax liabilities (net)	-	-	66.51	-
(b) Provisions	70.22	66.57	79.57	57.00
(c) Other non-financial liabilities	175.29	86.86	145.55	94.07
Total - Non-Financial Liabilities (2)	245.51	153.43	291.63	151.07
Total LIABILITIES (1+2)	1,00,018.03	4,35,899.48	99,994.92	3,78,662.32

65. Previous year figures have been reclassified/ regrouped to conform to the current classification.

66. There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

67. The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

68. The disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 have been made in Note No. 3, 8, 10, 11, 22.1, 28, 29.1, 46, 49, 50, 50.1.3 (M), 50.1.3 (N), 50.1.3 (O), 50.1.3 (P), 50.1.3 (Q), 50.1.3 (R), 50.1.3 (S), 50.1.3 (T), 50.1.3 (U), 50.1.3 (V), 50.2.2, 50.2.4, 50.3, 51, 52, 53, 54, 57, 61, 62, 63, 66, 67, 69, 71.

Notes to Accounts

69. No penalties have been levied on the company by any regulator during the year ended 31st March 2025 (previous year Nil). However, during the year, the Company has received notices from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) imposing a total fine of ₹0.18 crore (previous year ₹0.43 crore) (inclusive of GST) for non-compliance on the corporate governance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the position/quorum requirements of Board/ Committees, due to inadequate number of Independent Directors.

The Company has requested the Stock Exchanges to waive the fine since the power to appoint Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors of the Company cannot appoint Independent Directors on the Board of the Company. As such, there is no violation on the part of the Company in the appointment of Independent Directors. The Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by BSE & NSE after complying with the requirement.

70. During the year, the Company does not have any transactions with the companies struck off u/s 248 of Companies Act, 2013 as on 31st March 2025 (as on 31st March 2024- Nil).

71. No complaints have been received by the Company from the customers or Offices of Ombudsman during the year ended 31st March 2025 (previous year Nil).

72. Figures in Rupees have been rounded off to the nearest crores with two decimals, unless expressly stated.

The Notes to Accounts 1 to 72 are an integral part of the Standalone Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi

Date: May 08, 2025



REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Annexure to be enclosed with Balance Sheet as at 31st March 2025

(As prescribed by Reserve Bank of India)

(Particulars set out in Annexure- VIII of RBI's (Non-Banking Financial Company - Scale Based Regulation) Directions dated 19.10.2023, as updated from time to time, in so far as they are applicable to the Company)

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
LIABILITIES SIDE:				
(1) Loans and advances availed by the NBFC				
inclusive of interest accrued thereon but not paid:				
(a) Debentures/ Bonds :				
- Secured	54,765.34	-	55,244.21	-
- Unsecured	2,47,816.42	-	2,19,135.12	-
(b) Term Loans				
- Unsecured Loans from NSSF	10,325.12		10,325.12	
- Unsecured Loans from Banks	41,887.00		50,620.49	
- Unsecured Loans from Financial Institutions	2,500.00		8,072.29	
(c) Commercial Paper	-	-	-	-
(d) Other Loans				
- Foreign Currency Borrowings	95,172.85	-	67,597.00	-
- FCNR (B) Loans	43,200.30	-	25,151.29	-
- Overdrafts from Bank	570.78	-	267.44	-
- Short Term Loans/ Loans Repayable on Demand	1,600.32		10,883.04	
- Lease Obligations	-		-	
ASSETS SIDE :				
(2) Break-up of Loans and Advances including bills receivables				
(a) Secured		5,25,654.96		4,72,151.03
(b) Unsecured		41,228.32		37,219.92
Less: Impairment loss allowance		(10,795.76)		(12,380.52)
Loans and advances (net of provision)		5,56,087.52		4,96,990.43
(3) INVESTMENTS :				
Investments carried at Cost/Amortised Cost:				
Quoted:				
(i) Shares : Equity		-		-
(ii) Debentures and Bonds		3,346.91		1,930.03
Less: Impairment Loss allowance		2.31		-
Quoted Debentures and Bonds (net of provision)		3,344.60		
(iii) Government Securities		1,621.86		1,624.08
Unquoted:				
(i) Shares : Equity		0.10		0.10
(ii) Debentures and Bonds		230.41		214.06
Less: Impairment Loss allowance		0.95		-
Unquoted Debentures and Bonds (net of provision)		229.46		

Particulars	As at 31-03-2025		As at 31-03-2024	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(iii) Government Securities		-		-
(iv) Preference Shares		28.72		28.72
Less: Impairment Loss allowance		(28.72)		(28.72)
Unquoted Preference Shares (net of Provision)		-		-
Investments carried at Fair Value:				
Quoted:		176.68		170.28
(i) Shares : Equity		968.18		947.94
(ii) Debentures and Bonds				
Unquoted:				
(i) Shares : Equity		300.74		316.73
(ii) Debentures and Bonds		-		117.09

(4) Borrower Group-wise classification of assets financed in (2) above:

(₹ in Crores)

Particulars	Amount Net of Provisions			
	Secured	Unsecured	Provision	Total
As at 31-03-2025				
1. Related Parties	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	5,25,654.96	41,228.32	(10,795.76)	5,56,087.52
Total	5,25,654.96	41,228.32	(10,795.76)	5,56,087.52
As at 31-03-2024				
1. Related Parties	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	4,72,151.03	37,219.92	(12,380.52)	4,96,990.43
Total	4,72,151.03	37,219.92	(12,380.52)	4,96,990.43

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	0.10	0.10	0.10	0.10
2. Other than Related Parties	6,884.59	6,641.52	5,283.78	5,320.21
Total	6,884.69	6,641.62	5,283.88	5,320.31



(6) Other Information

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Gross Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	7,652.65	13,810.33
(ii) Net Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	2,163.17	4,356.53
(iii) Asset acquired in satisfaction of debts	130.43	394.18

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi

Date: 08th May, 2025

Independent Auditors' Report

To
The Members of
REC Limited
Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of REC Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of material accounting policies (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2025, of its consolidated Profit (including other comprehensive Income), consolidated changes in equity and consolidated cash flows for the year then ended on that date.

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 Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS 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 following matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matter	Auditor's Response
1.	Impairment allowance of Loan Assets – (Refer Note No. 52.1.3 to the Consolidated Ind AS Financial Statements read with accounting policy No. 3.14) The Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance. The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management. Further the management has adopted a methodology which in addition to the model adopted as above is further analyzed on case to case basis and wherever impairment impact need to be changed the same is considered in the financial statements.	We have applied following audit procedures in this regard a) Evaluation and testing of the key internal control mechanisms with respect to the loan assets monitoring, assessment of the loan impairment including testing of relevant data quality, and review of the real data entered. b) We have obtained the report of the external agency and verified the criterion/framework with various regulatory updates along with Company's internal guidelines and procedures in respect of the impairment allowance. c) Verification of loan assets on test check basis covering substantial part of total loans with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment considering management perception on the same. d) Recoveries are verified applying the standard audit procedures to ascertain level of stress. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. e) Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. f) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases.
2.	Fair valuation of Derivative Financial Instruments (Refer Note No. 8 to the Consolidated Ind AS Financial Statements read with accounting policy No. 3.13) The Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with the Company's board approved currency risk management policy. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of cash flow hedge is recognised in the Other Comprehensive Income. In view of significance and impact on the financial statements we have considered the fair valuation of the derivative financial instruments as a key audit matter.	We have applied following audit procedure in this regard: a) Discussing and understanding management's perception and studying policy of the Company for risk management. b) Verification of fair value of derivative in term of Ind AS 109 "Financial Instruments". c) Evaluation of key internal control over classification of derivative instruments. d) The Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on March 31, 2025, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under cash flow hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109.



The following key audit matters with respect audit opinion on the financial statement of REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited), a wholly owned subsidiary company has been reported by the component auditor vide their report dated 3rd May 2025 and has been reproduced by us as under:

S. No.	Key Audit Matter	Auditor's Response
1.	a. Valuation of account Receivable in view of risk of Credit loss (refer to Note No. 44 "Financial Instruments" and note no. 12 "Trade Receivable") Account receivables is a significant item in the Company's financial statements as at March 31, 2025 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment, of the estimated credit losses basis credit risk, project status, past history, latest discussion/correspondence with the customer. Given the relative significance of these receivables to the Financial Statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter. b. Accuracy and Completeness of Trade Payable's Balances The accuracy and completeness of Trade Payable as at 31st March 2025 was considered a key audit matter due to the significance of the balance and the associated risk.	Principal Audit Procedures Our audit incorporated the following procedure with regards to provisioning of receivables: - Understood and evaluated the accounting policy of the Company. - We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. - Inquired with senior management regarding status of collectability of the receivable. - For Material balances, the basis of provision was discussed with the management. - Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time. - Reviewing reconciliations performed by management for material differences.
2.	Accuracy of recognition measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with customers" The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Refer Notes 3.2 and 39 to the Financial Statement.	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We carried out the following procedures - Understand the design of internal controls relating to implementation of the new revenue accounting standard. - Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. - Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. - Selected a sample of continuing and new contracts and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts. - Compared this performance obligation with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the Company. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and serving offering.

Information Other than the Consolidated Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Business Responsibility and Sustainability Report and Management Discussion and Analysis etc. in the Annual report but does not include the Consolidated Ind AS Financial Statements and our Auditors' Report thereon. Such other information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Management and Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 Act, 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the consolidated Ind AS 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 Auditors' Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 entity within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entity included in the consolidated Ind AS financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements of which we are the independent auditors 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 Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our Auditors' 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.

Other Matter

1. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹ 1,000.76 Crores (₹ 805.59 Crores as at 31st March 2024) as at 31st March 2025, total revenues of ₹ 506.79 Crores (Previous year ₹ 357.82 Crores) and net cash flows amounting to ₹ (37.63) Crores (Previous year ₹ 206.80 Crores) for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements, total net profit after tax of ₹ 261.65 crores (Previous Year ₹ 149.64 crores) and total comprehensive income of ₹ 261.65 crores (Previous Year ₹ 149.64 crores). This financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the Consolidated Ind AS 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 and the report of the other auditor and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, 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 Ind AS Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Changes in Equity and the Statement of Consolidated 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 Ind AS Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) As per Notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in "Annexure-A".
- (g) As per Notification no. G.S.R. 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 197 of the Act are not applicable to the holding/subsidiary company, since it is a Government Company.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements as also the other financial information of the subsidiary:
 - i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 47 to the Consolidated Ind AS Financial Statements.
 - ii) According to the information and explanations given to us, the Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - 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 company.
 - iv) (a) The respective Managements of the Company and its subsidiary has represented (refer Note No. 10.5) 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 Group to or in any other person or entity, including foreign entity ("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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the Company and its subsidiary (refer Note No. 10.5), that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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;
 - (c) Based on the audit procedures that have been 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) of the Companies (Audit and Auditors) Rules, 2014 as amended and provided under (a) and (b) above, contain any material misstatement.

- (v) The dividend declared, paid and proposed during the year by the Holding Company till the date of this report is in compliance with section 123 of the Act.
- (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. With respect to the matters specified in clause (xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors' Report, we report that according to the information and explanations given to us, and based on the CARO report issued by us for the Company and report issued by the auditor of its subsidiary included in the consolidated financial statements, there are no qualifications or adverse remarks in such reports except as disclosed in **Annexure-B**.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTL7325

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQD6588



Annexure-A to the Independent Auditors' Report of even date on the consolidated Ind AS financial Statements of REC Limited

Report on the Internal Financial Controls 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 Ind AS financial statements of the Company as of and for the year ended 31st March 2025, we have audited the internal financial controls over financial reporting of REC Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group and 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the subsidiary, incorporated in India,

in terms of their report 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 Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Group'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 financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Group; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

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.

Opinion

In our opinion, the holding company, its subsidiary, which are companies incorporated in India, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2025, based on the internal control over financial reporting criteria established by the Group 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company, which is incorporated in India, is based on the corresponding report of the auditor of such company.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTL7325

Place: New Delhi
Date: 8th May 2025

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMLQD6588

Annexure-B to the Independent Auditor's Report

(Referred to in paragraph 2 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the REC Limited on the Consolidated Ind AS Financial Statements for the year ended 31st March 2025)

According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

Sl. No.	Name of the entity	CIN	Holding Company/Subsidiary/ Joint Venture/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	REC Power Development and Consultancy Limited	U40101DL2007GOI165779	Subsidiary Company	Clause xiv(b)*

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 25167453BMLKTL7325

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 25087010BMMLQD6588

Place: New Delhi
Date: 8th May 2025



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 REC LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of consolidated financial statements of REC Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 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 08 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of REC Limited for the year ended 31 March 2025 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of REC Limited and REC Power Development Consultancy Limited 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**

**Tanuja Mittal
Director General of Audit (Energy)**

**Place: New Delhi
Date: 25.07.2025**

Consolidated Balance Sheet as at 31st March 2025

			(₹ in Crores)	
S. No.	Particulars	Note No.	As at 31-03-2025	As at 31-03-2024
ASSETS				
(1)	Financial Assets			
(a)	Cash and cash equivalents	6	233.57	262.75
(b)	Bank balances other than (a) above	7	2,109.80	2,699.75
(c)	Derivative financial instruments	8	17,432.18	12,482.02
(d)	Receivables	9		
	-Trade receivables		235.13	153.82
	-Other receivables		1.99	2.78
(e)	Loans	10	5,59,088.08	4,99,192.05
(f)	Investments	11	6,673.64	5,352.32
(g)	Other financial assets	12	24,604.19	24,442.64
	Total - Financial assets (1)		6,10,378.58	5,44,588.13
(2)	Non-Financial Assets			
(a)	Current tax assets (net)	13	407.07	309.68
(b)	Deferred tax assets (net)	14	2,868.70	2,500.96
(c)	Investment property	15	1.01	-
(d)	Property, plant & equipment	16	625.99	630.98
(e)	Capital work-in-progress	16	76.01	23.59
(f)	Other intangible assets	16	1.84	0.52
(g)	Other non-financial assets	17	138.75	117.03
	Total - Non-financial assets (2)		4,119.37	3,582.76
(3)	Assets classified as held for sale	18	3.88	20.20
	Total Assets (1+2+3)		6,14,501.83	5,48,191.09
LIABILITIES AND EQUITY				
LIABILITIES				
(1)	Financial liabilities	8	1,670.06	759.70
(a)	Derivative financial instruments	19		
(b)	Payables			
	Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		0.12	0.16
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		133.75	97.74
	Other payables			
	-Total outstanding dues of micro enterprises and small enterprises		6.52	2.83
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		17.28	8.69
(c)	Debt securities	20	2,92,428.27	2,66,063.24
(d)	Borrowings (other than debt securities)	21	1,94,300.16	1,72,092.05
(e)	Subordinated liabilities	22	9,514.16	7,412.21
(f)	Other financial liabilities	23	37,646.72	31,940.58
	Total - Financial liabilities (1)		5,35,717.04	4,78,377.20
(2)	Non-financial liabilities			
(a)	Current tax liabilities (net)	24	-	66.51
(b)	Provisions	25	137.51	137.34
(c)	Other non-financial liabilities	26	271.22	259.79
	Total - Non-financial liabilities (2)		408.73	463.64
(3)	EQUITY			
(a)	Equity share capital	27	2,633.22	2,633.22
(b)	Instruments entirely equity in nature	28	558.40	558.40
(c)	Other equity	29	75,184.44	66,158.63
	Total - Equity (3)		78,376.06	69,350.25
	Total - Liabilities and Equity (1+2+3)		6,14,501.83	5,48,191.09
	Company Overview and Material Accounting Policies	1 to 5		

The accompanying notes 1 to 76 forms integral part of Consolidated Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025



Consolidated Statement of Profit and Loss for the year ended 31st March 2025

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2025	Year ended 31-03-2024
	Revenue from operations			
(i)	Interest income	30	55,105.20	46,431.44
(ii)	Dividend income	31	8.42	2.28
(iii)	Fees and commission income	32	393.74	236.03
(iv)	Net gain/ (loss) on fair value changes	38	348.22	474.48
(v)	Sale of Services	33	510.97	360.52
I.	Total revenue from operations (i to v)		56,366.55	47,504.75
II.	Other income	34	67.48	66.48
III.	Total income (I+II)		56,434.03	47,571.23
	Expenses			
(i)	Finance costs	35	34,131.29	29,947.74
(ii)	Net translation/ transaction exchange loss	36	208.15	166.57
(iii)	Fees and commission expense	37	13.66	24.26
(iv)	Impairment on financial instruments	39	1,021.58	(1379.58)
(v)	Cost of services rendered	40	162.62	168.06
(vi)	Employee benefits expenses	41	268.13	238.20
(vii)	Depreciation and amortization	42	24.70	23.99
(viii)	Corporate social responsibility expenses	43	291.53	251.78
(ix)	Other expenses	44	194.90	170.27
IV.	Total expenses (i to ix)		36,316.56	29,611.29
V.	Profit before Tax (III-IV)		20,117.47	17,959.94
VI.	Tax expense	45		
(i)	Current tax			
	- Current year		4,098.91	3,329.10
	- Earlier years		(0.25)	3.97
(ii)	Deferred tax		134.58	481.41
	Total tax expense (i+ii)		4,233.24	3,814.48
VII.	Profit for the year (V-VI)		15,884.23	14,145.46
VIII.	Other comprehensive income/(loss)			
(i)	Items that will not be reclassified to profit or loss			
(a)	Re-measurement gains/(losses) on defined benefit plans		0.76	(0.99)
	- Tax impact on above		(0.19)	0.25
(b)	Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)		(23.85)	96.34
	- Tax impact on above		-	(4.86)
	Sub-total (i)		(23.28)	90.74
(ii)	Items that will be reclassified to profit or loss			
(a)	Effective portion of gains and loss on hedging instruments in cash flow hedges		1223.51	(3269.97)
	- Tax impact on above		(307.93)	822.99
(b)	Cost of hedging reserve		(3,219.35)	4544.19
	- Tax impact on above		810.25	(1143.68)
	Sub-total (ii)		(1,493.52)	953.53
	Other comprehensive income/(loss) for the year (i+ii)		(1,516.80)	1,044.27
IX.	Total comprehensive income for the year (VII+VIII)		14,367.43	15,189.73
X.	Basic & diluted earnings per equity share of ₹10 each (in ₹)	46		
(1)	For continuing operations		60.20	53.59
(2)	For discontinued operations		-	-
(3)	For continuing and discontinued operations		60.20	53.59
	Company overview and material accounting policies	1 to 5		

The accompanying notes 1 to 76 forms integral part of Consolidated Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025

Consolidated Statement of Changes in Equity for the year ended 31st March 2025

A. Equity share capital

Particulars	As at 31-03-2025	As at 31-03-2024
Balance at the beginning of the year	2,633.22	2,633.22
Changes in equity share capital during the year	-	-
Balance at the end of the year	2,633.22	2,633.22

Refer note 27 for detail

B. Instruments entirely equity in nature

Particulars	As at 31-03-2025	As at 31-03-2024
Balance at the beginning of the year	558.40	558.40
Changes in instruments entirely equity in nature during the year	-	-
Balance at the end of the year	558.40	558.40

Refer note 28 for detail

C. Other Equity

Particulars	Reserves & Surplus							Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(vii) of the Income Tax Act, 1961	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve					
Balance as at 31-03-2023	24,977.89	-	8,025.15	1,577.53	-	(790.44)	12,036.27	-	(101.47)	600.05	(1,709.87)	54,928.89
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	14,145.46
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	(0.74)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	91.48	(2,446.98)	3,400.51	1,045.01
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	91.48	(2,446.98)	3,400.51	15,189.73



(₹ in Crores)

Particulars	Reserves & Surplus							Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method				FVOCI-Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total	
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viii) of the Income Tax Act, 1961	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings							
Transferred to/ (from) Retained Earnings	3,066.94	687.76	2,803.84	-	-	-	-	-	(6,558.54)	-	-	-	-	-	-	-
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	48.00	-	(48.00)	-	-	-	-	-
Foreign Currency Translation Loss on long term monetary items during the year	-	-	-	-	-	(85.73)	-	-	-	-	-	-	-	-	-	(85.73)
Amortisation during the year	-	-	-	-	-	201.03	-	-	-	-	-	-	-	-	-	201.03
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	-	(33.30)	-	-	-	-	-	-	(33.30)
Sub-Total	3,066.94	687.76	2,803.84	-	-	115.30	-	-	(6,543.84)	-	(48.00)	-	-	-	-	82.00
Dividends	-	-	-	-	-	-	-	-	(4,042.00)	-	-	-	-	-	-	(4,042.00)
Sub-total- transaction with owners	-	-	-	-	-	-	-	-	(4,042.00)	-	-	-	-	-	-	(4,042.00)
Balance as at 31-03-2024	28,044.83	687.76	10,828.99	1,577.53	-	(675.14)	12,036.27	-	13,872.66	-	(57.99)	(1,846.93)	1,690.64	-	66,158.63	

Particulars	Reserves & Surplus							Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(vii) of the Income Tax Act, 1961	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve					
Balance as at 31-03-2024	28,044.83	687.76	10,828.99	1,577.53	-	(675.14)	12,036.27	-	(57.99)	(1,846.93)	1,690.64	66,158.63
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	15,884.23
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	0.57
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(23.85)	915.58	(2,409.10)	(1,517.37)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(23.85)	915.58	(2,409.10)	14,367.42
Transferred to/ (from) Retained Earnings	3,550.57	841.80	3,142.64	-	-	-	750.00	-	-	-	-	-
Transferred to/ (from) General Reserve	-	(687.76)	-	-	-	-	687.76	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Loss on long term monetary items during the year	-	-	-	-	-	(120.43)	-	-	-	-	-	(120.43)
Amortisation during the year	-	-	-	-	-	183.92	-	-	-	-	-	183.92



(₹ in Crores)

Particulars	Reserves & Surplus							Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI-Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Capital Reserve	Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings			
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	-	(33.30)	-	-	(33.30)
Sub-total	3,550.57	154.04	3,142.64	-	-	63.49	1,437.76	-	(8,318.32)	-	-	30.18
Dividends	-	-	-	-	-	-	-	-	(5,371.78)	-	-	(5,371.78)
Sub-Total- Transaction with owners	-	-	-	-	-	-	-	-	(5,371.78)	-	-	(5,371.78)
Balance as at 31-03-2025	31,595.40	841.80	13,971.63	1,577.53	-	(611.65)	13,474.03	-	16,067.34	(931.35)	(718.46)	75,184.44

Refer Note No. 29.1 for details regarding drawdown/ transfers from Reserves

The accompanying notes 1 to 76 forms integral part of Consolidated Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025

Consolidated Statement of Cash Flows for the year ended 31st March 2025

(₹ in Crores)

S. No.	Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
A.	Cash Flow from Operating Activities :				
	Net Profit before Tax	20,117.47		17,959.94	
	Adjustments for:				
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	7.62		5.58	
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	(6.03)		(1.32)	
3.	Depreciation & Amortization	24.70		23.99	
4.	Impairment allowance on Assets Classified as Held for Sale	-		(0.09)	
5.	Impairment losses on Financial Instruments	1,021.59		(1,379.58)	
6.	Loss/ (Gain) on Fair Value Changes (net)	(346.30)		(471.88)	
7.	Effective Interest Rate (EIR) in respect of Loan Assets and Borrowings	214.60		(34.51)	
8.	Interest on Commercial Paper	-		135.64	
9.	Interest Accrued on Zero Coupon Bonds	83.14		-	
10.	Unrealised Foreign Exchange Translation Loss/ (Gain)	(2,131.32)		(993.07)	
11.	Interest on Investments & others	(36.65)		(42.65)	
	Operating profit before Changes in Operating Assets & Liabilities	18,948.81		15,202.05	
	Inflow / (Outflow) on account of :				
1.	Loan Assets	(59,996.87)		(75,017.32)	
2.	Derivatives	643.90		(343.67)	
3.	Other Financial and Non- Financial Assets	(654.88)		(1,495.78)	
4.	Other Financial and Non- Financial Liabilities & Provisions	6,227.49		7,203.84	
	Cash flow from Operations	(34,831.56)		(54,450.88)	
1.	Income Tax Paid (including TDS)	(4,232.52)		(3,271.76)	
	Net Cash Flow from Operating Activities		(39,064.08)		(57,722.64)
B.	Cash Flow from Investing Activities				
1.	Sale/ (Purchase) of Property, Plant & Equipment	(3.96)		0.11	
2.	Sale of assets held for sale	6.07		1.61	
3.	Investment in Property, Plant & Equipment (CWIP & Capital Advances)	(77.31)		(33.63)	
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(1.61)		0.00	
5.	Finance Costs Capitalised	(3.02)		(0.53)	
6.	Sale/ (Investment) in Equity Shares	-		67.39	
7.	Redemption/ (Investment) in High Quality Liquid Assets (HQLAs) (net)	(1,418.90)		(997.94)	
8.	Redemption/ (Investment) in Debt Securities other than HQLAs (net)	352.22		(912.98)	
9.	Sale/(Investment) of/in shares of associate/subsidiary companies (Net)	16.28		(15.75)	
10.	Maturity/(Investment) of/in Corporate and Term deposits	(171.81)		60.75	
	Net Cash Flow from Investing Activities		(1,302.04)		(1,830.96)
C.	Cash Flow from Financing Activities				
1.	Issue/ (Redemption) of Rupee Debt Securities (net)	30,748.97		27,473.52	
2.	Issue/ (Redemption) of Commercial Paper (net)	-		(135.64)	
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Banks/ FIs (net)	(23,558.76)		3,640.02	
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	36,501.65		30,921.49	
5.	Raising/ (Redemption) of Subordinated Liabilities (net)	1,995.01		590.00	
6.	Coupon payment on Perpetual Debt Instruments entirely equity in nature	(44.50)		(44.50)	
7.	Payment of Dividend on Equity Shares	(5,608.77)		(2,857.05)	
8.	Repayment towards Lease Liability	-		(0.02)	
	Net Cash flow from Financing Activities		40,033.60		59,587.82
	Net Increase/Decrease in Cash & Cash Equivalents		(332.52)		34.21
	Cash & Cash Equivalents as at the beginning of the year		(4.69)		(38.89)
	Cash & Cash Equivalents as at the end of the year		(337.21)		(4.69)

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 received Dividend of ₹8.42 crore (previous year ₹2.28 crore). Further, during the year, the Group has paid an amount of ₹291.72 crore (previous year ₹249.42 crore) towards Corporate Social Responsibility.



Components of Cash & Cash Equivalents as at end of the year are:

Particulars	(₹ in Crores)	
	Year ended 31-03-2025	Year ended 31-03-2024
- Cash on Hand (including imprest)	0.02	0.02
- Balances with Banks	51.47	67.65
- Short-term Deposits with Scheduled Banks	182.08	195.08
- Bank Overdraft	(570.78)	(267.44)
Total Cash & Cash Equivalents	(337.21)	(4.69)

Reconciliation of liabilities arising from financing activities

Particulars	Opening Balance	Cash Flows during the year (net)	Movements in Interest Accrued*	(₹ in Crores)		Closing Balance
				Other Adjustments	IndAS Adjustments	
				Exchange Differences		
Year ended 31-03-2025						
Rupee Debt Securities	2,33,215.78	30,748.97	98.38	-	165.77	2,64,228.89
Commercial Paper	-	-	-	-	-	-
Rupee Term Loans/ WCDL	80,168.38	(23,255.42)	(29.75)	-	-	56,883.21
Foreign Currency Debt Securities & other Borrowings	1,24,771.13	36,501.65	145.98	4,191.35	6.20	1,65,616.31
Subordinated Liabilities	7,412.21	1,995.01	12.58	-	94.36	9,514.16
Total	4,45,567.50	45,990.21	227.19	4,191.35	266.33	4,96,242.57
Year ended 31-03-2024						
Rupee Debt Securities	2,04,211.79	27,473.52	1,541.71	-	(11.24)	2,33,215.78
Commercial Paper	-	(135.64)	-	-	135.64	-
Rupee Term Loans/ WCDL	76,422.96	3,819.87	(74.45)	-	-	80,168.38
Foreign Currency Debt Securities & other Borrowings	93,381.71	30,921.49	162.66	528.18	(222.91)	1,24,771.13
Subordinated Liabilities	6,773.30	590.00	24.27	-	24.64	7,412.21
Total	3,80,789.76	62,669.24	1,654.19	528.18	(73.87)	4,45,567.50

* Movement in Interest Accrued has been considered in 'Operating Liabilities' as Cash Flow from Operating Activities.

Note : Previous year figures have been rearranged and regrouped wherever necessary.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025

Consolidated Notes to Accounts

1. Company Overview

REC Limited ("REC" or the "Company" or the "holding company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The books of accounts are maintained at the Corporate Office situated at Plot no. I-4, Sector-29, Gurugram, Haryana, in addition to the registered office of the Company. The Company has offices spread across the country, mainly in the State Capitals and one training centre at Hyderabad.

The Company is a Government of India Enterprise engaged in extending financial assistance across the power sector value chain and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI). Being an NBFC, the company is regulated by Reserve Bank of India.

The company has been accorded with the status of a 'Maharatna' Central Public Sector Enterprise by the Department of Public Enterprises, under the Ministry of Finance.

REC is a leading Infrastructure Finance Company in India and the principal products of REC are interest-bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure. During FY 2022-23, REC has also diversified into the Non-Power Infrastructure sector comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social and Commercial Infrastructure (Educational Institution, Hospitals), Ports and Electro-Mechanical (E&M) works in respect of various other sectors like Steel, Refinery, etc.

The group is also engaged through its subsidiaries in engineering consultancy services. Ministry of Power, Government of India/State Government, allocates independent transmission projects from time to time to the Company to work as Bid Process Coordinator (BPC), for selection of developers as Transmission Service Provider (TSP) through Tariff Based Competitive Bidding Process (TBCB). In order to initiate development of each such transmission projects, RECPDCL incorporates a project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of successful bidder through TBCB process notified for transmission projects, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder.

RECPDCL is providing consultancy and fee based service in the areas of rural electrification, AT&C loss reduction strategies, IT implementation work including setting up of data Centre, customer care centre, etc. with GIS integration, Implementation of Smart Grid projects covering Smart metering with AMI, Construction of Solar PV Plants, SCADA implementation MRI/AMR based meter reading & billing works, DPR preparation & project management Consultancy for power Distribution Projects, Strengthening work of Power Distribution, Energy efficiency projects and Quality & Quantitative Surveillance/ Inspection of the works executed.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges.

The Company together with its subsidiaries is hereinafter referred to as 'the Group'.

2. Statement of Compliance and Basis of Preparation

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 including those issued by RBI.

The consolidated financial statements for the year ended 31st March 2025 were authorized and approved by the Board of Directors on 8th May, 2025.

3. Material Accounting Policies

The material accounting policies applied in preparation of the consolidated financial statements are as given below:

3.1 Basis of consolidation

Subsidiary

Subsidiary is the entity controlled by the Group. The Group controls an entity when it has power over the investee, 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 over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group combines the financial statements of the holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

Equity accounted investees

The Group's interests in equity accounted investees comprise of the interests in associates and joint venture.

An associate is an entity, including an unincorporated entity, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Interests in associates are accounted for using the equity method. These interests are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence ceases. However, in case where it is assessed that the investment/ interest in associates is held for sale, the interest in associates is accounted for under Ind AS 105.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence or joint control ceases.

3.2 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.3 Basis of Preparation and Measurement

The consolidated financial statements have been prepared on going concern basis following accrual system of accounting on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. These policies have been applied consistently for all the periods presented in the consolidated financial statements.

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Group.

3.4 Income recognition

Interest income

For financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR), i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss is recognized on an accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head interest income.

Unless otherwise specified, the recoveries from the borrowers are



Consolidated Notes to Accounts

appropriated in the order of (i) costs and expenses of REC (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.

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.

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

Income from Government schemes

Income of agency fee on Government schemes is recognized on the basis of the services rendered and amount of fee sanctioned by the Ministry of Power.

Dividend income

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when right to receive payment is established.

Provided that in case of final dividend, the right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in the Annual General Meeting.

Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.

Rental Income on Investment Property

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

Other services

Fees/ charges on loan assets, other than those considered an adjustment to EIR, are accounted for on accrual basis. Pre-payment premium is accounted for by the Group in the year of receipt.

Revenue from sale of services

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

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

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) 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.

Professional charges to be charged from the selected bidders/ developers for transmission projects put on tariff based bidding is accounted for in the year in which it is reasonably certain that the ultimate collection of the professional charges will be made.

Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the Group and accounted as income of the Group.

3.5 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 qualifying asset becomes ready for its intended use, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

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

3.6 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the year 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.

3.7 Foreign Currency Translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the Statement of Profit or Loss. However, for the long-term monetary items recognized in the consolidated financial statements before 01st April 2018, such gains and losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date).

3.8 Property, Plant and Equipment (PPE)

Recognition and initial measurement

Land

Land held for use is initially recognized at cost. For land, as no finite useful life can be determined, related carrying amounts are not amortized.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortized over the lease term.

Consolidated Notes to Accounts

Other tangible assets

PPE other than land is initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. Maintenance or servicing costs of PPE are recognized in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation method, useful lives, residual value, and impairment)

PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation on assets purchased/sold during the year is charged for the full month if the asset is in use for more than 15 days. Depreciation on assets purchased during the year up to Rs. 5,000/- is provided @ 100%.

The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 recognized in the Statement of Profit and Loss.

Capital Work-in-Progress

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

3.9 Investment property

Recognition and measurement

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

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

Derecognition

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

Reclassification to/from investment property

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

Fair value disclosure

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

3.10 Intangible assets

Recognition and initial measurement

Intangible assets are initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Group.

Subsequent measurement (amortization method, useful lives and residual value)

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates the useful life of intangible assets to be five years.

Intangible Assets under Development

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

Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

3.11 Lease accounting:

The Group recognises a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as short-term or low-value lease.

The Group assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.'

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The



Consolidated Notes to Accounts

Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.12 Assets held for sale

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 assets are measured at lower of carrying amount or fair value less selling costs.

Assets held for sale are presented separately from other assets in the Balance Sheet and are not depreciated or amortised while they are classified as held for sale.

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.

3.13 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL or at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

Amortized cost

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment Allowance (expected credit loss) is recognized on financial assets carried at amortized cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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 causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts or if the embedded derivative feature leverages the exposure and the host contracts are not held for trading or designated at fair value through 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.

Financial assets at FVOCI

FVOCI financial assets comprise of equity instruments measured at fair value. An equity investment classified as FVOCI is initially measured at fair value plus transaction costs. Gains and losses are recognized in other comprehensive income and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss. There is no recycling of such gains and losses from OCI to Statement of Profit & Loss, even on the derecognition of the investment. However, the Group may transfer the same within equity.

De-recognition of financial assets

De-recognition of financial assets due to a substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

Consolidated Notes to Accounts

De-recognition of financial assets other than due to substantial modification

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Hedge accounting

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 entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

All derivative financial instruments designated under hedge accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

At the inception of each hedging relationship, the Group formally designates and documents the hedge relationship, in accordance with the Group's risk management objective and strategies. The documentation includes identification of the hedged item, hedging instrument, the nature of risk(s) being hedged, the hedge ratio and how the hedging relationship meets the hedging effectiveness requirements.

Fair Value Hedges

In line with the recognition of change in the fair value of the hedging instruments in the Statement of Profit & Loss, the change in the fair value of the hedged item attributable to the risk hedged is recognised in the 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 exit. If the hedged item is derecognised, the unamortised fair value is recognised immediately in Statement of Profit and Loss.

3.14 Impairment of financial assets

Loan assets

The Group follows a 'three-stage' model for impairment in the form of Expected Credit Loss (ECL) based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

Loss Given Default (LGD) - LGD represents the Company'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.

Exposure at Default (EAD) - EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Financial assets other than Loans

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. The Group also considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

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

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

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

3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments



Consolidated Notes to Accounts

(original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Dividend and Other Payments to holders of Instruments classified as Equity

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively. Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the Group.

3.17 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.

3.18 Prepaid Expenses

A prepaid expense up to Rs. 1,00,000/- is recognized as expense upon initial recognition.

3.19 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized 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, the tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of 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 previous years.

Deferred tax is recognized 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 assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

3.20 Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plan

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

Defined benefit plan

The Group has an obligation towards Gratuity, Post-Retirement Medical Facility (PRMF), Provident Fund (PF) and Other Defined Retirement Benefit (ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside.

The Group's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

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

Other long-term employee benefits:

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee benefits, 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 benefits on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

3.21 Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Consolidated Notes to Accounts

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Group can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

3.22 Fair value measurement

The Group measures financial instruments, such as derivatives at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is material to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements regularly, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is material to the fair value measurement as a whole) at the end of each reporting period.

3.23 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal 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.

3.24 Business Combination under Common Control

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

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

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonise material 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.

3.25 Expenditure on issue of shares

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

4. Implementation of New/ Modified Standards

During the year, the Ministry of Corporate Affairs (MCA) has made amendments to the existing standards. The Company has analysed the impact of these amendments which is not material to the Company. Further, MCA has not issued any new Ind-AS applicable to the company.

5. Material management judgment in applying accounting policies and estimation of uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 - Such changes, if any, are recognised 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.

Material management judgments

Recognition of deferred tax assets/ liability - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. Further, the Management has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and thus, the special reserve created and maintained is not capable of being reversed. Hence, the Group does not create any deferred tax liability on the said reserve.

Recognition of Deferred Tax Liability on Undistributed Reserves of Group Companies - The applicable tax laws provide for tax deduction in respect of dividend income from equity investments, to the extent of dividend declared by the Company to its shareholders during the year. Considering the historical information and dividend distribution policy of the Company, the Company does not expect any tax liability on the undistributed reserves of the Group Companies, as and when such reserves are distributed. Hence, the Company does not create any deferred tax liability on undistributed reserves of Group Companies.



Consolidated Notes to Accounts

Evaluation of indicators for impairment of assets - The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Investment in SPVs - Transmission projects are managed as per the mandate from Government of India and the Group does not have the practical ability to direct the relevant activities of these projects unilaterally. The Group therefore considers its investment in respective SPVs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

Non recognition of Interest Income on Credit Impaired Loans - 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.

Material estimates

Useful lives of depreciable/amortizable assets - Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, 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.

Defined benefit obligation (DBO) - Management'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 materially impact the DBO amount and the annual defined benefit expenses.

Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income Taxes - Material 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.

Expected Credit Loss ('ECL') - The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and resulting losses). The Group makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default).

Consolidated Notes to Accounts

6. Cash and cash equivalents*

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Cash on hand (including imprest)	0.02	0.02
Balances with banks in current accounts	51.47	67.65
Bank deposits with original maturity of 3 months or less	182.08	195.08
Total	233.57	262.75

7. Bank Balances (other than Cash and Cash Equivalents)*

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Earmarked Balances with Banks		
- For unpaid dividends	1,079.07	1,192.72
- For Government funds for onward disbursement as grant	60.13	69.55
Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.72	0.67
Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	595.88	1,245.41
Bank deposits with original maturity greater than 3 months	374.00	191.40
Total	2,109.80	2,699.75

*There are no repatriation restrictions with respect to Cash & Cash Equivalents and Bank Balances (other than Cash & Cash Equivalents) as at 31st March 2025 (Previous Year Nil).

8. Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. 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.

Refer Note 52 for Risk Management Disclosures in respect of the derivatives.

Part I

(₹ in Crores)						
Particulars	As at 31-03-2025			As at 31-03-2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency Derivatives						
- Currency swaps	3,209.30	87.12	-	3,126.52	43.34	38.13
- Others						
- Seagull Options	1,62,207.47	16,288.81	1,386.11	1,21,107.24	11,070.97	411.82
Sub-total (i)	1,65,416.77	16,375.93	1,386.11	1,24,233.76	11,114.31	449.95
(ii) Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	1,07,505.58	1,056.25	283.95	72,128.13	1,367.71	309.75
Sub-total (ii)	1,07,505.58	1,056.25	283.95	72,128.13	1,367.71	309.75
(iii) Other derivatives	-	-	-	-	-	-
Total - Derivative Financial Instruments (i+ii+iii)	2,72,922.35	17,432.18	1,670.06	1,96,361.89	12,482.02	759.70

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)						
Particulars	As at 31-03-2025			As at 31-03-2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Fair Value Hedging						
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	13,995.70	22.92	76.48	15,950.70	-	297.73
Sub-total (i)	13,995.70	22.92	76.48	15,950.70	-	297.73



Consolidated Notes to Accounts

Particulars	As at 31-03-2025			As at 31-03-2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(ii) Cash Flow Hedging						
- Currency Derivatives						
- Currency Swaps	3,209.30	87.12	-	3,126.52	43.34	38.13
- Others						
- Seagull Options	1,62,207.47	16,288.80	1,386.11	1,21,107.24	11,070.96	411.82
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	86,809.88	645.85	207.47	49,477.43	905.30	12.02
Sub-total (ii)	2,52,226.65	17,021.77	1,593.58	1,73,711.19	12,019.60	461.97
(iii) Undesignated Derivatives	6,700.00	387.49	-	6,700.00	462.42	-
Total - Derivative Financial Instruments (i+ii+iii)	2,72,922.35	17,432.18	1,670.06	1,96,361.89	12,482.02	759.70

Derivative financial instruments are measured at fair value at each reporting date. The changes in the fair value of derivatives designated as hedging instruments in effective cash flow hedges are recognised in Other Comprehensive Income. In case of fair value hedges, the changes in fair value of the derivatives designated as hedging instruments along with the fair value changes in the carrying amount of the hedged items are recognised in the Statement of Profit & Loss. For undesignated derivatives, the changes in the fair value are recognised in the Statement of Profit & Loss.

9. Receivables

		(₹ in Crores)	
Particulars		As at 31-03-2025	As at 31-03-2024
I Trade Receivables			
(i) Unsecured, Considered good		179.93	115.13
Less: Allowance for Expected Credit Loss		(1.89)	(8.83)
		178.04	106.30
(ii) Trade receivables which have significant increase in credit risk		70.07	58.90
Less: Allowance for Expected Credit Loss		(20.65)	(16.58)
		49.42	42.32
(iii) Credit impaired receivables		73.48	66.40
Less: Allowance for Expected Credit Loss		(65.81)	(61.20)
		7.67	5.20
Sub-Total-I (i+ii+iii)		235.13	153.82
II Other Receivables			
(i) Unsecured, Considered good		2.26	3.70
Less: Allowance for Expected Credit Loss		(0.27)	(0.92)
		1.99	2.78
Sub-Total-II (i)		1.99	2.78
Total Receivables (I+II)		237.12	156.60

9.1 Trade Receivables ageing schedule

		(₹ in Crores)						
		Outstanding as at 31-03-2025						
Particulars		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) - Undisputed Trade receivables								
- considered good		57.25	67.32	55.35	-	-	-	179.93
- which have significant increase in credit risk		-	-	-	27.52	42.55	-	70.07
- credit impaired		-	-	-	-	-	73.48	73.48
Sub- total (i)		57.25	67.32	55.35	27.52	42.55	73.48	323.48
(ii) - Disputed Trade receivables								
- considered good		-	-	-	-	-	-	-
- which have significant increase in credit risk		-	-	-	-	-	-	-
- credit impaired		-	-	-	-	-	-	-
Sub- total (ii)		-	-	-	-	-	-	-
Total (i+ii)		57.25	67.32	55.35	27.52	42.55	73.48	323.48

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Outstanding as at 31-03-2024						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) - Undisputed Trade receivables							
- considered good	55.48	29.88	29.76	-	-	-	115.12
- which have significant increase in credit risk	-	-	-	50.10	8.80	-	58.91
- credit impaired	-	-	-	-	-	66.40	66.40
Sub- total (i)	55.48	29.88	29.76	50.10	8.80	66.40	240.43
(ii) - Disputed Trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Sub- total (ii)	-	-	-	-	-	-	-
Total (i+ii)	55.48	29.88	29.76	50.10	8.80	66.40	240.43

9.2 Trade receivables more than one year and upto three year have been categorised as receivables having significant increase in credit risk. Trade receivables more than three years has been categorised as credit impaired receivables.

9.3 No trade or other receivables are due from directors or other officers of the Company or any firms or private companies respectively in which any director is a partner, a director or a member.

9.4 Movement of impairment loss allowance on Trade and Other receivable

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Trade Receivable	Other Receivable	Trade Receivable	Other Receivable
Opening balance	86.61	0.92	158.33	0.92
Add: Created during the year	2.12	-	-	-
Less: Reversed/ Adjusted during the year	0.39	0.65	71.72	-
Closing balance	88.35	0.27	86.61	0.92

10. Loans

The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31-03-2025		As at 31-03-2024	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A) Loans					
(i) Term Loans		5,03,711.30	5,06,320.65	4,62,090.27	4,63,975.61
(ii) Working Capital Term Loans		63,171.99	63,563.19	47,280.68	47,596.96
Total (A) - Gross Loans		5,66,883.29	5,69,883.84	5,09,370.95	5,11,572.57
Less: Impairment loss allowance		(10,795.76)	(10,795.76)	(12,380.52)	(12,380.52)
Total (A) - Net Loans		5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05
(B) Security Details					
(i) Secured by tangible assets		2,71,337.02	2,72,035.63	2,47,650.53	2,48,205.98
(ii) Covered by Government Guarantees		2,54,317.95	2,56,407.38	2,24,500.49	2,25,967.86
(iii) Unsecured		41,228.32	41,440.83	37,219.92	37,398.72
Total (B) - Gross Loans		5,66,883.29	5,69,883.84	5,09,370.95	5,11,572.57
Less: Impairment loss allowance		(10,795.76)	(10,795.76)	(12,380.52)	(12,380.52)
Total (B) - Net Loans		5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05
(C)(I) Loans in India					
(i) Public Sector		4,94,578.16	4,97,757.68	4,54,647.08	4,56,894.28
(ii) Private Sector		72,305.13	72,126.16	54,723.87	54,678.29
Total (C)(I) - Gross Loans		5,66,883.29	5,69,883.84	5,09,370.95	5,11,572.57
Less: Impairment loss allowance		(10,795.76)	(10,795.76)	(12,380.52)	(12,380.52)
Total (C)(I) - Net Loans		5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05



Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(C)(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C)(II) - Net Loans	-	-	-	-
Total (C)(I) and (C)(II)	5,56,087.53	5,59,088.08	4,96,990.43	4,99,192.05

10.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Net Loans	5,59,088.08	4,99,192.05
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(886.34)	(300.36)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(2,657.54)	(2,201.98)
Add: Allowance for Expected Credit Loss (ECL) netted off as per Ind-AS	10,795.76	12,380.52
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	543.33	300.72
Gross Loans	5,66,883.29	5,09,370.95

10.2 Movement of Impairment Loss Allowance in respect of Loans:

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	12,380.52	14,263.75
Add: Impairment loss allowance provided during the year (Refer Note 39)	899.78	(1,383.21)
Less: Allowance utilised towards write-off of loans	(2,484.54)	(500.02)
Closing Balance	10,795.76	12,380.52

10.3 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring, the Company has written off loans amounting to ₹2,484.54 crores (Previous Year ₹500.02 crores). The details of write-offs are as below:

(i) During the current year

- Pursuant to the Resolution Plan approved under IBC proceedings executed on 06th September, 2024 in respect of Lanco Amarkantak Power Limited, the company has written off an amount of ₹1,378.10 crores after appropriating recoveries of ₹836.11 crores (Cash of ₹721.34 crores and Other Financial Asset in the form of Recoverable of ₹114.77 crores) with corresponding reversal of ECL of ₹1406.47 crores.
- Pursuant to the One Time Settlement executed on 21st October, 2024 in respect of Lynx India Limited, the company has written off an amount of ₹0.94 crores after appropriating cash recoveries of ₹1.02 crores with corresponding reversal of ECL of ₹1.96 crores.
- Pursuant to the Resolution Plan approved under IBC proceedings executed on 02nd December, 2024 in respect of Nagai Power Private Limited, the company has written off an amount of ₹371.50 crores after appropriating recoveries of ₹189.49 crores (Cash of ₹59.05 crores and Other Financial Asset in the form of Recoverable of ₹130.43 crores) with corresponding reversal of ECL of ₹398.79 crores.
- Pursuant to Resolution Agreement (through Debt assigned to ARC) executed on 27th February, 2025 in respect of Corporate Power Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated 07th June, 2019, the company has written off an amount of ₹734.00 crores after appropriating the cash recoveries of ₹63.00 crores with corresponding reversal of ECL of ₹797.00 crores.
- Pursuant to the Resolution Plan approved under IBC proceedings executed on 06th March, 2025 in respect of KSK Mahanadi Power Company Limited, the company has recovered the entire outstanding loan of ₹2596.36 crores and ₹976.46 crores on account of overdue interest after appropriating the cash recoveries of ₹3572.82 crores with corresponding reversal of ECL of ₹1361.09 crores.

(ii) During the previous year

- Pursuant to Restructuring Agreement executed on 21st December, 2023 in respect of Dans Energy Private Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated 07th June, 2019, the company has received entire outstanding of ₹366.88 crores after appropriating the recoveries of ₹415.99 crores (Term Loan of ₹415.99 crores and optionally convertible debentures Nil) with corresponding reversal of ECL of ₹40.17 crores.
- Pursuant to the Resolution Plan approved under IBC proceedings executed on 10th August, 2023 in respect of Meenakshi Energy Limited, the company has written off an amount of ₹499.61 crores after appropriating recoveries of ₹211.23 crores (Cash of ₹50.90 crores and Non-Convertible Debentures (NCD) of ₹160.33 crores) with corresponding reversal of ECL of ₹488.42 crores.
- Pursuant to the One Time Settlement executed on 20th November, 2023 in respect of Classic Global Limited, the company has written off an amount of ₹0.41 crores after appropriating cash recoveries of ₹2.50 crores with corresponding reversal of ECL of ₹2.91 crores.

Consolidated Notes to Accounts

10.4 The Company obtains balance confirmation from the borrowers for the balances outstanding as on the Balance Sheet date. The summary of the balance confirmations received from the borrowers is as under:

Particulars	As at 31-03-2025		As at 31-03-2024	
	%	Amount	%	Amount
Gross Loan Book		5,66,883.29		5,09,370.95
Loan Assets for which balance confirmations have been received from borrowers	95%	5,41,262.29	94%	4,76,725.31
Loan Assets for which balance confirmations are yet to be received from borrowers of which,	5%	25,621.00	6%	32,645.64
<i>Loans secured by tangible assets</i>	50%	12,824.31	47%	15,457.53
<i>Loans covered by Government Guarantee/ Loans to Government</i>	28%	7,271.98	34%	11,149.39
<i>Unsecured loans</i>	22%	5,524.71	19%	6,038.73

10.5 No funds 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11. Investments

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7= 5+6)
As at 31st March, 2025							
Government Securities	1,621.86	-	-	-	1,621.86	-	1,621.86
Debt Securities	3,609.44	-	968.18	-	4,577.62	-	4,577.62
Equity Instruments							
- Subsidiaries	-	-	-	-	-	-	-
- Others	-	386.80	90.62	-	477.42	-	477.42
Preference Shares	28.72	-	-	-	28.72	-	28.72
Total - Gross (A)	5,260.02	386.80	1,058.80	-	6,705.62	-	6,705.62
Investments outside India	-	-	-	-	-	-	-
Investments in India	5,260.02	386.80	1,058.80	-	6,705.62	-	6,705.62
Total - Gross (B)	5,260.02	386.80	1,058.80	-	6,705.62	-	6,705.62
Total Investments	5,260.02	386.80	1,058.80	-	6,705.62	-	6,705.62
Less: impairment loss allowance (C)	(31.98)	-	-	-	(31.98)	-	(31.98)
Total - Net (D=A-C)	5,228.04	386.80	1,058.80	-	6,673.64	-	6,673.64
As at 31st March, 2024							
Government Securities	1,624.08	-	-	-	1,624.08	-	1,624.08
Debt Securities	2,176.20	-	1,065.03	-	3,241.23	-	3,241.23
Equity Instruments							
- Subsidiaries	-	-	-	-	-	-	-
- Others	-	410.64	76.37	-	487.01	-	487.01
Preference Shares	28.72	-	-	-	28.72	-	28.72
Total - Gross (A)	3,829.00	410.64	1,141.40	-	5,381.04	-	5,381.04
Investments outside India	-	-	-	-	-	-	-
Investments in India	3,829.00	410.64	1,141.40	-	5,381.04	-	5,381.04
Total - Gross (B)	3,829.00	410.64	1,141.40	-	5,381.04	-	5,381.04
Total Investments	3,829.00	410.64	1,141.40	-	5,381.04	-	5,381.04
Less: impairment loss allowance (C)	(28.72)	-	-	-	(28.72)	-	(28.72)
Total - Net (D=A-C)	3,800.28	410.64	1,141.40	-	5,352.32	-	5,352.32



Consolidated Notes to Accounts

11.1 Details of investments

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2025		As at 31-03-2024	
		Number	Amount	Number	Amount
(A) Total - Central/ State Government Securities-Quoted (HQLAs)*	Amortised Cost	15,86,33,000	1,621.86	15,86,33,000	1,624.08
(B) Debt Securities					
(i) Corporate Bonds- Quoted (HQLAs)*			2,853.35		1,436.83
- 9.95% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	3,700	335.15	3,700	373.32
- 9.62% Andhra Pradesh State Beverages Corporation Limited (APSBCL)	Amortised Cost	1,235	127.30	1,235	127.86
- 9.70% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	550	56.53	550	56.85
- 8.49% Green Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	4,998	51.00	4,998	49.98
- 9.10% Domestic Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	69,846	699.31	49,994	500.56
- 9.50% Delhi International Airport Limited (DIAL)	Amortised Cost	1,25,650	1,256.75	-	-
- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	1,000	102.97	1,000	102.98
- 7.05% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	850	88.04	850	88.09
- 6.65% Bonds of Food Corporation of India (FCI)	Amortised Cost	200	20.60	200	20.61
- 7.19% Bonds of THDC India Limited (THDC)	Amortised Cost	250	26.27	250	26.30
- 8.69% Bonds of Damodar Valley Corporation (DVC)	Amortised Cost	200	20.74	200	21.06
- 7.30% Bonds of Power Grid Corporation of India Limited (PGCIL)	Amortised Cost	200	21.73	200	21.98
- 5.78% Bonds of Chennai Petroleum Corporation Limited (CPCL)	Amortised Cost	150	15.61	150	15.62
- 6.11% Bonds of Bharat Petroleum Corporation Limited (BPCL)	Amortised Cost	100	10.45	100	10.47
- 7.30% Bonds of NMDC Steel Limited (NMDC)	Amortised Cost	200	20.90	200	21.15
(ii) Debt Securities (other than HQLAs)			1,724.27		1,804.40
- 10%Non- Convertible Debentures of GMR Goa International Airport Limited - Quoted	Amortised Cost	49,488	493.56	49,488	493.20
- 7.99% Perpetual Bonds of Canara Bank- Quoted	Fair value through profit or loss	200	207.78	200	208.49
- 9.50% Perpetual Bonds of UCO Bank- Quoted	Fair value through profit or loss	228	239.55	228	228.80
- 8.55% Perpetual Bonds of Punjab National Bank- Quoted	Fair value through profit or loss	500	520.85	500	510.65
- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Limited- Unquoted	Fair value through profit or loss	-	-	15,22,63,003	81.30
- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Limited- Unquoted	Fair value through profit or loss	-	-	6,70,35,820	35.79
- Optionally convertible debentures- Series C of Essar Power Transmission Co. Limited- Unquoted **	Fair value through profit or loss	-	-	1,86,35,162	-
- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,50,95,356	189.65	2,50,95,356	169.01
- 8.50% Non- Convertible Debentures (NCDs) of Jhabua Power Limited- Unquoted	Amortised Cost	42,90,030	40.76	45,04,532	45.05
- 0.01% Optionally Convertible Debentures (OCD) Series A of R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	21,38,03,170	-	21,38,03,170	-
- 0.01% Optionally Convertible Debentures (OCD) Series B of R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	63,03,032	-	63,03,032	-

Consolidated Notes to Accounts

Particulars	Investment measured at	As at 31-03-2025		As at 31-03-2024	
		Number	Amount	Number	Amount
- 0.01% Optionally Convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Ltd- Unquoted **	Fair value through profit or loss	1,04,74,150	-	1,04,74,150	-
- 0.01% Optionally Convertible Debentures (OCD) of Dans Energy Private Limited- Unquoted **	Fair value through profit or loss	2,13,75,000	-	2,13,75,000	-
- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	Amortised Cost	86,798	8.81	86,798	8.82
- 7.35% Tax Free Bonds of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	42,855	4.60	42,855	4.60
- 7.39% Tax Free of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	35,463	3.68	35,463	3.68
- 7.49% Tax Free Bonds of Indian Renewable Energy Development Agency (IREDA)	Amortised Cost	61,308	6.22	61,308	6.21
- 7.35% Tax Free Bonds of Indian Railway Finance Corporation (IRFC)	Amortised Cost	22,338	2.31	22,338	2.31
- 7.35% Tax Free Bonds of National Bank for Agriculture and Rural Development (NABARD)	Amortised Cost	14,028	1.41	14,028	1.40
- 8.76% Tax Free Bonds of Housing and Urban Development Corporation (HUDCO)	Amortised Cost	50,000	5.09	50,000	5.09
Total (B) - Debt Securities (i+ii)			4,577.62		3,241.23
(C) Equity Instruments					
(i) Total - Subsidiary					
(ii) Others					
- NHPC Limited- Quoted	Fair value through other comprehensive income	1,04,69,555	86.06	1,04,69,555	93.91
- Energy Efficiency Services Limited- Unquoted	Fair value through other comprehensive income	21,81,00,000	120.39	21,81,00,000	136.50
- Universal Commodity Exchange Limited- Unquoted	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Jhabua Power Limited	Fair value through other comprehensive income	2,78,85,211	171.51	2,78,85,211	177.72
- Ind Barath Energy (Utkal) Limited	Fair value through other comprehensive income	127	8.84	127	2.51
- Rattan India Power Limited- Quoted	Fair value through profit or loss	9,25,68,105	90.62	9,25,68,105	76.37
- R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
Total - Others			477.42		487.01
Total (C)- Equity Instruments (i+ii)			477.42		487.01
(D) Preference Shares - Unquoted					
- Redeemable, issued by Rattan India Power Limited	Amortised cost	2,87,20,978	28.72	2,87,20,978	28.72
- Optionally Convertible, issued by Rattan India Power Limited	Fair value through profit or loss	4,33,03,616	-	4,33,03,616	-
Total (D) - Preference Shares			28.72		28.72
(E) Total Investments (A to D)			6,705.62		5,381.04
(F) Less: impairment loss allowance			(31.98)		(28.72)
(G) Total - Net (E-F)			6,673.64		5,352.32

Refer note 57.1 for valuation technique of the investments shown at fair value.

*High Quality Liquid Assets (HQLAs) maintained as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

** Received against unsustainable portion of debt in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring.



Consolidated Notes to Accounts

11.2 Movement of Impairment Loss Allowance in respect of Investments:

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	28.72	28.72
Add: Impairment loss allowance	3.26	-
Less: Allowance utilised towards write-off of Investments	-	-
Closing Balance	31.98	28.72

11.3 In terms of settlements under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring , the Company has received the following Investments:

(i) During the current year:

- (a) Pursuant to the Resolution Plan approved under IBC proceedings in respect of KSK Mahanadi Power Company Limited, IDBI Trusteeship Services Limited has been allotted 17,567 no. of equity shares having face value of ₹10/- each on 22nd April 2025 in favour of Equity Holder Financial Creditors. The share of the Company out of these equity shares is 13.019%.

(ii) During the previous year:

- (a) Pursuant to Restructuring Agreement in respect of Dans Energy Private Limited , the company has been allotted 2,13,75,000 no. of 0.01% Optionally-Convertible Debentures (OCDs) having face value of ₹100/- each.
- (b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Meenakshi Energy Limited, the company has been allotted 2,50,95,356 no. of 0% Non-Convertible Debentures (NCDs) having face value of ₹100/- each.

Refer note 10.3 for further details.

11.4 The Company has elected an irrevocable option to designate some of the equity instruments at FVOCI (Fair Value through Other Comprehensive Income). The Company's operation comprises of only one business segment i.e. providing financial assistance to power, logistic and infrastructure sector. Thus, in order to isolate Standalone Statement of Profit and Loss from price fluctuations of these instruments, management believes that this provides a more meaningful presentation, rather than classifying them at FVTPL (Fair Value through Profit & Loss).

Details of FVOCI investments derecognised during the year:

(₹ in Crores)

Name of the company	FY 2024-25			FY 2023-24		
	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition
NHPC Limited	Nil			58,82,025	60.94	48.14
HUDCO Limited				3,47,429	6.45	4.37

The Company has not sold any equity shares during the current financial year. During the previous year, the Company has sold 58,82,025 equity shares of NHPC Limited and entire 3,47,429 no. of equity shares of HUDCO Limited considering the market scenerio for a consideration of ₹60.94 crores and ₹6.45 crores respectively through stock exchange. The shares have thus been derecognised and the cumulative gain (net of tax) on such sale has been transferred from other comprehensive income to retained earnings.

11.5 The Board of Directors of the Company has approved a proposal for incorporation of a Wholly Owned Subsidiary (WOS) for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City ("GIFT"), Gandhinagar, Gujarat. The Finance Company will be deemed as a non-resident entity under extant FEMA regulations and will be governed by unified regulator i.e International Financial Services Centres Authority (IFSCA). The Reserve Bank of India vide its letter dated 03rd May 2024, has accorded "No-Objection Certificate" (NOC) to set up the proposed entity. The Company is yet to receive the requisite approval of the Ministry of Power, Government of India to incorporate the proposed entity.

12. Other financial assets

The Company has categorised all the components under 'Other Financial Assets' at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(A) Loans to Employees	78.07	57.99
(B) Advances to Employees	0.43	0.90
(C) Recoverable from Holding Company	2.82	0.51
(D) Security Deposits	2.46	1.55
(E) Advance paid towards variation margin	0.63	-
(F) Recoverable from Government of India		
Towards GoI Fully Serviced Bonds	24,318.29	24,319.40
(G) Other amounts recoverable	351.20	102.22
Less: Impairment Loss allowance	(149.71)	(39.93)
Other Amounts Recoverable (Net)	201.49	62.29
Total (A to G)	24,604.19	24,442.64

Consolidated Notes to Accounts

12.1 Details of Loans to Employees (Considered Good)

The Company has extended loans to employees with specified terms and repayment schedule, categorised at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)			
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Secured Loans			
- To Key Managerial Personnel	0.01	0.06	
- To employees Other than Key Managerial Personnel	36.33	37.38	
Sub-total (A)	36.34	37.44	
(B) Unsecured Loans			
- To Key Managerial Personnel	0.12	0.24	
- To employees Other than Key Managerial Personnel	41.61	20.31	
Sub-total (B)	41.73	20.55	
Total (A+B)	78.07	57.99	

The figures above include interest accrued on such loans amounting to ₹12.92 crores (Previous year ₹10.3 crores).

12.2 Movement of impairment loss allowance on other financial assets

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Opening balance	39.93	46.59
Add: Created during the year	129.91	8.68
Less: Reversed/ Adjusted during the year	(20.13)	(15.34)
Closing balance	149.71	39.93

13. Current tax assets (net)

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Advance Income-tax & TDS	4,403.41	305.47
Provision for Income Tax	(4,001.29)	(0.80)
Sub-Total (A)	402.12	304.67
Tax Deposited on income tax demands under contest	5.20	5.26
Provision for income tax for demand under contest	(0.25)	(0.25)
Sub-Total (B)	4.95	5.01
Current tax assets - Net (A+B)	407.07	309.68

14. Deferred tax assets (net)

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Deferred Tax Assets (Net)	2,868.70	2,500.96

14.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2025 are as follows

(₹ in Crores)					
Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	2,846.62	(268.94)	-	-	2,577.68
Provision for Earned Leave	8.51	1.38	-	-	9.89
Provision for Medical Leave	5.42	0.48	-	-	5.90
Provision for Other Expenses	(0.07)	0.03	-	-	(0.04)
Fair Valuation of Investments	(1.67)	(8.67)	-	-	(10.34)
Fair Valuation of Derivatives	161.25	35.75	502.31	-	699.31
Total Deferred Tax Assets (A)	3,020.06	(239.97)	502.31	-	3,282.40
Deferred Tax Liabilities					
Depreciation and Amortisation	32.63	2.60	-	-	35.23
Unamortised Foreign Currency Exchange Fluctuations	187.43	(19.09)	-	-	168.34



Consolidated Notes to Accounts

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Financial assets and liabilities measured at amortised cost	243.36	(35.45)	-	-	207.91
Fair valuation of Debt Securities	55.68	(53.46)	-	-	2.22
Total Deferred Tax Liabilities (B)	519.10	(105.40)	-	-	413.70
Total Deferred Tax Assets - Net (A-B)	2,500.96	(134.58)	502.31	-	2,868.69

Significant components of net deferred tax assets and liabilities for the year ended 31st March 2024 are as follows

(₹ in Crores)

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	3,376.59	(529.97)	-	-	2,846.62
Provision for Earned Leave	6.80	1.71	-	-	8.51
Provision for Medical Leave	5.19	0.23	-	-	5.42
Provision for Other Expenses	0.12	(0.19)	-	-	(0.07)
Fair Valuation of Investments	14.49	(11.66)	(4.50)	-	(1.67)
Fair Valuation of Derivatives	446.46	35.48	(320.69)	-	161.25
Total Deferred Tax Assets (A)	3,849.65	(504.40)	(325.19)	-	3,020.06
Deferred Tax Liabilities					
Depreciation and Amortisation	26.49	6.14	-	-	32.63
Unamortised Foreign Currency Exchange Fluctuations	218.30	(30.87)	-	-	187.43
Financial assets and liabilities measured at amortised cost	232.11	11.25	-	-	243.36
Fair valuation of Debt Securities	65.19	(9.51)	-	-	55.68
Total Deferred Tax Liabilities (B)	542.09	(22.99)	-	-	519.10
Total Deferred Tax Assets - Net (A-B)	3,307.56	(481.42)	(325.19)	-	2,500.96

15. Investment Property

(₹ in Crores)

Particulars	Opening Balance	Additions / transfer during the year	Sales/ adjustment during the year	Closing balance
As at 31-03-2025				
Gross Carrying Value	-	2.46	-	2.46
Accumulated depreciation	-	(1.45)	-	(1.45)
Net Carrying Value	-	1.01	-	1.01
As at 31-03-2024				
Gross Carrying Value	-	-	-	-
Accumulated depreciation	-	-	-	-
Net Carrying Value	-	-	-	-

15.1 The Company's investment properties consist of building situated in Delhi, India which is re-classified during the year from Property, Plant and Equipment (PPE) of the Company as per IND AS 40. The rental income from these investment properties is ₹14.97 crores (previous year NIL) during the year. There were no direct operating expenses arising from the investment property.

15.2 The Company has no restrictions on the realisability of its investment properties and has no contractual obligation to purchase, construct or develop investment properties or for repair, maintenance and enhancement.

15.3 Fair value of investment property:

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Carrying Value	1.01	-
Fair Value	163.00	-

These valuations are based on valuations performed by an independent valuer. The Company obtains independent valuations for its investment properties at least annually. The fair values of investment property is determined by an independent registered valuer on the basis of Income Approach. All resulting fair value estimates for investment property are included in Level 2.

16. Property, Plant & Equipment, Capital Work-in-Progress and Other Intangible Assets

Particulars	Property, Plant & Equipment										Capital Work-in-Progress			Intangible Assets under Development		Other Intangible Assets	
	Freehold Land	Right-of-Use Land	Buildings	Plant & equipment	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Total	Immovable Property	Computer Software	Computer Software	Computer Software	Computer Software	Computer Software	Computer Software	Computer Software
Gross carrying value																	
As at 31-03-2023	110.39	1.59	456.90	20.06	67.69	26.58	25.52	0.54	709.27	2.72	-	-	-	-	-	-	14.72
Additions	-	-	-	0.39	2.68	9.19	7.95	0.18	20.39	20.34	-	-	-	-	-	-	-
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	0.53	-	-	-	-	-	-	-
Disposals	-	-	-	-	(3.10)	(3.60)	(6.73)	(0.01)	(13.44)	-	-	-	-	-	-	-	(0.01)
As at 31-03-2024 (A)	110.39	1.59	456.90	20.45	67.27	32.17	26.74	0.71	716.22	23.59	-	-	-	-	-	-	14.71
As at 31-03-2024	110.39	1.59	456.90	20.45	67.27	32.17	26.74	0.71	716.22	23.59	-	-	-	-	-	-	14.71
Additions	-	-	-	-	4.59	12.03	11.21	0.25	28.08	49.40	-	-	-	-	-	-	1.61
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	3.02	-	-	-	-	-	-	-
Disposals/Transfers	-	-	(2.46)	-	(4.82)	(5.76)	(10.22)	(0.46)	(23.71)	-	-	-	-	-	-	-	-
As at 31-03-2025 (B)	110.39	1.59	454.44	20.45	67.04	38.44	27.74	0.50	720.58	76.01	-	-	-	-	-	-	16.32
Accumulated depreciation/amortisation																	
As at 31-03-2023	-	0.39	20.61	2.23	15.71	18.70	12.08	0.38	70.10	-	-	-	-	-	-	-	13.09
Charge for the year	-	0.02	7.21	1.29	6.13	4.49	3.70	0.04	22.88	-	-	-	-	-	-	-	1.11
Adjustment for disposals	-	-	-	-	(1.59)	(2.55)	(3.60)	-	(7.74)	-	-	-	-	-	-	-	(0.01)
As at 31-03-2024 (C)	-	0.41	27.82	3.52	20.25	20.64	12.18	0.42	85.24	-	-	-	-	-	-	-	14.19
As at 31-03-2024	-	0.41	27.82	3.52	20.25	20.64	12.18	0.42	85.24	-	-	-	-	-	-	-	14.19
Charge for the year	-	0.09	6.42	1.30	6.10	5.47	4.18	0.04	23.61	-	-	-	-	-	-	-	0.29
Adjustment for disposals/transfers	-	-	(0.65)	-	(3.07)	(3.79)	(6.36)	(0.39)	(14.26)	-	-	-	-	-	-	-	-
As at 31-03-2025 (D)	-	0.50	33.59	4.82	23.27	22.31	10.00	0.07	94.58	-	-	-	-	-	-	-	14.48
Net block as at 31-03-2024 (A-C)	110.39	1.18	429.08	16.93	47.02	11.53	14.56	0.29	630.98	23.59	-	-	-	-	-	-	0.52
Net block as at 31-03-2025 (B-D)	110.39	1.09	420.85	15.63	43.76	16.12	17.73	0.43	625.99	76.01	-	-	-	-	-	-	1.84



Consolidated Notes to Accounts

16.1 The formalities regarding registration of title deed in respect of an immovable property acquired by the Company is yet to be executed. The details are as below:

(a) As at 31st March 2025

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	1.83	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

(b) As at 31st March 2024

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	1.89	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

16.2 Certain Property, Plant & Equipment has been pledged as security against secured borrowings of the Company as per the details below:

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.26	2.31

16.3 Capital Work in Progress (CWIP)

(a) CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31-03-2025					As at 31-03-2024				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress										
- REC Township at Gurugram	52.42	20.87	1.24	1.48	76.01	20.87	1.24	0.08	1.40	23.59
Total	52.42	20.87	1.24	1.48	76.01	20.87	1.24	0.08	1.40	23.59

There are no capital work in progress as on the reporting year where activity has been suspended.

(b) CWIP completion schedule

(₹ in Crores)

Particulars	As at 31-03-2025					As at 31-03-2024				
	To be completed in				Total	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress										
- REC Township at Gurugram	76.01	-	-	-	76.01	-	23.59	-	-	23.59
Total	76.01	-	-	-	76.01	-	23.59	-	-	23.59

16.4 There has been no revaluation of Property, Plant & Equipment and Other Intangible Assets during the year (previous year Nil).

16.5 In the opinion of management, there are no events or changes in circumstances that indicate the impairment of PPE and Other Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

Consolidated Notes to Accounts

16.6 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised an amount of ₹3.02 crores (previous year ₹0.53 crores) borrowing costs on account of general borrowings at an average rate of borrowings of 7.13% (previous year 7.28%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

16.7 Disclosure in respect of Intangible Assets as required under Ind-AS 38 "Intangible Assets"

Amortisation Rate 20% (100% in case the total cost of the asset is ₹5,000 or less)

17. Other non-financial assets

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
Unsecured, considered good			
(A) Capital Advances	-	0.17	
(B) Other Advances	71.20	31.33	
(C) Balances with Government Authorities	21.70	42.36	
(D) Pre-Spent Corporate Social Responsibility (CSR) Expenses	5.53	5.34	
(E) Prepaid Expenses	15.74	22.01	
(F) Deferred Employee Benefits	24.58	15.81	
(G) Other Assets	-	0.01	
Total (A to G)	138.75	117.03	

18. Assets Classified as Held for Sale

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Disposal Group			
(i) Investment in associates	0.30	0.90	
(ii) Loans to associates	3.57	19.25	
(iii) Provision for impairment on assets classified as held for sale	-	-	
Sub-Total (i+ii+iii)	3.87	20.15	
(B) Assets Classified as Held for Sale-Building	0.01	0.05	
Total (B)	0.01	0.05	
Grand Total (A+B)	3.88	20.20	

The assets held for sale as on 31.03.2025 for ₹0.01 crore is under litigation pending the outcome, the asset cannot be re-auctioned (previous year ₹0.01 crore).

18.1 Investments in associates

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
Investments in Equity Instruments of associates (fully paid up)			
equity shares of ₹10/- each			
Luhri Power Transmission Limited	0.05	0.05	
Meerut Shamli Power Transmission Limited	-	0.05	
NERES XVI Power Transmission Limited	-	0.05	
Jalpura Khurja Power Transmission Limited	-	0.05	
Rajasthan Part 1 Power Transmission Limited	-	0.05	
Shongtong Power Transmission Limited	0.05	0.05	
Kallam Transco Limited	-	0.05	
Khavda IV C Power Transmission Limited	-	0.05	
Khavda IVA Power Transmission Limited	-	0.05	
Khavda IV-E2 Power Transmission Limited	-	0.05	
Khavda V A Power Transmission Limited	-	0.05	
Rajasthan IV A Power Transmission Limited	-	0.05	
Rajasthan IV C Power Transmission Limited	-	0.05	
Rajasthan IV E Power Transmission Limited	-	0.05	
Rajasthan IV H1 Power Transmission Limited	-	0.05	



Consolidated Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
Kankani Power Transmission Limited	0.05	0.05
NERGS-I Power Transmission Limited	-	0.05
Tumkur-II REZ Power Transmission Limited	-	0.05
Tuticorin Power Transmission Limited	0.05	-
Rajgarh III Power Transmission Limited	0.05	-
WRNES Tale Gaon Power Transmission Limited	0.05	-
Total	0.30	0.90

18.2 Loans to Associates

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Receivable from SPV-Under Incorporation	(0.22)	-
Meerut Shamli Power Transmission Limited	-	1.85
NERES XVI Power Transmission Limited	-	0.91
Luhri Power Transmission Limited	1.39	1.07
Jalpura Khurja Power Transmission Limited	-	3.83
Rajasthan Part 1 Power Transmission Limited	-	0.67
Shongtong Power Transmission Limited	1.30	0.56
Khavda IV A Power Transmission Limited	-	0.54
Khavda IV C Power Transmission Limited	-	0.41
Khavda IV E2 Power Transmission Limited	-	0.33
Khavda V-A Power Transmission Limited	-	0.43
Rajasthan IVA Power Transmission Limited	-	0.41
Rajasthan IVC Power Transmission Limited	-	0.34
Rajasthan IV E Power Transmission Limited	-	0.38
Rajasthan IV H1 Power Transmsision Limited	-	0.51
Kallam Transco Limited	-	6.41
NERGS-1 Power Transmission Limited	-	0.35
Tumkur-II REZ Power Transmission Limited	-	0.20
Kankani Power Transmission Limited	0.01	-
ERES-XXXXIX Power Transmission Limited	-	0.05
Tuticorin Power Transmission Limited	0.41	-
WRNES Tale Gaon Power Transmission Limited	0.29	-
Rajgarh Transmission Limited	-	-
Rajgarh III Power Transmission Limited	0.17	-
Velegaon Power Transmission Limited	0.11	-
Jejuri Hinjewadi Power Transmission Limited	0.11	-
Total	3.57	19.25

18.3 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) has been classified as 'held for sale'.

18.4 With a view to monetise its idle assets, during the year the Company has disposed a residential building unit through e-auction process, with carrying value ₹0.04 crore (previous year ₹0.29 crore), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹6.03 crore during the current year (previous year ₹1.32 crore) (refer note 33).

19. Payable

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
(A) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	0.12	0.16
Total outstanding dues other than micro enterprises and small enterprises	133.75	97.74
Sub-total (A)	133.87	97.90

Consolidated Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
(B) Other payables		
Total outstanding dues of micro enterprises and small enterprises	6.52	2.83
Total outstanding dues other than micro enterprises and small enterprises	17.28	8.69
Sub-total (B)	23.80	11.52
Total (A+B)	157.67	109.42

19.1 Trade Payables ageing schedule

(₹ in Crores)

Particulars	Outstanding as at 31-03-2025						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME							
- Disputed	-	-	-	-	-	-	-
- Others	0.11	-	0.01	-	-	-	0.12
Sub-total (i)	0.11	-	0.01	-	-	-	0.12
(ii) Other than MSME							
- Disputed	-	-	-	-	-	-	-
- Others	6.19	-	115.40	9.69	2.46	0.01	133.75
Sub-total (ii)	6.19	-	115.40	9.69	2.46	0.01	133.75
Total (i+ii)	6.30	-	115.41	9.69	2.46	0.01	133.87

(₹ in Crores)

Particulars	Outstanding as at 31-03-2024						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME							
- Disputed	-	-	-	-	-	-	-
- Others	0.08	-	0.08	-	-	-	0.16
Sub-total (i)	0.08	-	0.08	-	-	-	0.16
(ii) Other than MSME							
- Disputed	-	-	-	-	-	-	-
- Others	6.40	-	75.02	12.84	3.45	0.02	97.74
Sub-total (ii)	6.40	-	75.02	12.84	3.45	0.02	97.74
Total (i+ii)	6.48	-	75.10	12.84	3.45	0.02	97.90

19.2 Disclosure as per Section 22 of MSMED Act, 2006

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(a) The principal amount payable to suppliers at the year end	6.64	2.99
(b) The amount of interest accrued and due on the remaining unpaid amount to suppliers as at the year end	-	-
(c) The amount of interest paid by buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(f) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-	-



Consolidated Notes to Accounts

20. Debt Securities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(A) Secured Long-Term Debt Securities				
(i) Institutional Bonds	-	-	1,955.00	2,052.46
(ii) 54EC Capital Gain Tax Exemption Bonds	43,235.69	44,768.80	41,110.80	42,535.71
(iii) Tax Free Bonds	8,953.27	9,281.67	8,953.27	9,279.82
(iv) 54EC Bond Application Money pending allotment	595.88	594.63	1,245.41	1,244.57
Sub-total (A)	52,784.84	54,645.10	53,264.48	55,112.56
(B) Unsecured Long-Term Debt Securities				
(i) Institutional Bonds	2,00,803.29	2,06,783.97	1,72,275.29	1,78,093.90
(ii) Infrastructure Bonds	3.96	10.06	3.96	9.32
(iii) Zero Coupon Bonds	2,795.64	2,789.78	-	-
(iv) Foreign Currency Bonds	28,286.04	28,199.36	32,963.75	32,847.46
Sub-total (B)	2,31,888.93	2,37,783.17	2,05,243.00	2,10,950.68
(C) Unsecured Short-Term Debt Securities				
(i) Commercial Paper	-	-	-	-
Sub-total (C)	-	-	-	-
Total - Debt Securities (A+B+C)	2,84,673.77	2,92,428.27	2,58,507.48	2,66,063.24
Debt Securities issued in/ outside India				
(i) Debt Securities in India	2,56,387.73	2,64,228.89	2,25,543.73	2,33,215.78
(ii) Debt Securities outside India	28,286.04	28,199.36	32,963.75	32,847.46
Total - Debt Securities	2,84,673.77	2,92,428.27	2,58,507.48	2,66,063.24

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost.

20.1 Details of Secured Long-Term Debt Securities - Refer Note 21.6 for details of the security

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
123-IIIB Series - 9.34% Redeemed at par on 23.08.2024	-	-	1,955.00	2,052.46
Total - Institutional Bonds	-	-	1,955.00	2,052.46

(ii) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XII (2018-19) - 5.75% Redeemable at par during financial year 2023-24	-	-	-	-
Series XIII (2019-20) - 5.75% Redeemed at par during financial year 2024-25	-	-	6,157.82	6,422.49
Series XIV (2020-21) - 5.75% and 5% Redeemable at par during financial year 2025-26	5,312.07	5,518.37	5,312.07	5,515.87
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	7,312.80	7,582.92	7,312.80	7,580.06
Series XVI (2022-23) - 5% Redeemable at par during financial year 2027-28	12,152.39	12,595.84	12,152.39	12,594.18
Series XVII (2023-24) - 5.25% Redeemable at par during financial year 2028-29	11,419.57	11,851.53	10,175.72	10,423.11
Series XVIII (2024-25) - 5.25% Redeemable at par during financial year 2029-30	7,038.86	7,220.14	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	43,235.69	44,768.80	41,110.80	42,535.71

Consolidated Notes to Accounts
(iii) Tax Free Bonds

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Series 5A	300.00	306.48	300.00	306.50
7.17% payable annually Redeemable at par on 23.07.2025				
Series 2011-12	2,160.33	2,290.33	2,160.33	2,289.60
Redeemable at par. Bonds amounting to ₹2,160.33 crores are redeemable on 27.03.2027 with interest rates varying from 8.12% to 8.32% payable annually				
Series 2012-13 Series 2A & 2B	245.00	251.27	245.00	251.22
Redeemable at par. Bonds amounting to ₹245.00 crores are redeemable on 22.11.2027 with interest rates of 7.38% payable annually				
Series 2012-13 Tranche 1	842.04	862.47	842.04	862.34
Redeemable at par. Bonds amounting to ₹852.04 crores are redeemable on 20.12.2027 with interest rates varying from 7.38% to 7.88% payable annually				
Series 2012-13 Tranche 2	49.71	50.88	49.71	50.88
Redeemable at par. Bonds amounting to ₹49.71 crores are redeemable on 27.03.2028 with interest rates varying from 7.04% to 7.54% payable annually				
Series 2013-14 Series 3A & 3B	1,141.00	1,195.81	1,141.00	1,195.48
Redeemable at par. Bonds amounting to ₹1,141.00 crores are redeemable on 29.08.2028 with interest rates of 8.46% payable annually				
Series 2013-14 Series 4A & 4B	45.00	46.73	45.00	46.72
Redeemable at par. Bonds amounting to ₹45.00 crores are redeemable on 11.10.2028 with interest rates of 8.54% payable annually				
Series 2013-14 Tranche 1	2,835.55	2,910.73	2,835.55	2,910.06
Redeemable at par. Bonds amounting to ₹2,810.26 crores are redeemable on 25.09.2028 and ₹55.28 crores are redeemable on 26.09.2033 with interest rates varying from 8.37% to 8.71% payable annually				
Series 2013-14 Tranche 2	638.08	655.29	638.08	655.31
Redeemable at par. Bonds amounting to ₹530.42 crores are redeemable on 23.03.2029 and ₹109.66 crores are redeemable on 24.03.2034 with interest rates varying from 8.61% to 8.88% payable annually				
Series 2015-16 Tranche 1	696.56	711.67	696.56	711.72
Redeemable at par. Bonds amounting to ₹105.93 crores are redeemable on 05.11.2025, ₹172.90 crores are redeemable on 05.11.2030 and ₹421.17 crores are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually				
Total - Tax Free Bonds	8,953.27	9,281.67	8,953.27	9,279.82

(iv) Bond Application Money Pending Allotment

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds	595.88	594.63	1,245.41	1,244.57
5.25% Redeemable at par after 5 years from the deemed date of allotment				
Total - Bond Application Money Pending Allotment	595.88	594.63	1,245.41	1,244.57



Consolidated Notes to Accounts

20.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
210th Series - 5.74 % Redeemed on 20.06.2024	-	-	4,000.00	4,179.33
180A Series - 8.10% Redeemed on 25.06.2024	-	-	1,018.00	1,080.60
191B Series - 6.99% Redeemed on 30.09.2024	-	-	1,100.00	1,106.69
212th Series - Floating (linked to T-Bill) Redeemed on 31.10.2024	-	-	2,500.00	2,579.54
186B Series - 7.40% Redeemed on 26.11.2024	-	-	1,500.00	1,538.41
128th Series - 8.57% Redeemed on 21.12.2024	-	-	2,250.00	2,419.44
129th Series - 8.23% Redeemed on 23.01.2025	-	-	1,925.00	2,064.19
130th Series - 8.27% Redeemed on 06.02.2025	-	-	2,325.00	2,493.92
131st Series - 8.35% Redeemed on 21.02.2025	-	-	2,285.00	2,304.78
190A Series - 6.88% Redeemed on 20.03.2025	-	-	2,500.00	2,515.30
201A Series - 5.90% Redeemed on 31.03.2025	-	-	900.00	935.51
133rd Series - 8.30% Redeemable at par on 10.04.2025	2,396.00	2,453.75	2,396.00	2,454.39
94th Series - 8.75% Redeemable at par on 09.06.2025	1,250.00	1,339.00	1,250.00	1,339.30
95-II Series - 8.75% Redeemable at par on 14.07.2025	1,800.00	1,913.49	1,800.00	1,913.92
136th Series - 8.11% Redeemable at par on 07.10.2025	2,585.00	2,672.14	2,585.00	2,672.18
229A Series - 7.79% Redeemable at par on 29.11.2025	1,033.00	1,059.81	1,033.00	1,057.19
203B Series - 5.85% Redeemable at par on 20.12.2025	2,777.00	2,822.16	2,777.00	2,821.52
204B Series - 5.81% Redeemable at par on 31.12.2025	2,082.00	2,112.04	2,082.00	2,111.81
205B Series - 5.94 % Redeemable at par on 31.01.2026	2,000.00	2,022.91	2,000.00	2,010.05
214A Series - 7.32% Redeemable at par on 28.02.2026	500.00	503.19	500.00	503.26
219th Series - 7.60 % Redeemable at par on 28.02.2026	3,148.70	3,169.58	3,148.70	3,170.07
220B Series - 7.69 % Redeemable at par on 31.03.2033 with Put option exercisable on 31.03.2026	1,600.10	1,600.13	1,600.10	1,728.53
223A Series - 7.44% Redeemable at par on 30.04.2026	3,000.00	3,167.71	3,000.00	3,177.84
228A Series - 7.80% Redeemable at par on 30.05.2026	1,679.00	1,788.15	1,679.00	1,723.22
218A Series - 7.56 % Redeemable at par on 30.06.2026	3,000.00	3,170.55	3,000.00	3,170.45
225th Series - 7.64% Redeemable at par on 30.06.2026	2,210.00	2,336.85	2,210.00	2,314.55
221st Series - 7.51% Redeemable at par on 31.07.2026	2,848.00	2,990.60	2,848.00	2,990.53
234A Series - 7.70% Redeemable at par on 31.08.2026	2,500.00	2,661.37	-	-
227A Series - 7.77% Redeemable at par on 30.09.2026	2,670.00	2,773.48	2,670.00	2,750.77
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,230.67	1,200.00	1,230.74
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,170.00	2,100.00	2,153.26
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,061.81	3,000.00	3,023.86
230A Series - 7.71% Redeemable at par on 26-02-2027	3,685.00	3,720.31	1,000.00	1,015.57
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,757.74	2,745.00	2,721.28
231A Series - 7.64% Redeemable at par on 30.04.2027	2,875.00	3,076.42	2,875.00	2,896.70
232A Series - 7.59% Redeemable at par on 31.05.2027	3,183.00	3,342.34	-	-
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,614.62	3,533.00	3,615.03
245A Series - 7.44% Redeemable at par on 29.02.2028	3,000.00	3,006.85	-	-
216A Series - 7.55 % Redeemable at par on 31.03.2028	1,701.50	1,701.39	1,701.50	1,829.71
220A Series - 7.77 % Redeemable at par on 31.03.2028	2,000.00	2,000.00	2,000.00	2,162.07
223B Series - 7.46% Redeemable at par on 30.06.2028	2,993.60	3,160.35	2,993.60	3,170.48
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.48	2,500.00	2,637.66
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.12	2,500.00	2,628.32
168th Series - 8.56% payable semi-annually, Redeemable at par on 29.11.2028	2,552.40	2,625.82	2,552.40	2,626.17

Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
169th Series - 8.37% payable semi-annually, Redeemable at par on 07.12.2028	2,554.00	2,621.12	2,554.00	2,621.46
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,736.01	1,600.70	1,735.93
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,174.17	1,097.00	1,172.67
234B Series - 7.58% Redeemable at par on 31.05.2029	2,500.00	2,657.70	-	-
180B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,180.89	2,070.90	2,176.90
184A Series - 8.25% Redeemable at par on 26.09.2029	1,451.00	1,512.23	1,451.00	1,512.37
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.76	2,382.00	2,396.62
188B Series - 7.89% Redeemable at par on 30.03.2030	3,100.00	3,138.62	3,100.00	3,368.55
189th Series - 7.92% Redeemable at par on 30.03.2030	3,054.90	3,055.11	3,054.90	3,296.98
240B Series - 7.34% Redeemable at par on 30.04.2030	2,901.00	2,983.29	-	-
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,990.35	3,740.00	3,990.27
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,673.97	1,569.00	1,673.94
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.08	3,500.00	3,627.41
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.38	5,000.00	5,094.78
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,527.97	2,500.00	2,528.21
201B Series - 6.90% Redeemable at par on 31.03.2031	2,415.00	2,490.29	1,300.00	1,359.90
213th Series - 6.92% Redeemable at par on 20.03.2032	3,380.00	3,335.48	3,380.00	3,329.95
218B Series - 7.69 % Redeemable at par on 31.01.2033	2,004.40	2,028.92	2,004.40	2,029.20
214B Series - 7.50% Redeemable at par on 28.02.2033	4,947.60	4,949.83	4,947.60	4,948.08
217th Series - 7.53 % Redeemable at par on 31.03.2033	500.00	500.04	500.00	548.48
227B Series - 7.71% Redeemable at par on 31.10.2033	2,818.70	2,906.42	2,818.70	2,901.21
228B Series - 7.71% Redeemable at par on 30.11.2033	2,899.69	2,972.65	2,899.69	2,974.14
230B Series - 7.64% Redeemable at par on 31.01.2034	3,000.00	3,036.07	3,000.00	3,045.87
231B Series - 7.47% Redeemable at par on 28.02.2034	2,500.00	2,514.83	2,500.00	2,517.73
232B Series - 7.45% Redeemable at par on 29.04.2034	2,935.00	3,145.24	-	-
233rd Series - 7.53% Redeemable at par on 31.05.2034	3,000.00	3,196.63	-	-
235th Series - 7.35% payable semi-annually, Redeemable at par on 31.07.2034	4,000.00	4,045.71	-	-
236A Series - 7.45% Redeemable at par on 31.08.2035	3,000.00	3,127.08	-	-
236B Series - 7.56% Redeemable at par on 31.08.2027	3,000.00	3,131.18	-	-
237th Series - 7.55% Redeemable at par on 31.10.2026	2,000.00	2,062.33	-	-
238th Series - 7.31% Redeemable at par on 30.09.2039	2,145.00	2,222.69	-	-
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,314.70	5,063.00	5,315.13
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.28	3,028.00	3,163.58
242nd Series - 7.20% Redeemable at par on 15.01.2035	2,297.00	2,329.78	-	-
245B Series - 7.32% Redeemable at par on 28.02.2035	2,780.00	2,785.19	-	-
241st Series - 7.10% Redeemable at par on 30.04.2035	1,620.00	1,651.47	-	-
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,641.89	4,589.90	4,642.55
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.57	3,613.80	3,625.52
215th Series - 7.65 % Redeemable in 5 equal tranches on 30.11.2033, 30.11.2034, 30.11.2035, 30.11.2036 and 30.11.2037	3,889.00	3,988.08	3,889.00	3,988.60
216B Series - 7.67 % Redeemable at par on 30.11.2037	2,000.00	2,050.80	2,000.00	2,051.06
229B Series - 7.67% Redeemable at par on 30.11.2038	3,539.40	3,627.19	3,539.40	3,618.67
240A Series - 7.09% Redeemable at par on 30.11.2039	3,575.00	3,663.83	-	-
243rd Series - 7.28% Redeemable at par on 20.02.2040	2,595.00	2,616.32	-	-
Total - Institutional Bonds	2,00,803.29	2,06,783.97	1,72,275.29	1,78,093.90

* PP-MLD- Principal Protected Market Linked Debentures

** STRPP- Separately Transferable Redeemable Principal Parts



Consolidated Notes to Accounts

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	10.06	3.96	9.32
Total - Infrastructure Bonds	3.96	10.06	3.96	9.32

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31-03-2025	As at 31-03-2024	Redemption Details
9.15% Cumulative	2.83	2.83	Redeemable on 15.02.2027 i.e 15 years from the date of allotment
9.15% Annual	1.13	1.13	
Total	3.96	3.96	

Amounts have been shown at face value

(iii) Zero Coupon Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value*	Amortised Cost	Face Value*	Amortised Cost
ZCB-Bond Series 239	2,795.64	2,789.78	-	-
(Net of unamortised discount, 5,00,000 bonds with face value of ₹1,00,000 each redeemable at par on 03.11.2034)				
Total - Zero Coupon Bonds	2,795.64	2,789.78	-	-

* represents the face value net of unamortised discount on issue of Zero Coupon Bonds

(iv) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
4.75% US \$500 Mn Bonds - Redeemed on 19.05.2023	-	-	-	-
5.250% US \$700 Mn Bonds - Redeemed on 13.11.2023	-	-	-	-
3.375% US \$650 Mn Bonds - Redeemed on 25.07.2024	-	-	5,419.30	5,450.24
3.50% US \$500 Mn Bonds - Redeemed on 11.12.2024	-	-	4,168.70	4,210.34
2.25% US \$500 Mn Bonds - Redeemable at par on 01.09.2026	4,279.07	4,282.25	4,168.70	4,168.48
2.75% US \$400 Mn Bonds - Redeemable at par on 13.01.2027	3,423.26	3,440.91	3,334.96	3,350.67
3.875% US \$450 Mn Green Bonds - Redeemable at par on 07.07.2027	3,851.16	3,715.94	3,751.83	3,547.96
4.625% US \$300 Mn Bonds - Redeemable at par on 22.03.2028	2,567.44	2,464.82	2,501.22	2,366.73
5.625% US \$750 Mn Bonds - Redeemable at par on 11.04.2028	6,418.61	6,579.48	6,253.04	6,406.68
1.76% JPY 31000 Mn Bonds - Redeemable at par on 19.01.2029	1,759.25	1,762.88	1,707.79	1,712.28
1.41% JPY 27400 Mn Bonds - Redeemable at par on 19.04.2029	1,554.95	1,534.10	1,509.47	1,484.82
2.20% JPY 2700 Mn Bonds - Redeemable at par on 19.01.2034	153.23	153.64	148.74	149.26
4.75% USD 500 Mn Bonds - Redeemable at par on 27.09.2029	4,279.07	4,265.34	-	-
Total - Foreign Currency Bonds	28,286.04	28,199.36	32,963.75	32,847.46

Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 10 Billion which is listed on SGX-ST (Singapore Stock Exchange - Securities Trading), LSE-ISM (London Stock Exchange – International Securities Market), Global Securities Market (GSM) of the India INX (India International Exchange) and NSE IFSC (NSE International Exchange). The summary of funds raised under the GMTN Programme is as below:

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Funds raised during the year under GMTN Programme	USD 0.50 Billion	USD 1.17 Billion
Cumulative amount raised under GMTN Programme	USD 6.07 Billion	USD 5.57 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.32 Billion	USD 3.97 Billion

The amounts raised during the year have been utilized for the stated objects in the Offering Circular. There has been no default as on the Balance Sheet date in the repayment of debt securities and borrowings and the Company has met all its debt servicing obligations, whether principal or interest, during the year. Further, there has not been any breach of financial covenants under the Loan Agreements as on the Balance Sheet date.

Consolidated Notes to Accounts

21. Borrowings (Other than Debt Securities)

The Company has categorised all borrowings (other than debt securities) at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A) Unsecured Long-Term Borrowings				
(i) Term Loans from Banks	41,879.47	41,886.99	50,612.28	50,620.49
(ii) Term Loans from Financial Institutions	2,500.00	2,500.00	8,050.00	8,072.29
(iii) Term Loan in Foreign Currency	94,571.40	94,216.65	67,205.64	66,772.38
(iv) FCNR (B) Loans	4,279.07	4,279.79	-	-
(v) Term Loans from Government of India (NSSF)	10,000.00	10,325.12	10,000.00	10,325.12
Sub-total (A)	1,53,229.94	1,53,208.55	1,35,867.92	1,35,790.28
(B) Unsecured Short-Term Borrowings				
(i) FCNR (B) Loans	38,902.89	38,920.51	25,138.67	25,151.29
(ii) Short Term Loans/ Loans repayable on demand from Banks	1,600.00	1,600.32	10,875.94	10,883.04
(iii) Overdrafts/ Cash Credit repayable on demand from Banks	570.78	570.78	267.44	267.44
Sub-total (B)	41,073.67	41,091.61	36,282.05	36,301.77
Total - Borrowings (other than Debt Securities) (A to B)	1,94,303.61	1,94,300.16	1,72,149.97	1,72,092.05
Borrowings (other than Debt Securities) in/ outside India				
(i) Borrowings in India	99,732.21	1,00,083.51	1,04,944.33	1,05,319.67
(ii) Borrowings outside India	94,571.40	94,216.65	67,205.64	66,772.38
Total - Borrowings (other than Debt Securities)	1,94,303.61	1,94,300.16	1,72,149.97	1,72,092.05

Please refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost.

21.1 Details of Unsecured Long-term Borrowings

(i) Term Loans from Banks

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Karnataka Bank	499.97	499.97	499.98	499.98
₹499.97 crores repayable on 15.05.2025				
- Punjab & Sind Bank	-	-	499.91	499.91
₹499.91 crores repaid on 09.08.2024				
- Jammu & Kashmir Bank	299.94	299.94	299.94	300.01
₹299.94 crores repayable on 28.10.2026				
- Deutsche Bank	-	-	500.00	500.22
₹500 crores repaid on 19.12.2024				
- South Indian Bank	499.89	499.99	499.89	500.00
₹299.93 crores repayable on 08.11.2026 and ₹199.96 crores repayable on 04.08.2027				
- HDFC Bank	17,850.00	17,853.65	17,850.00	17,853.86
₹850 crores repayable on 17.11.2026, ₹2,000 crores repayable on 31.03.2027, ₹2,000 crores repayable on 07.09.2027, ₹2,500 crores repayable on 29.12.2027, ₹2,500 crores repayable on 27.02.2028, ₹1,000 crores repayable on 27.06.2028, ₹1,500 crores repayable on 29.06.2028, ₹4,000 crores repayable on 30.09.2028 and ₹1,500 crores repayable on 28.12.2028				
- Bank of Baroda	2,624.91	2,625.44	4,749.92	4,750.97
₹2,624.91 crores repayable in 4 annual instalments starting from 30.09.2025 and final instalment due on 30.09.2028				
- ICICI Bank	5,533.00	5,534.13	5,533.00	5,534.17
₹4,000 crores repayable on 23.01.2030 and ₹1,533 crores repayable on 15.05.2028				



Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Union Bank of India	3,999.41	4,000.20	3,999.42	4,000.27
₹1,999.66 crores repayable in 5 annual instalments of ₹400 crores each starting from 31.03.2027 and final installment on 31.03.2031 and ₹999.99 crores repayable on 04.01.2026, ₹499.87 crores repayable on 29.09.2028 and ₹499.89 crores repayable on 05.11.2028				
- State Bank of India	709.92	709.92	7,750.94	7,750.94
₹709.92 crores repayable in one semi-annual instalments on 15.07.2025				
- Punjab National Bank	8,962.44	8,963.76	7,529.29	7,530.17
₹663.31 crores repayable on 31.08.2025, ₹1,999.64 crores repayable on 11.11.2026, ₹999.64 crores repayable in 4 equal annual instalments of ₹200 crores starting from 29.03.2028 and last installment of ₹199.64 crores on 29.12.2031, ₹1,199.99 crores repayable on 03.11.2028, ₹1,999.99 crores repayable on 26.12.2028, ₹2,099.87 crores repayable on 20.06.2029				
- Central Bank	899.99	899.99	899.99	899.99
₹499.99 crores repayable in 7 annual instalments starting from 30.03.2026 and final instalment on 30.03.2032 and ₹400 crores repayable on 17.11.2025				
Total - Unsecured Term Loans from Banks	41,879.47	41,886.99	50,612.28	50,620.49

(ii) Term Loans from Others - Financial Institutions

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL)	2,500.00	2,500.00	4,550.00	4,549.46
₹1,000 crore repayable on 09.08.2026 and ₹1,500 crore repayable on 11.12.2028				
- National Bank for Financing Infrastructure and Development (NaBFID)	-	-	3,500.00	3,522.83
₹3,500 crore repaid on 13.11.2024				
Total - Unsecured Term Loans from Others - Financial Institutions	2,500.00	2,500.00	8,050.00	8,072.29

(iii) Foreign Currency Borrowings

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(1) ODA Loans - Guaranteed by Government of India				
1.86% KfW-III Loan - Repaid in equal half-yearly instalments of €5.26 Mn, last instalment paid on 27.06.2024	-	-	47.49	47.72
Sub-Total (1)	-	-	47.49	47.72
(2) ODA Loans - Without Government Guarantee				
KfW-IV Loan - Repayable in equal half-yearly instalments of US \$ 12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2025	1,232.37	1,255.83	1,400.68	1,432.92
KfW-V Loan - Repayable in equal half-yearly instalments of US \$ 8.921 Mn till 15.05.2034, first instalment falling due on 15.05.2025	1,450.60	1,479.93	1,026.78	1,050.41
KfW-VI Loan - Repayable in equal half-yearly instalments of US \$ 14.37 Mn till 15.05.2036, first instalment falling due on 15.05.2029	622.63	629.63	-	-
Sub-Total (2)	3,305.60	3,365.39	2,427.46	2,483.33

Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(3) Bilateral/ Syndicated Loans				
US \$150 Mn - \$75 Mn repaid on 29.03.2024 and \$75 Mn repaid on 14.05.2024	-	-	625.30	625.00
US \$100 Mn - Repaid on 01.07.2024	-	-	833.74	847.51
SGD \$72.07 Mn - Repaid on 28.03.2025	-	-	444.93	442.68
US \$75 Mn - Repayable on 02.04.2025	641.86	651.58	625.30	620.58
JPY ₹ 10.519 Bn - Repayable on 25.09.2025	596.95	595.88	579.49	575.93
US \$170 Mn - \$100 Mn repaid on 26.03.2025 and \$ 70 Mn repayable on 06.10.2025	599.07	600.57	1,417.36	1,421.43
US \$425 Mn - Repayable on 16.03.2026	3,637.21	3,634.16	3,543.39	3,528.67
US \$600 Mn - Repayable on 25.08.2026	5,134.88	5,137.56	5,002.43	4,991.65
US \$75 Mn - Repayable on 07.10.2026	641.86	656.56	625.30	640.98
US \$1175 Mn - Repayable on 29.12.2026	10,055.81	9,978.86	9,796.43	9,680.47
JPY ₹ 37.506 Bn - Repayable on 03.03.2027	2,128.50	2,115.64	2,066.24	2,045.33
US \$100 Mn - Repayable on 13.06.2027	855.81	853.04	833.74	829.15
US \$45 Mn - Repayable on 02.07.2027	385.12	386.94	-	-
US \$200 Mn - Repayable on 28.07.2027	1,711.63	1,717.47	1,667.48	1,671.47
US \$150 Mn - Repayable on 13.09.2027	1,283.72	1,278.74	1,250.61	1,242.95
SGD 213.21 Mn - Repayable on 27.10.2027	1,358.36	1,353.58	1,316.19	1,309.63
€ 254.19 Mn - Repayable on 31.10.2027	2,346.84	2,342.96	2,293.28	2,286.52
€ 349.83 Mn - Repayable on 27.03.2028	3,229.79	3,199.82	3,156.09	3,117.13
JPY ₹ 38.624 Bn - Repayable on 20.04.2028	2,191.93	2,181.58	2,127.82	2,107.82
JPY 10.495 Bn - Repayable on 26.06.2028	595.60	591.29	578.18	571.55
US \$505 Mn - Repayable on 03.08.2028	4,321.86	4,297.39	4,210.38	4,173.93
US \$645 Mn - Repayable on 31.08.2028	5,520.00	5,465.21	5,377.62	5,305.50
US \$100 Mn - Repayable on 14.09.2028	855.81	857.81	833.74	822.89
JPY ₹ 68.485 Bn - Repayable on 21.09.2028	3,886.54	3,824.80	3,772.85	3,694.73
US \$100 Mn - Repayable on 25.09.2028	855.81	843.90	833.74	818.56
JPY ₹ 14.358 Bn - Repayable on 09.01.2029	814.84	817.66	791.01	793.01
US \$100 Mn - Repayable on 06.02.2029	855.81	851.32	833.74	827.74
JPY ₹ 22.101 Bn - Repayable on 15.02.2029	1,254.23	1,240.19	1,217.54	1,199.30
US \$200 Mn - Repayable on 07.03.2029	1,711.63	1,688.89	1,667.48	1,639.25
JPY ₹ 22.041 Bn - Repayable on 19.03.2029	1,250.83	1,235.03	1,214.24	1,194.77
JPY ₹ 14.847 Bn - Repayable on 21.03.2029	842.57	835.43	817.92	809.35
US \$225 Mn - Repayable on 27.03.2029	1,925.58	1,893.38	1,875.91	1,836.80
JPY ₹ 60.536 Bn - Repayable on 25.04.2029	3,435.42	3,361.97	-	-
JPY ₹ 9.376 Bn - Repayable on 17.05.2029	532.07	532.09	-	-
US \$300 Mn - Repayable on 04.06.2029	2,567.44	2,581.13	-	-
US \$90 Mn - Repayable on 13.06.2029	770.23	774.23	-	-
JPY ₹ 32.222 Bn - Repayable on 28.06.2029	1,828.60	1,813.54	-	-
US \$300 Mn - Repayable on 10.07.2029	2,567.44	2,564.53	-	-
JPY ₹ 31.964 Bn - Repayable on 30.07.2029	1,813.96	1,820.99	-	-
US \$125 Mn - Repayable on 30.10.2029	1,069.77	1,082.36	-	-
JPY ₹ 12.80 Bn - Repayable on 13.11.2029	726.40	722.57	-	-
US \$75 Mn - Repayable on 05.12.2029	641.86	653.83	-	-
JPY ₹ 45.02 Bn - Repayable on 06.12.2029	2,554.86	2,518.16	-	-
US \$250 Mn - Repayable on 26.12.2029	2,139.54	2,144.83	-	-



Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$320 Mn - Repayable on 22.01.2030	2,738.60	2,732.25	-	-
US \$250 Mn - Repayable on 07.02.2030	2,139.54	2,123.61	-	-
JPY ¥ 29.642 Bn - Repayable on 19.03.2030	1,682.18	1,670.32	-	-
US \$300 Mn - Repayable on 02.06.2030	2,567.44	2,627.61	2,501.22	2,569.05
Sub-Total (3)	91,265.80	90,851.26	64,730.69	64,241.33
Total - Foreign Currency Borrowings (1+2+3)	94,571.40	94,216.65	67,205.64	66,772.38

(iv) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$500 Mn - Repayable on 10.12.2027	4,279.07	4,279.79	-	-
Total - FCNR (B) Loans	4,279.07	4,279.79	-	-

(v) Term Loans from Government of India - National Small Savings Fund (NSSF)

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Loan from NSSF	10,000.00	10,325.12	10,000.00	10,325.12
₹5,000 crores repayable on 13.12.2028 and ₹5,000 crores repayable on 04.10.2029				
Total - Term Loans from Government	10,000.00	10,325.12	10,000.00	10,325.12

21.2 Unsecured Short-Term Borrowings

(i) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$150 Mn - Repaid on 03.04.2024	-	-	1,250.61	1,251.45
US \$150 Mn - Repaid on 19.04.2024	-	-	1,250.61	1,251.46
US \$ 150 Mn - Repaid on 19.04.2024	-	-	1,250.61	1,251.50
US \$ 150 Mn - Repaid on 10.05.2024	-	-	1,250.61	1,250.82
US \$ 200 Mn - Repaid on 14.05.2024	-	-	1,667.48	1,667.76
US \$ 150 Mn - Repaid on 16.05.2024	-	-	1,250.61	1,250.82
US \$ 124.85 Mn - Repaid on 24.05.2024	-	-	1,040.92	1,041.62
US \$ 75.15 Mn - Repaid on 24.05.2024	-	-	626.55	626.98
US \$75 Mn - Repaid on 07.06.2024	-	-	625.30	625.73
US \$44 Mn - Repaid on 12.06.2024	-	-	366.85	367.10
US \$125 Mn - Repaid on 05.07.2024	-	-	1,042.17	1,042.37
US \$150 Mn - Repaid on 09.08.2024	-	-	1,250.61	1,250.85
US \$100 Mn - Repaid on 20.09.2024	-	-	833.74	833.90
US \$200 Mn - Repaid on 06.12.2024	-	-	1,667.48	1,668.61
US \$250 Mn - Repaid on 12.12.2024	-	-	2,084.35	2,085.79
US \$100 Mn - Repaid on 12.12.2024	-	-	833.74	834.30
US \$75 Mn - Repaid on 13.12.2024	-	-	625.30	625.74
US \$200 Mn - Repaid on 27.12.2024	-	-	1,667.48	1,667.80
JPY ¥ 34.229 Bn - Repaid on 27.12.2024	-	-	1,885.68	1,885.96
US \$150 Mn - Repaid on 14.02.2025	-	-	1,250.61	1,250.84
US \$70 Mn - Repaid on 14.02.2025	-	-	583.62	584.04

Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US \$100 Mn - Repaid on 18.03.2025	-	-	833.74	835.85
US \$148.039 Mn - Repayable on 03.04.2025	1,266.94	1,267.86	-	-
US \$62.09 Mn - Repayable on 03.04.2025	530.69	531.08	-	-
US \$150 Mn - Repayable on 08.04.2025	1,283.72	1,283.96	-	-
US \$ 85.547 Mn - Repayable on 17.04.2025	732.13	732.67	-	-
US \$100 Mn - Repayable on 23.04.2025	855.81	855.98	-	-
US \$150 Mn - Repayable on 25.04.2025	1,283.72	1,283.97	-	-
US \$200 Mn - Repayable on 02.05.2025	1,711.63	1,711.96	-	-
US \$150 Mn - Repayable on 06.05.2025	1,283.72	1,283.97	-	-
US \$ 240.103 Mn - Repayable on 23.05.2025	2,054.84	2,055.17	-	-
US \$124.098 Mn - Repayable on 23.05.2025	1,062.06	1,062.84	-	-
US \$75.15 Mn - Repayable on 23.05.2025	643.14	643.62	-	-
US \$75 Mn - Repayable on 06.06.2025	641.86	642.33	-	-
US \$44 Mn - Repayable on 11.06.2025	376.56	376.84	-	-
US \$49 Mn - Repayable on 12.06.2025	419.35	419.63	-	-
US \$119.793 Mn - Repayable on 27.06.2025	1,025.20	1,025.20	-	-
US \$120 Mn - Repayable on 27.06.2025	1,026.98	1,027.14	-	-
US \$125 Mn - Repayable on 03.07.2025	1,069.77	1,069.97	-	-
US \$200 Mn - Repayable on 09.07.2025	1,711.63	1,711.95	-	-
US \$150 Mn - Repayable on 17.07.2025	1,283.72	1,283.96	-	-
US \$250 Mn - Repayable on 22.08.2025	2,139.54	2,139.91	-	-
US \$200 Mn - Repayable on 04.09.2025	1,711.63	1,711.92	-	-
US \$60 Mn - Repayable on 15.10.2025	513.49	513.83	-	-
US \$150 Mn - Repayable on 16.10.2025	1,283.72	1,283.94	-	-
US \$100 Mn - Repayable on 07.11.2025	855.81	856.38	-	-
US \$100 Mn - Repayable on 25.11.2025	855.81	855.96	-	-
US \$100 Mn - Repayable on 26.11.2025	855.81	855.96	-	-
US \$200 Mn - Repayable on 05.12.2025	1,711.63	1,712.76	-	-
US \$141 Mn - Repayable on 11.12.2025	1,206.70	1,207.50	-	-
US \$75 Mn - Repayable on 12.12.2025	641.86	642.28	-	-
US \$225 Mn - Repayable on 17.12.2025	1,925.58	1,925.91	-	-
JPY ¥ 34.229 Bn - Repayable on 27.12.2025	1,942.50	1,942.50	-	-
US \$100 Mn - Repayable on 14.01.2026	855.81	859.96	-	-
US \$150 Mn - Repayable on 13.02.2026	1,283.72	1,283.94	-	-
US \$100 Mn - Repayable on 18.03.2026	855.81	857.66	-	-
Total - FCNR (B) Loans	38,902.89	38,920.51	25,138.67	25,151.29

(ii) Short Term Loan/ Loans repayable on demand

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-Bank of India	-	-	524.94	525.04
₹525 crores repaid on 29.05.2024				
-Central Bank of India	-	-	800.00	800.00
₹800 crores repaid on 12.04.2024				
-Punjab National Bank	-	-	1,500.00	1,500.30
₹1000 crores repaid on 15.04.2024 and ₹500 crores repaid on 29.04.2024				



Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-South Indian Bank	-	-	150.00	150.03
₹150 crores repaid on 26.04.2024				
-State Bank of India	-	-	2,501.00	2,506.82
₹150 crores repaid on 01.05.2024, ₹425 crores repaid on 03.05.2024, ₹426 crores repaid on 15.04.2024, ₹700 crores repaid on 15.04.2024 & ₹800 crores repaid on 09.04.2024				
-UCO Bank	-	-	500.00	500.10
₹500 crores repaid on 08.04.2024				
-Union Bank of India	-	-	750.00	750.16
₹750 crores repaid on 26.04.2024				
-Indian Bank	-	-	1,000.00	1,000.00
₹1000 crores repaid on 02.04.2024				
-Indusind Bank	-	-	300.00	300.06
₹220 crores repaid on 03.04.2024 & ₹80 crores repaid on 06.04.2024				
-Karnataka Bank	-	-	250.00	250.00
₹250 crores repayable on 24.04.2024				
-HDFC Bank	1,500.00	1,500.30	2,500.00	2,500.51
₹1500 crores repayable on 26.11.2025				
-KEB Hana Bank	100.00	100.02	100.00	100.02
₹100 crores Repayable on 13.11.2025				
Total - Short Term Loans/ Loans repayable on demand from Banks	1,600.00	1,600.32	10,875.94	10,883.04

21.3 Term Loans from banks/ financial institutions/ Government as mentioned in Note No. 21.1 (i), (ii) and (iv) have been raised at interest rates ranging from 7.05% to 8.29% (previous year 7.50% to 8.29%) payable on monthly/quarterly/semi annual rests.

21.4 Foreign Currency Borrowings in Note No. 21.1 (iii) have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210 bps) over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned.

21.5 The Company has not borrowed any funds from the banks or financial institutions on the basis of security of current assets.

21.6 Security Details of Secured Debt Securities and Borrowings

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.

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 receivables of ₹4,998.66 Crores of Maharashtra State Electricity Distribution Company Limited in favour of Vistra ITCL (India) Limited. (formerly known as IL&FS Trust Company Limited)

Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/ earmarked to lenders / other Trustees) of the Company in favour of SBICAP Trustee Company Limited.

Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 585, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

The Bond Series XIV, XV, XVI, XVII and XVIII of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

Refer Note No. 10 and 16.2 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.

21.7 No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.

Consolidated Notes to Accounts

22. Subordinated Liabilities

The Company has categorised all subordinated liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(i) 115th Series - Subordinate Tier-II Bonds - 8.06% Redeemable at par on 31.05.2023	-	-	-	-
(ii) 175th Series - Subordinate Tier-II Bonds - 8.97% Redeemable at par on 28.03.2029	2,151.20	2,136.98	2,151.20	2,091.95
(iii) 199th Series - Subordinate Tier-II Bonds - 7.96% Redeemable at par on 15.06.2030	1,999.50	2,093.18	1,999.50	2,041.60
(iv) 222nd Series - Perpetual Tier-I Bonds - 7.98% Perpetual with call option exercisable on 30.04.2033 or any annual anniversary date thereafter	2,000.00	2,144.57	2,000.00	2,145.28
(v) 226th Series - Perpetual Tier-I Bonds - 8.03% Perpetual with call option exercisable on 30.09.2033 or any annual anniversary date thereafter	1,090.00	1,132.65	1,090.00	1,133.38
(vi) 244th Series - Perpetual Tier-I Bonds - 7.99% Perpetual with call option exercisable on 28.02.2035 or any annual anniversary date thereafter	1,995.00	2,006.78	-	-
Total - Subordinated Liabilities	9,235.70	9,514.16	7,240.70	7,412.21
Subordinated Liabilities in/ outside India				
(i) Borrowings in India	9,235.70	9,514.16	7,240.70	7,412.21
(ii) Borrowings outside India	-	-	-	-
Total - Subordinated Liabilities	9,235.70	9,514.16	7,240.70	7,412.21

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost.

22.1 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Rating
Domestic Long-Term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long-Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short-Term Borrowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-Term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)

There has been no migration of ratings during the year.

22.2 Reconciliation between carrying values and the contractual amounts outstanding in respect of Borrowings:

(₹ in Crores)

Particulars	Debt Securities	Other Borrowings	Subordinated Liabilities	Total
As at 31st March 2025				
Total Amount as per Ind-AS	2,92,428.27	1,94,300.16	9,514.16	4,96,242.59
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(8,291.88)	(952.79)	(333.79)	(9,578.46)
Add: Ind-AS Adjustments including EIR	537.37	956.24	55.33	1,548.94
Total Borrowings Outstanding	2,84,673.76	1,94,303.61	9,235.70	4,88,213.07
As at 31st March 2024				
Total Amount as per Ind-AS	2,66,063.24	1,72,092.05	7,412.21	4,45,567.50
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(8,263.26)	(766.66)	(321.21)	(9,351.13)
Add: Ind-AS Adjustments including EIR	707.50	824.58	149.70	1,681.78
Total Borrowings Outstanding	2,58,507.48	1,72,149.97	7,240.70	4,37,898.15

22.3 The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Government agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the year have been utilized for the stated objects in the offer document/ information memorandum. There has been no default as on the Balance Sheet date in the repayment of debt securities, borrowings and subordinated liabilities and the Company has met all its debt servicing obligations, whether principal or interest, during the year. Further, there has not been any breach of covenant of Debt Securities, Borrowings and Debt Securities issued by the company.



Consolidated Notes to Accounts

23. Other Financial Liabilities

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Unpaid Dividends (Refer Note 23.1)	1,079.07	1,192.72	
(B) Unpaid Principal & Interest on Bonds (Refer Note 23.1)			
- Matured Bonds & Interest Accrued thereon	26.99	22.42	
- Interest on Bonds	13.03	10.52	
Sub-total (B)	40.02	32.94	
(C) Advance received towards variation margin	10,579.60	4,638.80	
(D) Funds Received from Government of India for Disbursement as Subsidy/ Grant (cumulative)	97,304.79	98,759.76	
Add: Interest on such funds (net of refund)	8.29	31.68	
Less: Disbursed to Beneficiaries (cumulative)	(97,246.84)	(98,717.49)	
Undisbursed Funds to be disbursed as Subsidy/ Grant	66.24	73.95	
(E) Payables towards Bonds Fully serviced by Government of India	24,318.29	24,382.40	
(F) Other Liabilities*	1,563.50	1,619.77	
Total (A to F)	37,646.72	31,940.58	

*includes amounts received from borrowers which are subject to appropriation as per contractual terms of loan agreement.

23.1 Unpaid dividends, unpaid principal and interest on bonds include the amounts which have either not been claimed by the investors or are on hold pending formalities pursuant to investors' claims etc. The amount due to be transferred to Investor Education and Protection Fund (IEPF) as at 31st March 2025 is ₹0.83 crores (₹0.58 crores as at 31st March 2024) which has been transferred within the prescribed time limit.

Further, Unpaid Dividend also includes an amount of ₹947.96 crores (previous year ₹1,184.95 crores) pertaining to Interim Dividend declared by the company in March 2025 for which balance has been transferred in earmarked bank account but yet to be paid to the shareholders.

23.2 Subsidy Under Accelerated Generation & Supply Programme (AG&SP)

The Company is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Government of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹0.79 crores as at 31st March 2025 (₹0.77 crores as at 31st March 2024) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

		(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024	
Opening Balance of Interest Subsidy Fund	0.77	0.75	
Add: Interest earned during the year	0.02	0.02	
Less: Interest subsidy passed on to the borrower	-	-	
Closing Balance of Interest Subsidy Fund	0.79	0.77	

23.3 Government of India has appointed REC Ltd. 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 schemes are kept in a respective separate bank accounts. The undisbursed funds for the schemes (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under "Undisbursed Funds to be disbursed as Subsidy/ Grant" under the head "Other Financial Liabilities".

23.4 The movement in Interest on Subsidy/ Grant is explained as under:

		(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024	
Opening Balance	31.68	24.17	
Add: Interest earned Adjustment during the year	4.58	9.93	
Less: Amount refunded to Government during the year	(27.97)	(2.42)	
Closing Balance	8.29	31.68	

23.5 For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the Company has raised an aggregate amount of ₹Nil (Previous year Nil) through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹10 lacs at par on private placement basis. As per Ministry of Finance (MoF) letter dated 2nd December, 2020 and 3rd March, 2021, the repayment of principal and interest of the above bonds shall be made by GOI by making suitable budget provisions in the demand of Ministry of Power. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from Government of India (Note 12).

Consolidated Notes to Accounts

Details of the GoI Fully Serviced Bonds raised are as follows:

(₹ in Crores)					
Particulars	Coupon Rate	Interest Frequency	Redemption Date	As at 31-03-2025	As at 31-03-2024
GoI-I Series	8.09%	Semi-annual	21.03.2028	1,837.00	1,837.00
GoI-II Series	8.01%	Semi-annual	24.03.2028	1,410.00	1,410.00
GoI-III Series	8.06%	Semi-annual	27.03.2028	753.00	753.00
GoI-IV Series	8.70%	Semi-annual	28.09.2028	3,000.00	3,000.00
GoI-V Series	8.54%	Semi-annual	15.11.2028	3,600.00	3,600.00
GoI-VI Series	8.80%	Semi-annual	22.01.2029	2,027.00	2,027.00
GoI-VII Series	8.60%	Semi-annual	08.03.2029	1,200.00	1,200.00
GoI-VIII Series	8.30%	Semi-annual	25.03.2029	4,000.00	4,000.00
GoI-IX Series	7.14%	Semi-annual	02.03.2030	1,500.00	1,500.00
GoI-X Series	8.25%	Semi-annual	26.03.2030	532.30	532.30
GoI-XI Series	7.20%	Semi-annual	31.03.2030	1,750.00	1,750.00
GoI-XII Series	6.45%	Semi-annual	07.01.2031	1,000.00	1,000.00
GoI-XIII Series	6.63%	Semi-annual	28.01.2031	1,000.00	1,000.00
GoI-XIV Series	6.50%	Semi-annual	26.03.2031	500.00	500.00
Total				24,109.30	24,109.30

24. Current tax liabilities (net)

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Provision for Income Tax	-	3,283.85
Less: Advance Income-tax & TDS	-	(3,217.34)
Current tax liabilities (Net)	-	66.51

25. Provisions

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Provisions for		
(A) Employee Benefits		
Gratuity	3.26	0.13
Earned Leave Liability	39.29	33.81
Medical Leave Liability	23.44	21.52
Settlement Allowance	2.56	2.40
Economic Rehabilitation Scheme	6.70	4.92
Long Service Award	5.17	4.51
Incentive	37.81	36.96
Others	0.80	1.07
Sub-total (A)	119.03	105.32
(B) Others		
Expected Credit Loss on Letters of Comfort	18.48	32.02
Sub-total (B)	18.48	32.02
Total (A+B)	137.51	137.34

25.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
Opening balance	32.02	15.87
Add: Created during the year	16.90	25.97
Less: Reversed/ Adjusted during the year	(30.44)	(9.82)
Closing balance	18.48	32.02

25.2 The Company has maximum credit risk exposure of ₹7,990.22 crores (previous year ₹5,961.13 crores) (net of Impairment Loss Allowances) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.



Consolidated Notes to Accounts

26. Other Non-financial Liabilities

(₹ in Crores)			
Particulars	As at 31-03-2025	As at 31-03-2024	
(A) Sundry Liabilities Account (Funded Interest Capitalisation)	46.67	47.80	
(B) Unbilled Liability towards Capital Account	48.38	48.38	
(C) Unamortised Fee on Undisbursed Loans	75.14	85.38	
(D) Advance received from Government towards Government Schemes	0.08	-	
(E) Statutory Dues	100.95	78.23	
Total (A to E)	271.22	259.79	

27. Equity Share Capital

(₹ in Crores)				
Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of ₹10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
Issued, Subscribed and Paid up :				
Fully paid up Equity shares of ₹10 each	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22
Total	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22

27.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Crores)				
Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22
Increase/ (Decrease) during the year	-	-	-	-
Share Capital at the end of the year	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22

27.2 Allotment of Bonus Shares during the year and during preceding five years

During the current year and preceding five years, no bonus shares were issued by the Company except in the FY 2022-23, when the Company had allotted 65,83,06,000 Equity Shares of ₹10 each as fully paid up by way of bonus shares in the ratio of 1 (One) equity share for every 3 (Three) equity share outstanding on the record date i.e. 18th August 2022 by capitalising ₹658.30 crores out of the sum standing to the credit of 'Securities Premium Account'.

27.3 The Company has neither issued any equity shares pursuant to contracts without payment being received in cash nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

27.4 Rights, Preferences and Restrictions attached to Equity shares

The holders of the equity shares of the Company are entitled to receive dividends as and when declared by the Company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to a shareholder of a listed public company, under the Companies Act, 2013 and rules made thereunder, Companies Act, 1956 (to the extent applicable), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

27.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date

Name of the Shareholder	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

27.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Name of the Company	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

27.7 Details of equity shares held by the promoter

Name of the Promoter	As at 31-03-2025			As at 31-03-2024		
	No. of Shares	Percentage	% change during the year	No. of Shares	Percentage	% change during the year
The President of India	-	-	-	-	-	-
Power Finance Corporation Limited	1,38,59,93,662	52.63%	-	1,38,59,93,662	52.63%	-

Consolidated Notes to Accounts

28. Instruments entirely equity in nature

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number	Amount	Number	Amount
Fully paid-up Perpetual Debt Instruments entirely equity in nature of ₹10 lakhs each	5,584	558.40	5,584	558.40
Total	5,584	558.40	5,584	558.40

28.1 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	5,584	558.40	5,584	558.40

28.2 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date

Name of the Shareholder	As at 31-03-2025		As at 31-03-2024	
	Number	Amount	Number	Amount
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

28.3 The Company 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 Company; and (b) Subordinated to the claims of all other creditors of the Company. 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 the Company. The coupon of the securities is not cumulative except where the Company 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 Company does not have any redemption obligation and discretion on payment of coupon, these have been classified as equity. Further, the periodic coupon payments are accordingly adjusted with retained earnings.

29. Other Equity

Particulars	As at 31-03-2025	As at 31-03-2024
(A) Other Reserves		
(i) Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	31,595.40	28,044.83
(ii) Reserve for Bad and doubtful debts u/s 36(1)(viii)(c) of the Income Tax Act, 1961	841.80	687.76
(iii) Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	13,971.63	10,828.99
(iv) Securities Premium	1,577.53	1,577.53
(v) Foreign Currency Monetary Item Translation Difference Account	(611.65)	(675.14)
(vi) General Reserve	13,474.04	12,036.27
(B) Retained Earnings	16,067.34	13,872.66
(C) Other Comprehensive Income (OCI)		
- Equity Instruments through Other Comprehensive Income	(81.84)	(57.99)
- Effective Portion of Cash Flow Hedges	(931.35)	(1,846.93)
- Cost of Hedging reserve	(718.46)	1,690.64
Total - Other Equity	75,184.44	66,158.63

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

29.1 Drawdown/ Transfer from Reserves: Pursuant to regulatory guidelines and utilisation of reserves created for specific purposes, the Company has transferred the following amounts from different reserves to General Reserve:

(i) During the financial year 2024-25

₹687.76 crores from Reserve for Bad & Doubtful Debts under Section 36(1)(viii)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

(ii) During the financial year 2023-24

No amount has been drawn from the reserves during the financial year 2023-24



Consolidated Notes to Accounts

29.2 Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961

Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961 is maintained by the Company 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.

Detail of Movement during the year

(₹ in Crores)		
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	28,044.83	24,977.89
Add: Transferred from Retained Earnings	3,550.57	3,066.94
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	31,595.40	28,044.83

29.3 Reserve for Bad and doubtful debts u/s 36(1)(viiia)(c) of the Income Tax Act, 1961

Reserve for Bad and doubtful debts u/s 36(1)(viiia)(c) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per Section 36(1)(viiia)(c) of the 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 per cent of the total income as per Income Tax Act. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof.

Detail of Movement during the year

(₹ in Crores)		
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	687.76	-
Add: Transferred from Retained Earnings	841.80	687.76
Less: Transferred to General Reserve	(687.76)	-
Balance as at the end of the year	841.80	687.76

29.4 Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934

The Company is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. 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 from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

Detail of Movement during the year

(₹ in Crores)		
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	10,828.99	8,025.15
Add: Transferred from Retained Earnings	3,142.64	2,803.84
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	13,971.63	10,828.99

29.5 Securities Premium

Securities Premium represents the premium received by the Company on issue of shares and debt securities. It is utilised in accordance with the provisions of the Companies Act, 2013.

Detail of Movement during the year

(₹ in Crores)		
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	1,577.53	1,577.53
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Less: Utilised for Bonus Issue of Equity Shares	-	-
Less: Expenses incurred on Bonus Issue of Equity Shares	-	-
Balance as at the end of the year	1,577.53	1,577.53

Consolidated Notes to Accounts

29.6 Foreign Currency Monetary Item Translation Difference Account

The company had opted towards an irrevocable option for amortising the foreign exchange fluctuation loss/gain on the long term foreign currency monetary items over the balance period of such items in accordance with Para 46A of the erstwhile applicable Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. The Company opted to continue the policy of such amortisation as per the previous GAAP in respect of the exchange differences arising from translation of long-term foreign currency monetary items as on 31st March 2018 in line with the provisions of Ind-AS. The balance in this account represents the unamortised gain/ (loss) which will be amortised over the balance period of the eligible long term foreign currency monetary liabilities.

Detail of Movement during the year

	(₹ in Crores)	
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	(675.14)	(790.44)
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(120.43)	(85.73)
Less: Amortisation during the year	183.92	201.03
Balance as at the end of the year	(611.65)	(675.14)

29.7 General Reserve

General Reserve includes the amounts appropriated from the profits of the Company and also amounts transferred from Statutory Reserves.

Detail of Movement during the year

	(₹ in Crores)	
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	12,036.27	12,036.27
Add: Transferred from Retained Earnings	750.00	-
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viiia) of the Income Tax Act, 1961	687.76	-
Balance as at the end of the year	13,474.03	12,036.27

29.8 Equity Instruments through Other Comprehensive Income (OCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the OCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the related equity securities are derecognised.

Detail of Movement during the year

	(₹ in Crores)	
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	(57.99)	(101.47)
Add: Recognition through Other Comprehensive Income (net of taxes)	(23.85)	91.48
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	(48.00)
Balance as at the end of the year	(81.84)	(57.99)

29.9 Effective Portion of Cash Flow Hedges

The Company uses derivative instruments in pursuance of managing its foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent the derivative contracts designated under the hedge accounting are effective hedges, the change in fair value of the hedging instrument is recognised in 'Effective Portion of Cash Flow Hedges'. Amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Detail of Movement during the year:

	(₹ in Crores)	
Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	(1,846.93)	600.05
Add: Recognition through Other Comprehensive Income (net of taxes)	915.58	(2,446.98)
Balance as at the end of the year	(931.35)	(1,846.93)

29.10 Cost of Hedging Reserve

The Company designates the intrinsic value of foreign currency option contracts as hedging instruments in 'Cash Flow Hedge' relationships. The changes in fair value of the time value of an option are recognised in OCI and amortised to the Statement of Profit and Loss on a rational basis.



Consolidated Notes to Accounts

Detail of Movement during the year

(₹ in Crores)

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	1,690.64	(1,709.87)
Add: Recognition through Other Comprehensive Income (net of taxes)	(2,409.10)	3,400.51
Balance as at the end of the year	(718.46)	1,690.64

29.11 Detail of Movement in Retained Earnings during the year

(₹ in Crores)

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Balance as at the beginning of the year	13,872.66	10,313.78
Add: Profit for the year	15,884.23	14,145.46
Add: Remeasurement of Defined Benefit Plans (net of taxes)	0.57	(0.74)
Less: Transferred to General Reserve	(750.00)	-
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,550.57)	(3,066.94)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) (c) of the Income Tax Act, 1961	(841.80)	(687.76)
Less: Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(3,142.64)	(2,803.84)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	48.00
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)
Less: Dividend during the year	(5,371.78)	(4,042.00)
Balance as at the end of the year	16,067.34	13,872.66

29.12 Dividend declared/ proposed by the Company for Equity Shares of ₹10/- each

Rate of Interest	For the year ended 31-03-2025		For the year ended 31-03-2024	
	Dividend per Equity Share	Dividend Amount	Dividend per Equity Share	Dividend Amount
	(₹)	(₹ in crores)	(₹)	(₹ in crores)
No. of Equity Share at the end of the year	2,63,32,24,000		2,63,32,24,000	
Interim Dividend	15.40	4,055.16	11.00	2,896.55
Final/ Proposed Dividend	2.60	684.64	5.00	1,316.61
Total Dividend	18.00	4,739.80	16.00	4,213.16

The Board of Directors at its meeting held on May 08, 2025 recommended final dividend of ₹2.60 per equity share (on face value of ₹10/- each) for the financial year 2024-25, subject to approval of Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year is ₹18/- per equity share (on face value of ₹10/- each) including total interim dividend of Rs. 15.40 per share.

As per the requirements of Ind-AS 10 'Events after the Reporting Period', the Company is not required to provide for the dividend proposed by the Board of Directors after the end of the financial year. Such appropriation is made after the approval in the Annual General Meeting (AGM) in case of final dividend.

Consolidated Notes to Accounts

30. Interest Income

Particulars	Year ended 31-03-2025			Year ended 31-03-2024		
	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A) Interest on Loan Assets						
(i) Long term financing	-	49,611.60	-	-	42,941.50	-
(ii) Short term financing	-	4,414.82	-	-	2,717.24	-
Sub-total (A)	-	54,026.42	-	-	45,658.74	-
(B) Interest Income from Investments						
(i) Interest from Long Term Investments	-	411.28	81.43	-	190.29	69.16
Sub-total (B)	-	411.28	81.43	-	190.29	69.16
(C) Interest on Deposits with Banks						
(i) Interest from Deposits	-	270.22	-	-	331.51	-
Sub-total (C)	-	270.22	-	-	331.51	-
(D) Other Interest Income						
(i) Interest on Delayed Payments by Borrowers	-	294.46	-	-	173.80	-
(ii) Interest from Staff Advances	-	6.11	-	-	5.06	-
(iii) Interest on Mobilisation Advance	-	0.14	-	-	0.24	-
(iv) Unwinding of Discount of Security Deposits	-	-	-	-	0.10	-
(v) Interest on unwinding of receivable on account of stressed loans assets	-	12.36	-	-	-	-
(vi) Interest from SPVs/Associates	-	0.70	-	-	0.71	-
(vii) Interest on Advance to parties	-	2.08	-	-	1.83	-
Sub-total (D)	-	315.85	-	-	181.74	-
Total - Interest Income (A to D)	-	55,023.77	81.43	-	46,362.28	69.16

31. Dividend Income

Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
Dividend from Long-Term Investments	8.42		2.28	
Total - Dividend Income	8.42		2.28	

31.1 Details of dividend income recognised on Other Investments :

Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
Dividend on Equity Investments measured at FVOCI				
- Investments held at the end of the year	8.42		1.94	
- Investments derecognized during the year	-		0.34	
Total	8.42		2.28	

32. Fees and Commission Income

Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
Fees based Income	201.20		70.80	
Prepayment Premium	138.75		50.74	
Fee for Implementation of Government Schemes	53.79		114.49	
Total - Fees and Commission Income	393.74		236.03	



Consolidated Notes to Accounts

33. Sale of services

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Consultancy Engineering Services	510.97	360.52
Total	510.97	360.52

34. Other Income

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Net gain/ (loss) on de-recognition of Property, Plant and Equipment	0.01	-
Net gain/ (loss) on disposal of assets classified as held for sale	6.03	1.32
Recoveries against written off financial assets	12.15	-
Rental Income	15.12	13.96
Liabilities/Provision Written Back	2.89	23.90
Fees from Training Courses	1.34	12.33
Interest from Income Tax Refund	0.64	0.28
Miscellaneous Income	29.30	14.69
Total - Other Income	67.48	66.48

35. Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Interest on Borrowings		
- Loans from Government of India (NSSF)	822.50	822.50
- Loans from Banks/ Financial Institutions	4,590.64	5,461.62
- External Commercial Borrowings	6,602.12	4,774.11
Sub-Total (i)	12,015.26	11,058.23
(ii) Interest on Debt Securities		
- Domestic Debt Securities	17,773.04	15,086.29
- Foreign Currency Debt Securities	1,334.12	1,553.60
- Commercial Paper	-	135.64
Sub-Total (ii)	19,107.16	16,775.53
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	687.76	631.89
Sub-Total (iii)	687.76	631.89
(iv) Other Interest Expense		
- Swap Premium	1,796.86	1,368.64
- Interest on Variation Margin	524.81	114.70
- Interest on Advance Income Tax	-	4.01
- Interest on liability towards employee benefits	2.46	(4.84)
- Miscellaneous interest expense	-	0.11
Sub-Total (iv)	2,324.13	1,482.62
Total - Finance Costs	34,134.31	29,948.27
Less: Finance Costs Capitalised	(3.02)	(0.53)
Total - Finance Costs (Net)	34,131.29	29,947.74

Consolidated Notes to Accounts

36. Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Net translation/ transaction exchange loss/ (gain)	208.15	166.57
Total	208.15	166.57

The figures above include amortisation of net translation/ transaction exchange loss/ (gain) on Long Term Foreign Currency Monetary Items recognised in the financial statements before 1st April 2018 amounting to ₹183.92 crores (Previous year ₹201.03 crores).

36.1 The foreign currency monetary items are translated at FBIL (Financial Benchmark India Private Ltd) reference rates prevailing at the end of each reporting period or where the FBIL reference rate is not available for any currency, the closing rate for the same date quoted on Bloomberg. The respective rates as on the reporting date are as below:

Exchange Rates	USD/INR	JPY/INR	EUR/INR	SGD/INR
As at 31 st March 2025*	85.5814	0.5675	92.3246	63.7098
As at 31 st March 2024*	83.3739	0.5509	90.2178	61.7319

* as on 28th March 2025 and 28th March 2024 being the last working day.

37. Fees and commission expense

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Guarantee Fee	0.14	1.71
(ii) Listing and Trusteeship Fee	0.03	0.06
(iii) Agency Fees	2.49	1.42
(iv) Credit Rating Expenses	4.26	4.08
(v) Other Finance Charges	6.74	16.99
Total (i to v)	13.66	24.26

38. Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Net gain/ (loss) on financial instruments at Fair Value through profit or loss		
(i) On trading Portfolio	-	-
(iii) Others		
- Changes in fair value of Derivatives	80.95	425.55
- Changes in fair value of Long Term Investments	265.35	46.33
- Changes in fair value of Short-term MF investments	1.92	2.60
Sub-total (ii)	348.22	474.48
Total (A)	348.22	474.48
Breakup of Fair Value Changes		
- Realised	388.64	(217.04)
- Unrealised	(40.42)	691.52
Total Net Gain/ (loss) on Fair Value Changes	348.22	474.48

Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense and represents changes in fair value of derivatives designated as economic hedges not designated under hedge accounting and ineffective hedge

39. Impairment on financial instruments

(₹ in Crores)				
Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i) Loans *	-	886.24	-	(1,367.07)
(ii) Investments	-	3.26	-	-
(iii) Others**	-	132.08	-	(12.51)
Total (i+ii+iii)	-	1,021.58	-	(1,379.58)

* includes ₹-13.54 crores (Previous year ₹16.14 crores) towards impairment allowance on Letter of Comfort.

** this represents the impairment allowance on other recoverable on account of stressed loan assets (refer note 12 above).



Consolidated Notes to Accounts

40. Cost of services rendered

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Project Expenses	162.62	168.06
Total	162.62	168.06

41. Employee Benefits Expense

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Salaries and Allowances	174.54	157.41
- Contribution to Provident and Other Funds	33.43	32.87
- Rent towards Residential Accommodation for Employees	10.45	6.65
- Staff Welfare Expenses	49.71	41.27
Total	268.13	238.20

42. Depreciation and amortization

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Depreciation on Property, Plant & Equipment	24.01	22.88
- Depreciation on Investment Property	0.40	-
- Amortization on Intangible Assets	0.29	1.11
Total	24.70	23.99

43. Corporate Social Responsibility Expenses

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Direct Expenditure	282.05	243.69
- Overheads	9.48	8.09
Total	291.53	251.78

43.1 The Ministry of Corporate Affairs (MCA) has prescribed Companies (Corporate Social Responsibility Policy) Rules, 2014, amended from time to time. These rules require that any unspent CSR amount, other than for any ongoing project, must be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. In case such unspent amount pertains to any ongoing project, it must be transferred to unspent CSR Account by 30th April of the next year. However, if such amount is not utilised within three financial years, it is required to be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. The Company also carries the right to set-off any amount spent in excess of the requirement under the Act within three succeeding financial years against the amount to be spent. Further, companies undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure or fifty lakh rupees, whichever is higher.

43.2 Details of Gross Amount required to be spent by the Group:

- Gross amount required to be spent by the company during the year is ₹291.53 crores (previous year ₹251.78 crores)
- Amount approved by the Board to be spent during the year is ₹291.53 crores (previous year ₹251.78 crores)
- Refer Note no. 59 for related party transactions related to CSR.
- Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(A) Opening Balance - Excess amount spent	5.34	7.70
(B) Amount required to be spent during the year	291.53	251.78
(C) Amount spent during the year*	291.72	249.42
(D) Closing Balance - Excess amount spent** (A-B+C)	5.53	5.34

* Excludes amount spent on CSR activities from interest earned on temporarily parked funds by REC Foundation (implementing agency) of ₹Nil (previous year ₹Nil)

** eligible to be set-off in the next three succeeding financial years

Consolidated Notes to Accounts

43.3 Amount spent during the year:

Particulars	Year ended 31-03-2025			Year ended 31-03-2024		
	In Cash	Yet to be paid	Total	In Cash	Yet to be paid	Total
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above						
Health/Sanitation / Waste Management / Drinking water	129.50	-	129.50	68.55	-	68.55
Education/ Vocational/ Skill Development	16.31	-	16.31	10.72	-	10.72
Environmental Sustainability	7.01	-	7.01	21.32	-	21.32
Sports	38.98	-	38.98	21.83	-	21.83
Contribution to PM CARES Fund	51.70	-	51.70	85.00	-	85.00
Others (Rural Development, Benefits of Armed Forces / Incubators/ Disaster Management)	38.74	-	38.74	33.92	-	33.92
Impact Assessment	0.28	-	0.28	0.13	-	0.13
Administrative overheads including training etc.	9.20	-	9.20	7.95	-	7.95
Total (i+ii)	291.72	-	291.72	249.42	-	249.42

44. Other Expenses

Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
- Travelling and Conveyance	31.24		23.01	
- Publicity & Promotion Expenses	30.84		32.28	
- Repairs and Maintenance	36.36		26.55	
- Rent, taxes and energy costs	8.63		7.74	
- Insurance Charges	0.56		0.16	
- Communication costs	7.23		2.38	
- Printing & stationery	1.50		1.74	
- Director's sitting fees	0.50		0.49	
- Auditors' fees and expenses	1.84		1.84	
- Legal & Professional Charges	21.30		13.76	
- Donations & Charity	0.01		-	
- Net Loss on Disposal of Property, Plant & Equipment	7.61		5.56	
- Training And Conference Expense	5.98		13.76	
- Government Scheme Monitoring Expenses	16.49		9.15	
- Other Expenditure	24.82		31.85	
Total	194.90		170.27	

44.1 Disclosure in respect of Auditors' fees and expenses

Particulars	Year ended 31-03-2025		Year ended 31-03-2024	
Fees paid to statutory auditors :				
- for audit fees	0.79		0.75	
- for taxation matters	0.18		0.18	
- for company law matters/ limited review fees	0.37		0.36	
- for other services	0.18		0.38	
- for reimbursement of expenses	0.20		0.05	
Sub-total	1.72		1.71	
Non-recoverable tax credit in respect of fees paid to auditors	0.13		0.13	
Total - Auditor's fees and expenses	1.85		1.84	



Consolidated Notes to Accounts

45. Tax Expense

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
- Current tax expense	4,098.91	3,329.10
- Current tax expense/ (benefit) pertaining to earlier years	(0.25)	3.97
Sub-total - Current Tax	4,098.66	3,333.07
- Deferred tax expense/ (credit)	134.58	481.41
Total	4,233.24	3,814.48

45.1 Reconciliation of Effective Tax Rate

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(₹ in Crores)		
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Profit before Tax	20,117.47	17,959.94
Statutory income tax rate	25.168%	25.168%
Expected income tax expense	5,063.16	4,520.16
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(893.61)	(771.89)
Non-allowability of CSR expenses & other adjustments	72.01	63.47
Income not Taxable	(28.04)	-
Other non-deductible expenses	(5.02)	(1.14)
Interest on Advance Income tax disallowed	-	0.49
Non Taxable Income	22.81	(0.58)
Tax Expense Earlier Years	1.93	3.97
Tax expense	4,233.24	3,814.48

46. Earnings per Share

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
<u>Numerator</u>		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in crores)*	15,850.93	14,112.16
Profit for the year from discontinued operations as per Statement of Profit and Loss (₹ in crores)*	-	-
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in crores)*	15,850.93	14,112.16
<u>Denominator</u>		
Weighted average Number of equity shares	2,63,32,24,000	2,63,32,24,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	60.20	53.59
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	60.20	53.59

* The profit denotes Profit after Tax less coupon expenses (net of taxes) of ₹33.30 crores (Previous year ₹33.30 crores) on Perpetual Debt Instruments entirely equity in nature.

Consolidated Notes to Accounts

47. Contingent Liabilities and Commitments

47.1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
(A) Claims against the Company not acknowledged as debts	38.11	28.17
(B) Taxation Demands		
(i) - Demands raised by the Income Tax Department	62.79	213.14
(ii) - Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	162.12	0.90
(iii) - Demands raised in respect of GST	48.84	17.97
(C) Guarantees	4.45	15.21
(D) Others		
(i) - Arbitration Proceedings through Project Management Consultant (PMC) (counter claim of ₹41.66 crores (previous year ₹33.23 crores)	441.28	352.94
(ii) - Fine imposed by Stock Exchanges	0.18	-
(iii) - Letters of Comfort	7,990.22	5,961.13

The amount referred to in 'A' above are in respect of cases pending in various courts and is dependent upon the verdict of the court.

The amount referred to in B(i) above are against the various demands raised by Income Tax Department. The company is contesting these demands and the management believes that its position will likely be upheld in the appellate process.

The amount referred to in B(ii) above are against the appeal filed by Income Tax Department in High Court against the relief allowed to the Company at ITAT level.

The amount referred to in B(iii) above includes ₹17.89 crores towards the GST refund appeal filed by the company. Apart from this, ₹2.81 crores is on account of demand raised by GST Department which the company is contesting and management believes that its position will likely be upheld in the appellate process.

Against the total of taxation demands of ₹229.42 crore as referred in B(i)/(ii)/(iii) above, Company has paid or adjudicating authority has adjusted ₹163.91 crore under protest and remaining ₹65.51 crore is unpaid as on 31st March, 2025.

The amount referred to in D(i) above represent arbitration matters between the contractor and PMC appointed by the company. The claim is being contested by the PMC and company believes that its position will likely be upheld in the arbitration process. The amount includes 18% p.a interest on the claim amount.

The amount referred to in D(ii) above represents the fine imposed by National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of ₹0.18 crores (inclusive of GST) for non-compliance on the Corporate Governance requirement of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 regarding the position/quorum requirement of Board/Committee, due to inadequate number of independent Directors.

The Company has requested the Stock Exchanges to waive the fine since the power to appoint Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors or the Company cannot appoint Independent Directors on the Board of the Company. As such, there is no violation on the part of the Company in the appointment of Independent Directors. The Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by NSE and BSE for similar reasons after complying with the requirement.

47.2 Commitments not provided for in respect of:

(₹ in Crores)		
Particulars	As at 31-03-2025	As at 31-03-2024
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	25.64	94.85
- Towards Intangible Assets	1.78	-
- Other Commitments		
- CSR Commitments	448.71	418.89

48. Details of Registration/ License/ authorisation obtained from financial sector regulators:

Particulars	Regulator Name	Registration Details
(i) Corporate Identification Number	Ministry of Corporate Affairs	L40101DL1969GOI005095
(ii) Registration Number	Reserve Bank of India	14.000011
(iii) Legal Entity Identifier (LEI) Code	Global Legal Entity Identifier Foundation (GLEIF)	335800B4YRYWAMIJZ374
(iv) Registration Number	Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)	L0012

49. Implementation of Government of India Schemes

49.1 Rooftop Solar Program (RTS)

PM-Surya Ghar: Muft Bijli Yojana was launched by Government of India on 29.02.2024 for installation of Rooftop Solar (RTS) in one crore households with the financial outlay of ₹75,021 crore (including central financial assistance of ₹65,700 crore) and is to be implemented till FY 2026-27. The scheme



Consolidated Notes to Accounts

aims to install rooftop solar systems in 1 crore residential households, providing free or low-cost electricity of up to 300 units per month. It targets the generation of 1,000 billion units of renewable electricity from the installed capacity, which is expected to reduce carbon dioxide equivalent emissions by 720 million tons over the 25-year lifespan of these rooftop solar projects. This initiative supports India's commitment to its Nationally Determined Contributions (NDCs) under the UNFCCC by aiming to achieve 30 GW of rooftop solar capacity in the residential sector by FY 2026-27.

49.2 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.

The main objective of the scheme includes :

- (i) Reduction of AT&C losses to pan-India levels of 12-15% by the FY 2024-25.
- (ii) Reduction of ACS-ARR gap to zero by the FY 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.

49.3 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. REC has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

49.4 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 October 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹16,320 crore including Gross Budgetary Support of ₹12,320 crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

49.5 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 November 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;
- (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.

49.6 Prime Minister's Development Plan (PMDP)

Government of UT of Jammu & Kashmir and Government of UT of Ladakh, through their respective company / department have appointed RECPDCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of transmission projects under PMDP in J&K state and Ladakh on nomination basis, as per actual cost to be discovered through competitive biddings.

49.7 11 kV Feeder Monitoring Scheme

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.

Consolidated Notes to Accounts

50. Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximizing the return to stakeholders. The capital structure of the Company consists of the equity and the long-term borrowings made by the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Company is also guided, inter alia, by revised 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. The Company has complied with all externally imposed capital requirements.

The debt-equity ratio of the Group is as below:

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Net debt	4,87,979.50	4,37,635.40
Net worth	78,376.06	69,350.25
Debt-equity ratio	6.23	6.31

Net debt represents principal outstanding less cash and cash equivalents available.

Dividend Distribution Policy

Board of Directors monitors the dividend pay-out to the shareholders of the Company. Dividend distribution policy of the Company focuses on various factors including but not limited to the present & future capital requirements, profits earned during the financial year, Capital to Risk-weighted Assets Ratio (CRAR), cost of raising funds from alternate sources, cash flow position and applicable taxes if any and net worth of the Company, subject to the applicable circulars/ guidelines issued by RBI, DIPAM etc. as applicable from time to time.

As per the extant guidelines issued by DIPAM, Government of India, the Company is required to pay a minimum annual dividend of 30% of PAT. Though the Company endeavors to declare the dividend as per these guidelines, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth.

Other Policies

The Company has also adopted various policies for the management of the Company which inter-alia include Comprehensive Risk Management Policy, Whistle Blower Policy, Code of Conduct for Regulating, Monitoring & Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure, Policy for prevention of Fraud, The Code of Business Conduct and Ethics for Board Members and Senior Management, Fair Practices Code, Internal Guidelines on Corporate Governance, Policy on 'fit & proper' criteria of Directors, Policy on diversity and skills of the Board, criteria for appointing senior management personnel and remuneration to Directors, KMPs and other employees etc.

51. Capital to Risk-weighted Assets Ratio and Liquidity Coverage Ratio

The Company is complying with the Capital Adequacy requirements as per the master directions/ circulars/ guidelines prescribed by the RBI, amended from time to time. Being an NBFC and Infrastructure Finance Company (NBFC-IFC), REC is required to maintain a Capital Adequacy Ratio or Capital to Risk Weighted Assets Ratio (CRAR) of 15% (with a minimum Tier I Capital of 10%), computed by dividing company's Tier-I and Tier-II capital by Risk Weighted Assets.

Particulars	As at 31-03-2025			As at 31-03-2024			% Variance**
	Numerator* (₹ in Crores)	Denominator* (₹ in Crores)	%	Numerator* (₹ in Crores)	Denominator* (₹ in Crores)	%	
(i) CRAR	86,963.54	3,34,562.05	25.99%	73,859.00	2,86,046.00	25.82%	0.66%
CRAR-Tier I Capital	79,491.30	3,34,562.05	23.76%	66,716.00	2,86,046.00	23.32%	1.89%
CRAR-Tier II Capital	7,472.24	3,34,562.05	2.23%	7,143.00	2,86,046.00	2.50%	-10.80%
(ii) Liquidity Coverage Ratio (LCR) (Refer Note 52.2.4(vi))	4,214.07	2,809.00	150.02%	2,762.42	3,132.25	88.19%	70.11%

The amount of Perpetual Debt Instrument of the Tier-I capital is 7.10% (previous year 5.47%)

*For CRAR-Numerator being Tier-I & Tier-II capital majorly consists of Equity (Refer Note no. 27, 28 and 29) and Denominator being Risk Weighted Assets majorly represents the weighted sum of company's credit exposure(s) such as Loans (Refer Note no. 10) and Investments (Refer Note no. 11), calculated in line with circular(s) issued by RBI in this regard, from time to time.

*For LCR-Numerator being HQLAs held by Company (Refer Note no. 11.1) and Denominator being total net Cash Outflow over next 30 days as calculated in line with circular(s) issued by RBI in this regard, from time to time.

** Variance in LCR is on account of comparative increase in HQLA Securities in order to align with the growing business of the Company.

Details of Tier II capital and Perpetual Debt Instruments raised during the year are as under

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount of Perpetual Debt Instruments raised as Tier-I capital*	1,995.00	3,090.00

* Refer Note No. 22 on Subordinated Liabilities.



Consolidated Notes to Accounts

52. Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company has a Integrated Risk Management Policy, which covers, inter-alia, Credit Risk, Liquidity Risk, Market Risk, Operational Risk and Other risk of the organization. The Company's risk management policies are guided by well-defined systems & processes appropriate for various risk categories, independent risk oversight and periodic monitoring. A Board Level Risk Management Committee (RMC) has also been constituted under the chairmanship of Chairman & Managing Director, whose main function is to identify and monitor various risks of the organization and to suggest actions for mitigation of the same.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash Equivalents, Bank Balances (other than Cash and Cash Equivalents), Loans, Financial Assets, Investments	Ageing analysis	Detailed Appraisal Process, Bank deposits, liquid funds, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings, Debt Securities, Subordinated Liabilities and Other Financial Liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - Currency risk	Recognised Financial Assets and Liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Derivative contracts
Market risk - interest rate risk	Borrowings, Debt Securities and Subordinated Liabilities at variable interest rates	Sensitivity analysis	Derivative contracts
Market risk - equity price risk	Investments in Quoted Equity Securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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. Pursuant to RBI notification DNBR (PD) CC.NO./099/03.10.001/2018-19 dated May 16, 2019 to augment risk management practices in the Company, the Board has also appointed a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. Company's objectives, policies and processes for measuring and managing each of above risk is set out in the subsequent paragraphs.

RBI vide its Master Direction-RBI/2023-24/107 DoS.CO.CSITG/SEC.7/31.01.015/2023-24 dated 07th November, 2023 on Information Technology Governance, Risk, Controls and Assurance Practice, has mandated the appointment of Chief Information Security Officer (CISO). The Company has appointed the CISO w.e.f 16th January, 2024 in compliance of the RBI Directions.

52.1 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balances (other than cash and cash equivalents), investments, loan assets, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

52.1.1 Financial assets that expose the entity to credit risk

		(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024	
(i) Low credit risk on financial reporting date			
Cash and cash equivalents	233.57	262.75	
Bank balances (other than cash and cash equivalents)	2,109.80	2,699.75	
Loans *	5,21,767.83	4,82,554.12	
Investments (excluding equity investments)	6,199.48	4,865.31	
Trade and Other Receivables	182.19	118.83	
Other financial assets	24,604.19	24,442.64	
(ii) Moderate credit risk			
Loans *	45,471.51	18,999.65	
Trade and Other Receivables	70.07	58.90	
(iii) High credit risk			
Loans *	7,652.65	13,810.33	
Investments in Preference Share **	28.72	28.72	
Trade and Other Receivables	73.48	66.40	
Other financial assets	149.71	39.93	

* Represents the principal outstanding (along with undisbursed amount towards Letters of Comfort) without deduction for expected credit losses

** Represents principal outstanding without deduction for expected credit losses in respect to the investment in Redeemable Preference Shares of RattanIndia Power Limited.

Consolidated Notes to Accounts

Cash and Cash Equivalents and Bank Balances

Credit risk related to cash and cash equivalents and bank deposits is managed by parking funds in investment grade rated instruments and highly rated banks and also diversifying the deposit base by investing in different instruments/ banks across the country.

Loans

Credit risk related to borrowers are mitigated through adequate security arrangements for the loans by way of hypothecation of future project loan assets, receivables, inventories or any other assets, Government Guarantees, Corporate guarantees etc. and additionally Collaterals wherever required. The Company closely monitors the credit-worthiness of the promoters through well-defined entity appraisal guidelines that are configured from systematic institutional and project appraisal process analysis to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures in form of pre-disbursement conditions.

Investment in Government Securities (G-SEC), State Development loans and Debt Securities

Credit risk related to investment in High Quality Liquid Assets (HQLAs) is managed by investment in Government Securities, State Development Loans and PSU Bonds with sound financial health and also diversifying the investment portfolio in different maturity/sector and monitoring the financial health on regular basis.

Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution

The company received various securities issued by borrower entities as a part of the settlement/ resolution plan duly approved by the Company or the Consortium of Lenders, as applicable and in case of resolutions under Insolvency & Bankruptcy Code 2016, approved by Committee of Creditors and National Company Law Tribunal (NCLT) of the competent jurisdiction. Credit risk related to these securities is managed by monitoring the recoverability of such amounts continuously.

Trade and Other Receivables

Trade and Other Receivables measured at amortized cost includes the fee income and training programme fee at REC Institute of Power Management & Training Center. Credit risk related to such receivables is managed by monitoring the recoverability of amounts continuously.

Other Financial Assets

Other financial assets measured at amortized cost includes loans and advances to employees and subsidiary, security deposits and other amounts recoverable, including from Government of India. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

52.1.2 Expected Credit Losses (ECL) for financial assets other than loans and investment

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- **For cash and cash equivalents and bank balances (other than cash and cash equivalents)** - Since the Company deals with only high-rated banks and financial institutions for banking operations and the liquid funds category in the debt funds with consistent track record for short term investment of surplus funds, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- **For Investment in G-Sec, State Development loans and Debt Securities** - Considering that the investments are in debt securities including Government Securities/ minimum investment grade rated Government/ Private Companies, credit risk is considered low.

- **For Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution** - Credit risk is evaluated on the basis of recoverability of such securities. Wherever medium or high risk evaluated on such investments, suitable ECL allowance is provided.

- **For trade and other receivables** - Credit risk is evaluated based on Company's knowledge of the credit worthiness and on the basis of recoverability of receivables from those parties.

- **For other financial assets** - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

Details of expected credit loss for financial assets other than loans is disclosed as follows:

Particulars	As at 31-03-2025			As at 31-03-2024		
	Gross Carrying Amount	ECL	Net Carrying amount	Gross Carrying Amount	ECL	Net Carrying amount
Cash and cash equivalents	233.57	-	233.57	262.75	-	262.75
Bank balances (other than cash and cash equivalents)	2,109.80	-	2,109.80	2,699.75	-	2,699.75
Investments* (excluding equity investments)	6,228.20	28.72	6,199.48	4,922.75	28.72	4,894.03
Trade and other receivable #	325.74	88.62	237.12	244.13	87.53	156.60
Other financial assets **	24,753.90	149.71	24,604.19	24,482.57	39.93	24,442.64

* The impairment allowance has been provided in full on 'Investments in Redeemable Preference Shares' of RattanIndia Power Limited considered as credit-impaired.

** The impairment allowance has been provided in full on 'Other financial assets' considered as credit-impaired.

The entity provides for lifetime credit losses in respect of trade receivables of RECPDCL, one of the subsidiary of REC using simplified approach under ECL method



Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
As at 31st March 2025						
Gross carrying value	12,505.73	5,534.97	2,752.04	4,255.03	4,664.04	29,711.81
Expected loss rate	0.54%	2.19%	21.55%	34.59%	83.56%	20.70%
Expected credit loss (provision)	67.59	121.10	593.18	1,471.84	3,897.31	6,151.02
Carrying amount (net of impairment)	12,438.14	5,413.87	2,158.86	2,783.19	766.73	23,560.79
As at 31st March 2024						
Gross carrying value	8,651.86	2,976.28	5,010.33	880.23	3,946.45	21,465.15
Expected loss rate	3.18%	20.44%	24.83%	46.96%	86.82%	27.80%
Expected credit loss (provision)	275.08	608.44	1,244.20	413.33	3,426.25	5,967.30
Carrying amount (net of impairment)	8,376.78	2,367.84	3,766.13	466.90	520.20	15,497.85

52.1.3 Expected Credit Loss for loans and investment

For risk management reporting purposes, the Company considers and consolidates following elements of credit risk:

Credit default risk: The risk of loss arising from a debtor / issuer being unlikely to pay its obligations in full more than 90 days past due on any material credit obligation; default risk may impact all credit-sensitive transactions, including loans and securities.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations.

(A) Credit Risk Management

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. The Company has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, the company follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorized as High/Moderate/Low based on ECL methodology. The process for Credit Risk Management are as under:

- (i) The Company 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 the Company is Lead Financial Institution, the Company engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA), which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

The Company also endeavors to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilization and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialized monitoring/Cash Flow monitoring agencies are being appointed by REC/Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

- (iii) The Company 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) The Company 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 the Company 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 are also subject to the same review process.
- (viii) The Company continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, the Company 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.

Consolidated Notes to Accounts

(B) Credit risk Measurement

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).

The Company has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for State Distribution Companies (DISCOMs), the Company 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, the Company uses the external rating as published by various credit rating agencies, or proxy risk score in case such rating is not available. The proxy risk score model considers following parameters:

Quantitative factors

Debt/ EBITDA (30% weightage)

Return on Capital Employed (15% weightage)

Interest Coverage (25% weightage)

Gearing (Debt/Equity) (30% weightage)

Qualitative Factors

Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, LAF, CUF etc.

Actual Default dates

Status of the Project

(C) Measurement of Expected Credit Loss (ECL)

Ind AS 109 outlines a “three stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as “Stage 1”.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to “Stage 3”.
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months. Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

(D) Significant Increase in Credit Risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk in following cases:

- i. When on any financial instrument if the payment is more than 30 days past due on its contractual payments,
- ii. Stage 1 loan asset is undergoing restructuring, until one year of regular payments as per restructuring plan ,
- iii. Downgrade in the credit rating of borrower to “C” ,
- iv. Delay in the date of commencement of commercial operation of project by more than 4 year for Private Sector borrowers only.

(E) Definition of default and credit-impaired assets

The Company 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 or any such period allowed by the company in line with circular issued by the Reserve Bank of India.

(F) Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC) that the Company expects to be owed at the time of default.
- LGD represents the Company'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.

Determination of Probability of Default (PD)

The Company has analysed the available average annual rating transition matrices published by Credit Rating Agencies to arrive at annual transition matrix based PD. This annual transition matrix PD was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated.

Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking the Company 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 the company has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realizable value of the assets were arrived using suitable assumptions, including



Consolidated Notes to Accounts

valuation reports carried out by the company, outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, the Company 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.

(G) 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.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

(H) Credit Risk Exposure

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under

(₹ in Crores)

Credit Risk Category (Internal/ Mapped Ratings)	As at 31-03-2025				As at 31-03-2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA AA A Government Loan)	2,27,156.98	41,032.49	-	2,68,189.47	2,03,407.58	18,161.39	-	2,21,568.97
Good (BBB BB B)	1,78,400.70	4,088.70	-	1,82,489.40	2,22,710.25	445.30	-	2,23,155.55
Average (C)	1,16,210.15	-	-	1,16,210.15	56,025.85	-	-	56,025.85
Fair (D)	-	350.32	-	350.32	410.44	-	-	410.44
Non- Performing (D)	-	-	7,652.65	7,652.65	-	392.96	13,810.33	14,203.29
Gross Exposure	5,21,767.83	45,471.51	7,652.65	5,74,892.00	4,82,554.12	18,999.65	13,810.33	5,15,364.10
Loss allowance (including LoC)	4,822.81	501.95	5,489.48	10,814.24	2,767.04	191.70	9,453.80	12,412.55
Net Exposure	5,16,945.02	44,969.56	2,163.17	5,64,077.76	4,79,787.08	18,807.95	4,356.53	5,02,951.56

(I) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. The Company 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

(J) Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Consolidated Notes to Accounts

The following tables explain the changes in the loan assets (including undisbursed Letters of Comfort) and the corresponding ECL allowance between the beginning and the end of the reporting period:

(₹ in Crores)

For the Year ended 31st March 2025	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	4,82,554.12	2,767.04	18,999.65	191.70	13,810.33	9,453.80	5,15,364.10	12,412.54
Transfer to 12 months ECL	392.16	41.21	(392.16)	(41.21)	-	-	-	-
Transfer to life time ECL not credit impaired	(28,280.78)	(113.48)	28,280.78	113.48	-	-	-	-
Transfer to Lifetime ECL credit impaired	(14.89)	(1.03)	-	-	14.89	1.03	-	-
Additional provision due to changes in PD/LGD	-	268.70	-	258.26	-	0.97	-	527.93
New Financial assets originated or purchased (including further disbursements in existing assets)	1,95,040.20	2,321.88	1,888.35	7.80	-	-	1,96,928.55	2,329.68
Financial Assets that have been derecognised (including recoveries in existing assets)	(1,27,922.98)	(461.51)	(3,305.11)	(28.08)	(3,688.03)	(1,481.78)	(1,34,916.12)	(1,971.37)
Write offs	-	-	-	-	(2,484.54)	(2,484.54)	(2,484.54)	(2,484.54)
Closing Balance	5,21,767.83	4,822.81	45,471.51	501.95	7,652.65	5,489.48	5,74,891.99	10,814.24

(₹ in Crores)

For the Year ended 31st March 2024	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	4,12,304.47	3,521.81	10,913.58	238.30	14,892.08	10,519.51	4,38,110.13	14,279.62
Transfer to 12 months ECL	9,954.90	(194.96)	(9,954.90)	194.96	-	-	-	-
Transfer to life time ECL not credit impaired	(18,708.02)	(75.05)	19,077.40	191.51	(369.38)	(116.46)	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/LGD	-	(723.10)	-	(426.85)	-	(448.16)	-	(1,598.11)
New Financial assets originated or purchased (including further disbursements in existing assets)	1,66,140.76	916.02	90.95	0.73	-	-	1,66,231.71	916.75
Financial Assets that have been derecognised (including recoveries in existing assets)	(87,137.99)	(677.68)	(1,127.38)	(6.95)	(212.35)	(1.07)	(88,477.72)	(685.70)
Write offs	-	-	-	-	(500.02)	(500.02)	(500.02)	(500.02)
Closing Balance	4,82,554.12	2,767.04	18,999.65	191.70	13,810.33	9,453.80	5,15,364.10	12,412.54



Consolidated Notes to Accounts

(K) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31-03-2025				As at 31-03-2024			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	5,21,767.83	45,471.51	7,652.65	5,74,892.00	4,82,554.12	18,999.65	13,810.33	5,15,364.10
Impairment Allowance	4,822.81	501.95	5,489.48	10,814.24	2,767.04	191.70	9,453.80	12,412.55
ECL %	0.92%	1.10%	71.73%	1.88%	0.57%	1.01%	68.45%	2.41%

(L) Concentration of credit risk

The Company monitors concentration of credit risk (loan assets including undisbursed Letters of Comfort) by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by industry				
Generation	1,55,078.89	6,762.83	1,45,871.05	9,871.35
Renewables	63,665.96	1,013.41	42,312.34	567.57
Transcos	47,874.68	41.35	48,701.40	47.77
Discoms	2,34,130.98	2,942.82	2,19,983.23	1,732.67
Power Infrastructure	50,953.11	43.35	45,875.48	170.51
Infrastructure & Logistics	20,638.62	10.44	9,727.33	22.61
Government Loans	2,549.75	0.04	2,893.27	0.06
Total	5,74,891.99	10,814.24	5,15,364.10	12,412.54
Concentration by ownership				
State	4,94,580.49	4,612.58	4,54,702.64	2,598.19
Private	80,311.50	6,201.66	60,661.46	9,814.35
Total	5,74,891.99	10,814.24	5,15,364.10	12,412.54

(M) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Infrastructure Sector	1.35%	2.71%
- Power	1.35%	2.71%

(N) Movement of Credit-impaired Assets

(₹ in Crores)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
(i) Gross Credit-impaired Assets to Gross Advances (%)	1.35%	2.71%
(ii) Net Credit-impaired Assets to Gross Advances (%)	0.38%	0.86%
(iii) Net Credit-impaired Assets to Net Advances (%)	0.39%	0.88%
(iv) Movement of Credit-impaired Assets (Gross)		
(a) Opening balance	13,810.33	14,892.08
(b) Additions during the year	14.89	-
(c) Reductions during the year	(3,688.03)	(581.73)
(d) Write-off during the year	(2,484.54)	(500.02)
(e) Closing balance	7,652.65	13,810.33
(v) Movement of Credit-impaired Assets (Net)		
(a) Opening balance	4,356.53	4,372.57
(b) Additions during the year	12.89	448.16
(c) Reductions during the year	(2,206.25)	(464.20)
(d) Write-off during the year	-	-

Consolidated Notes to Accounts

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
(e) Closing balance	2,163.17	4,356.53
(vi) Movement of provisions for Credit-impaired Assets		
(a) Opening balance	9,453.80	10,519.51
(b) Provisions made during the year	2.00	(448.16)
(c) Write-back of excess provisions	(1,481.78)	(117.53)
(d) Provision on assets written off during the year	(2,484.54)	(500.02)
(e) Closing balance	5,489.48	9,453.80

(O) In accordance with RBI Circular on Implementation of Ind AS by NBFCs dated 13.03.2020, had the loans otherwise required to be classified as NPA as per IRACP norms been considered, Gross NPA to Gross Loans ratio would have been 3.62% (previous year 3%) and Net NPA to Net Loans would have been 2.56% (previous year 1.16%) as at 31st March 2025.

(P) Write off policy

The Company writes off financial assets, in whole or in part, as directed by the order of the Judicial Authority or when it has exhausted all practical recovery efforts and has concluded 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.

(Q) Business Model Policy

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

The Company is in the business of lending loans across power sector value chain and such loans are managed to realize the cash flows by collecting contractual payments (including principal and interest) over the tenure of the loan. Further, investments in the nature of debt investments and other financial assets may also be held by the Company to collect the contractual payments as per the agreed terms.

The Company's business model therefore is "hold to collect" for Loans, certain Financial Investments and Other Financial Assets. Such financial assets are measured at amortised cost if the contractual terms gives rise to cash flows that are solely payments of principal and interest on the amount outstanding.

(R) Policy for sales out of amortised cost business

The Company does not resort to the sale of financial assets, including loan assets, in ordinary course of business.

However, the company may proceed for realization of amount due in respect of credit-impaired assets, as per the regulatory framework in India. As a result, the credit impaired loan may be either restructured/renegotiated or settled as part of IBC proceedings or otherwise and is assessed for derecognition as per the requirements of Ind AS 109 – 'Financial Instruments'.

(S) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil)

(T) There is one case of loans transferred and NIL for acquired during the FY 2024-25 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021. Details of such transferred case to ACRE (ARC) is as under:

(₹ in Crores)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
No: of accounts	1	
Aggregate principal outstanding of loans transferred	797.00	
Weighted average residual tenor of the loans transferred	2 years	
Net book value of loans transferred (at the time of transfer)	-	NIL
Aggregate consideration	63.00	
Additional consideration realized in respect of accounts transferred in earlier years	-	



Consolidated Notes to Accounts

(U) Comparison between provision required as per RBI Income Recognition, Asset Classification and Provisioning norms (IRACP) and Impairment Allowance as per Ind-AS

(₹ in Crores)

For the Year ended 31 st March 2025	Asset classification as per Ind AS 109	Outstanding amount	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
Asset Classification as per RBI Norms							
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	5,00,906.40	5,02,886.60	4,031.67	4,98,854.93	2,683.62	1348.05
	Stage 2	45,471.51	46,488.16	501.95	45,986.21	181.89	320.06
Sub Total (1)		5,46,377.91	5,49,374.76	4,533.62	5,44,841.14	2,865.51	1668.11
Non-Performing Assets							
Substandard Assets							
	Stage 1	12,467.39	12,470.98	764.17	11,706.81	1,246.74	(482.57)
	Stage 3	13.77	13.77	2.75	11.02	1.28	1.47
Subtotal for substandard assets		12,481.16	12,484.75	766.92	11,717.83	1,248.02	(481.10)
Doubtful Assets							
1 to 3 years	Stage 3	1,512.43	1,512.43	754.87	757.56	480.16	274.71
More than 3 years	Stage 1	385.34	385.44	8.48	376.96	169.92	(161.44)
	Stage 3	6,126.45	6,126.45	4,731.86	1,394.59	4,111.46	620.40
Subtotal for doubtful assets		8,024.22	8,024.32	5,495.21	2,529.11	4,761.54	733.67
Loss Assets							
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
Subtotal for loss assets		-	-	-	-	-	-
Sub-total for NPA (2)		20,505.38	20,509.07	6,262.13	14,246.94	6,009.56	252.57
Total Loan Assets		5,66,883.29	5,69,883.83	10,795.75	5,59,088.08	8,875.07	1920.68
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	8,008.70	8,008.70	18.48	7,990.22	-	18.48
Sub-Total (3)		8,008.70	8,008.70	18.48	7,990.22	-	18.48
Total	Stage 1	5,21,382.49	5,23,366.28	4,814.32	5,18,551.96	3,930.36	883.96
	Stage 2	45,856.85	46,873.60	510.43	46,363.17	351.81	158.62
	Stage 3	7,652.65	7,652.65	5,489.48	2,163.17	4,592.90	896.58
	Total	5,74,891.99	5,77,892.53	10,814.23	5,67,078.30	8,875.07	1939.16

* Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109

Consolidated Notes to Accounts

(₹ in Crores)							
For the Year ended 31 st March 2024	Asset classification as per Ind AS 109	Outstanding amount	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
Asset Classification as per RBI Norms							
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	4,75,471.73	4,77,502.34	2,712.85	4,74,789.49	2,470.03	242.82
	Stage 2	18,606.69	18,777.30	149.69	18,627.61	74.43	75.26
Sub Total (1)		4,94,078.42	4,96,279.64	2,862.54	4,93,417.10	2,544.46	318.08
Non-Performing Assets							
Substandard Assets	Stage 1	1,029.43	1,029.73	20.94	1,008.79	102.94	(82.00)
Doubtful Assets							
Up to 1 year	Stage 1	59.81	59.81	1.23	58.58	11.96	(10.73)
1 to 3 years	Stage 3	1,545.70	1,545.70	757.81	787.88	510.56	247.25
	Stage 2	392.16	392.27	41.21	351.06	172.93	(131.72)
More than 3 years	Stage 3	12,262.67	12,262.66	8,694.03	3,568.63	9,039.67	(345.64)
Subtotal for doubtful assets		14,260.34	14,260.44	9,494.28	4,766.15	9,735.12	(240.84)
Loss Assets	Stage 2	0.80	0.80	0.80	-	0.80	
	Stage 3	1.96	1.96	1.96	-	1.96	-
		2.76	2.76	2.76	-	2.76	-
Sub-total for NPA (2)		15,292.53	15,292.93	9,517.98	5,774.94	9,840.82	(322.84)
Total Loan Assets		5,09,370.95	5,11,572.57	12,380.52	4,99,192.04	12,385.28	(4.76)
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	5,993.15	5,993.15	32.02	5,961.13	-	32.02
Sub-Total (3)		5,993.15	5,993.15	32.02	5,961.13	-	32.02
Total	Stage 1	4,82,554.12	4,84,585.03	2,767.04	4,81,817.99	2,584.93	182.11
	Stage 2	18,999.65	19,170.37	191.70	18,978.67	248.16	(56.46)
	Stage 3	13,810.33	13,810.32	9,453.80	4,356.51	9,552.19	(98.39)
	Total	5,15,364.10	5,17,565.72	12,412.54	5,05,153.17	12,385.28	27.26

* Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109

(V) There has been no divergence in Asset Classification and Provisioning assessed during last annual inspection conducted by the RBI for the FY 2023-24 vis-à-vis as reported by the company (Nil for FY 2022-23).

52.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis.

The Company maintains adequate bank balances, short term investments that are readily convertible into cash and adequate borrowing and overdraft facilities by continuously monitoring the forecast and actual cash flows.

Consolidated Notes to Accounts

52.2.1 Maturity Pattern of Future Undiscounted Cash Flows

The cash flows towards items of financial liabilities (representing future undiscounted cash flows towards principal and interest) is as under: (₹ in Crores)

As at 31 st March 2025	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
(₹ in Crores)											
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	2,396.00	52.58	206.41	1,829.60	3,123.67	17,681.45	75,117.23	50,483.99	1,05,496.81	2,56,387.74
- Interest	-	63.20	634.87	1,375.99	3,341.64	3,392.50	9,105.32	30,103.65	20,547.66	33,233.13	1,01,797.96
Other Borrowings											
- Principal	570.78	-	-	499.97	-	1,747.94	3,071.70	16,042.34	32,475.86	2,141.64	56,550.23
- Interest	299.75	3.78	135.82	276.83	499.78	844.35	1,912.70	6,661.98	2,819.78	249.66	13,704.43
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	-	2,151.20	7,084.50	9,235.70
- Interest	-	-	159.60	-	181.64	87.53	377.23	1,608.58	1,393.45	1,968.02	5,776.05
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	-	14,120.93	14,011.88	153.23	28,286.04
- Interest	-	180.03	-	-	-	350.31	530.50	1,809.13	519.13	13.47	3,402.57
Other Borrowings											
- Principal	2,439.49	1,283.72	2,871.66	6,934.43	3,489.95	8,513.23	19,203.59	34,127.57	55,053.09	3,836.63	1,37,753.36
- Interest	25.42	50.80	132.08	277.73	492.81	1,057.51	1,751.12	5,528.33	2,697.32	292.49	12,305.61
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	-	-	10.52	197.92	73.89	282.33
Currency derivatives	53.31	30.33	90.31	215.99	51.87	242.02	160.83	100.85	442.22	-	1,387.73



	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
(₹ in Crores)											
As at 31st March 2024											
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	-	391.12	459.10	5,431.49	4,646.73	19,487.39	60,218.77	52,414.46	82,494.67	2,25,543.73
- Interest	-	0.24	201.16	1,182.57	4,371.36	2,362.72	7,915.89	26,486.87	18,680.23	25,792.46	86,993.50
Other Borrowings											
- Principal	567.41	-	1,000.00	1,524.94	8,051.00	1,505.69	914.29	13,638.99	34,712.06	17,891.28	79,805.66
- Interest	309.37	-	183.90	479.74	482.01	1,397.56	2,706.54	10,007.92	6,407.24	1,766.55	23,740.83
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	-	2,151.20	5,089.50	7,240.70
- Interest	-	-	160.91	-	186.03	88.49	283.53	1,432.10	1,434.06	1,696.36	5,281.48
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	5,419.30	4,168.69	7,503.65	14,213.88	1,658.23	32,963.75
- Interest	-	176.35	-	-	73.15	269.76	427.14	1,368.56	753.32	16.34	3,084.62
Other Borrowings											
- Principal	1,250.61	-	2,501.22	6,561.53	1,039.64	3,960.26	13,436.01	22,894.62	37,367.25	3,333.17	92,344.31
- Interest	11.75	9.81	115.87	170.38	351.10	907.69	1,383.53	4,286.13	1,734.24	284.06	9,254.56
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	31.56	-	100.53	72.96	104.70	309.75
Currency derivatives	8.03	-	38.56	36.65	8.44	153.45	61.40	12.08	93.21	38.13	449.95

Bonds with put & call option have been shown considering the earliest exercise date. The liquidity analysis for derivative financial liabilities is based on fair values of the derivative contracts and the maturity buckets have been derived on the basis of the remaining tenor of the respective derivative instrument.

Significant cashflows required for financial liabilities shall be funded through the undiscounted cash flows (principal and interest) from loans as below:

	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
(₹ in Crores)											
Particulars											
As at 31st March 2025											
Principal	4,336.99	742.83	4,062.85	8,404.38	9,675.82	27,622.50	42,181.09	1,17,481.59	1,01,027.57	2,40,551.93	5,56,087.54
Interest	2,378.51	28.77	1,085.31	3,376.36	6,912.33	13,193.46	24,184.83	81,455.26	58,841.79	1,10,700.77	3,02,157.39
As at 31st March 2024											
Principal	3,582.21	214.74	2,023.71	4,928.26	7,024.12	22,172.19	42,402.16	1,03,565.04	93,801.98	2,17,276.02	4,96,990.43
Interest	1,900.52	54.05	932.74	2,820.67	6,586.41	11,918.26	21,848.61	73,716.25	53,333.52	92,143.18	2,65,254.20

The principal cash flows relating to Stage III assets, net of Expected Credit Loss have been considered in over 5 years bucket irrespective of the maturity date.

52.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)										
As at 31 st March 2025	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Total
Loan Assets	6,666.41	770.92	4,153.88	8,886.91	10,262.02	27,595.51	42,139.88	1,17,366.80	1,00,928.86	5,59,088.06
Investments	-	-	-	-	60.15	56.34	39.49	770.91	1,392.43	6,673.62
Rupee Borrowings	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	2,453.75	719.15	1,348.32	4,344.42	5,012.63	19,449.81	75,138.36	50,435.89	2,64,228.93
Other Borrowings	574.71	-	85.21	499.97	81.28	1,747.94	3,234.26	16,042.34	32,475.86	56,883.21
Subordinated Liabilities	2.11	-	146.92	-	126.46	43.88	14.41	-	2,134.86	9,514.15
Foreign Currency Borrowings	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-	250.21	13,837.70	13,958.48	28,199.36
Other Borrowings	2,453.53	1,291.16	2,953.17	7,059.27	3,658.32	8,716.31	19,210.69	33,912.39	54,330.33	1,37,416.93
(₹ in Crores)										
As at 31 st March 2024	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Total
Loan Assets	5,409.37	222.11	2,363.18	4,928.26	7,352.45	22,172.19	42,401.51	1,03,557.69	93,798.08	4,99,192.05
Investments	-	-	-	-	4.52	4.52	104.17	241.48	1,773.07	5,352.32
Rupee Borrowings	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	-	884.86	1,667.72	7,831.36	6,140.16	21,814.25	60,134.86	52,354.62	2,33,215.78
Other Borrowings	793.01	-	1,015.31	1,524.94	8,172.84	1,505.61	916.07	13,717.14	34,862.06	80,168.38
Subordinated Liabilities	-	-	147.83	-	126.55	44.72	2.11	-	2,089.83	7,412.21
Foreign Currency Borrowings	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	166.10	-	-	44.18	5,526.47	4,166.17	7,491.45	13,823.91	32,847.46
Other Borrowings	1,330.43	3.34	2,508.38	6,595.15	1,042.01	4,130.55	13,533.74	22,672.34	36,779.75	91,923.67



Consolidated Notes to Accounts

52.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Expiring within one year		
- Fixed rate	-	-
- Floating rate	14,291.72	11,813.99
Expiring beyond one year		
- Fixed rate	-	-
- Floating rate	1,222.19	386.44

52.2.4 Additional Disclosures in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on liquidity risk management

The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis. The Company continuously monitors the projected and actual cash flows and accordingly maintains adequate bank balances, overdraft facilities, short term investments that are readily convertible into cash and adequate borrowing plans.

(i) Funding Concentration based on significant counterparty (borrowings)

Particulars	As at 31-03-2025	As at 31-03-2024
Number of significant counterparties*	15	14
Amount (₹ in Crores)	2,40,439.89	2,12,903.39
% of Total Liabilities	44.85%	44.46%

(ii) Top 10 borrowings

	Particulars	Amount (₹ in Crores)	% of Total borrowings
	As at 31-03-2025		
1	Term Loan from HDFC Bank	17,850.00	3.66%
2	54EC- Series XVI (2022-23)	12,152.39	2.49%
3	54EC- Series XVII (2023-24)	11,419.57	2.34%
4	Foreign Currency Borrowings- US \$1175 Mn	10,055.81	2.06%
5	Term Loan from Government of India- National Small Savings Fund (NSSF)	10,000.00	2.05%
6	Term Loan from Punjab National Bank	8,962.44	1.84%
7	54EC- Series XV (2021-22)	7,312.80	1.50%
8	Foreign Currency Bond - US \$ 750 Mn	6,418.61	1.31%
9	Term Loan from ICICI Bank	5,533.00	1.13%
10	54EC- Series XVIII (2024-25)	7,038.86	1.44%
	Total	96,743.48	19.82%

	Particulars	Amount (₹ in Crores)	% of Total borrowings
	As at 31-03-2024		
1	Term Loan from HDFC Bank	17,850.00	4.08%
2	54EC- Series XVI (2022-23)	12,152.39	2.77%
3	54EC- Series XVII (2023-24)	10,175.72	2.32%
4	Term Loan from Government of India- National Small Savings Fund (NSSF)	10,000.00	2.28%
5	Foreign Currency Borrowings- US \$1175 Mn	9,796.43	2.24%
6	Term Loan from State Bank of India	7,750.94	1.77%
7	Term Loan from Punjab National Bank	7,529.29	1.72%
8	54EC- Series XV (2021-22)	7,312.80	1.67%
9	Foreign Currency Bond - US \$ 750 Mn	6,253.04	1.43%
10	54EC- Series XIII (2019-20)	6,157.82	1.41%
	Total	94,978.43	21.69%



Consolidated Notes to Accounts

(iii) Funding Concentration based on significant instrument/ product

Name of significant instrument/ product*	As at 31-03-2025		As at 31-03-2024	
	Amount (₹in Crores)	% of Total Liabilities	Amount (₹in Crores)	% of Total Liabilities
1 Debt Securities				
Institutional Bonds	2,00,803.29	37.45%	1,74,230.29	36.39%
Foreign Currency Bonds	28,286.04	5.28%	32,963.75	6.88%
54EC Capital Gain Tax Exemption Bonds	43,831.57	8.18%	42,356.21	8.85%
Tax Free Bonds	8,953.27	1.67%	8,953.27	1.87%
Sub-Total (1)	2,81,874.17	52.58%	2,58,503.52	53.99%
2 Borrowings (Other than Debt Securities)				
Term Loans from Banks	41,879.47	7.81%	50,612.28	10.57%
Foreign Currency Borrowings	94,571.40	17.64%	67,205.64	14.04%
FCNR (B) Loans	43,181.96	8.05%	25,138.67	5.25%
Loans repayable on demand from Banks	1,600.00	0.30%	10,875.94	2.27%
Term Loans from Government of India (NSSF)	10,000.00	1.87%	10,000.00	2.09%
Term Loans from Financial Institutions	2,500.00	0.47%	8,050.00	1.68%
Sub-Total (2)	1,93,732.83	36.14%	1,71,882.53	35.90%
3 Subordinated Liabilities	9,235.70	1.72%	7,240.70	1.51%
Total (1+2+3)	4,84,842.70	90.43%	4,37,626.75	91.39%

*Significant counterparty/ significant instrument/ product is defined as a single counterparty/ single instrument/ product or group of connected or affiliated counterparties accounting in aggregate to more than 1% of the company's total liabilities.

(iv) Stock Ratios

Particulars	As at 31-03-2025				As at 31-03-2024			
	Amount (₹in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Other Short-Term liabilities	55,031.52	11.27%	10.26%	8.96%	44,534.98	10.17%	9.30%	8.12%

(v) Refer Note 52.2 for institutional set-up for management of liquidity risk in the Company.

(vi) Liquidity Coverage Ratio (LCR)

Reserve Bank of India, vide its Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of more than ₹10,000 Crores w.e.f. 01st December, 2020. These guidelines of RBI aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is represented by:

The Stock of High-Quality Liquid Assets
Total Net Cash Outflows over the next 30 calendar days
where,

- Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the next 30 calendar days, where the cash flows are assigned a predefined stress percentage, as prescribed by RBI.
- High Quality Liquid Assets (HQLA) means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

The LCR requirement is binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024.

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and majorly AAA/AA Corporate Bonds. Management is of the view that Company has sufficient liquidity cover to meet its likely future short-term requirements.

Composition of HQLA

Out of the Stock of HQLA, the Government Securities is the highest proportion of HQLA followed by AAA/AA Corporate bonds and auto swap balances. The position of HQLA holding is as follows:

HQLA Items	As at 31-03-2025	As at 31-03-2024
	% of Overall	% of Overall
Assets without Haircut	39.79%	57.23%
- G-Sec and SDLs	39.79%	57.23%
Assets with 15% Haircut	59.96%	42.40%
- Corporate Bonds	59.96%	42.40%
Assets with 50% Haircut	0.25%	0.37%
-Corporate Bonds	0.25%	0.37%
Total	100.00%	100.00%

Particulars	(₹ in Crores)									
	Quarter ended 31-03-2025		Quarter ended 31-12-2024		Quarter ended 30-09-2024		Quarter ended 30-06-2024		Quarter ended 31-03-2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets										
Total High Quality Liquid Assets (HQLA)	4,648.08	4,214.07	4,541.98	4,106.98	4,476.11	4,040.97	4,186.72	3,796.12	3,478.96	3,234.58
- AA/AAA Corporate Bonds	2,846.51	2,412.51	2,852.97	2,417.97	2,853.96	2,418.82	2,556.77	2,166.17	1,580.11	1,335.81
- G-SEC Bonds/ State Development Loans (SDLs)	1,593.99	1,593.98	1,594.34	1,594.34	1,596.72	1,596.72	1,580.43	1,580.43	1,569.01	1,568.93
- Cash and Cash equivalents	207.58	207.58	94.67	94.67	25.43	25.43	49.52	49.52	329.84	329.84
Cash Outflows										
Other contractual funding obligations	9,573.09	11,009.00	9,076.58	10,438.00	8,370.37	9,626.00	6,656.00	7,654.00	9,472.00	10,893.00
Other contingent funding obligations	197.53	227.00	257.02	296.00	291.75	336.00	368.00	423.00	152.00	175.00
Total Cash Outflows	9,770.62	11,236.00	9,333.60	10,734.00	8,662.12	9,962.00	7,024.00	8,077.00	9,624.00	11,068.00
Cash Inflows										
Inflows from fully performing exposures	14,246.58	10,685.00	11,442.65	8,582.00	16,092.85	12,070.00	11,713.00	8,785.00	10,378.00	7,784.00
Other cash inflows	16,202.92	12,152.00	9,902.70	7,427.00	7,861.12	5,896.00	10,321.00	7,741.00	10,026.00	7,520.00
Total Cash Inflows (restricted to 75% of outflows on every observation day)	30,449.50	8,427.00	21,345.35	8,050.50	23,953.98	7,471.50	22,034.00	6,057.75	20,404.00	8,301.00
Total Adjusted Value										
Total HQLA (A)		4,214.07		4,106.98		4,040.97		3,796.12		3,234.58
Total Net Cash Outflows (B)		2,809.00		2,683.50		2,490.50		2,019.25		2,767.00
Liquidity Coverage Ratio (A / B)		150.02%		153.05%		162.26%		188.00%		116.90%
% Variance (from previous period)		-4%		-17%				61%		33%**

* For average daily observation during the respective quarter has been considered.

** The average holding of HQLA for the quarter ended as on 30.06.2024 and 30.09.2024 was 116.90% and 188% which was above the regulatory requirement of 85% as on then date. This has been due to increase in HQLA Investment securities and decrease in the net cash outflow though being within the regulatory requirement of 85%



Consolidated Notes to Accounts

52.3 Market Risk - Currency Risk

The Company is exposed to foreign currency risk from various foreign currency debt securities and borrowings primarily denominated in USD, EUR, JPY and SGD. The Company has a risk management policy which aims to manage the foreign currency risk arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses combination of foreign currency options structures, forward contracts and cross currency swap to hedge its exposure to foreign currency risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of Chairman and Managing Director (CMD) with Functional Directors, executive directors and Chief General Managers from Finance and Operating Divisions as its members. ALCO monitors Foreign currency risk with exchange rate and interest rate managed through various derivative instruments. The Company enters into various derivative transactions to cover exchange rate through various instruments like foreign currency forwards contracts, currency options, principal only swaps and forward rate agreements. The company has also entered into cross currency swaps in EUR, JPY and CHF to manage risks associated with foreign currency borrowings. The derivative transactions done by the Company are for hedging purpose and not for trading or speculative purpose.

The outstanding position of Foreign Currency Exposure as at 31st March 2025 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹Crores)

Currency	As at 31-03-2025			As at 31-03-2024		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD \$	14,904.99	14,832.24	72.75	11,950.15	11,827.00	123.15
INR Equivalent	1,27,559.03	1,26,936.40	622.63	99,633.09	98,606.31	1,026.78
JPY ¥	5,55,865.90	5,55,865.90	-	3,34,306.77	3,34,306.77	-
INR Equivalent	31,545.39	31,545.39	-	18,416.96	18,416.96	-
EURO €	604.02	604.02	-	609.29	604.02	5.26
INR Equivalent	5,576.63	5,576.63	-	5,496.88	5,449.37	47.51
SGD \$	213.21	213.21	-	285.29	285.29	-
INR Equivalent	1,358.36	1,358.36	-	1,761.13	1,761.13	-
Total INR Equivalent	1,66,039.41	1,65,416.78	622.63	1,25,308.06	1,24,233.77	1,074.29

Sensitivity Analysis

The table below represents the impact* on P&L including FCMITDA (+ Gain / (Loss)) for 5% change in foreign currency exchange rate against INR on the unhedged exposures:

Particulars	As at 31-03-2025		As at 31-03-2024	
	Favorable	Adverse	Favorable	Adverse
USD/INR	23.30	(23.30)	38.42	(38.42)
JPY/INR	-	-	-	-
EUR/INR	-	-	1.78	(1.78)

* Holding all other variables constant

52.4 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 and liquidity in the market. Some of the borrowings of the Company are exposed to interest rate risk with floating interest rates linked to external benchmarks such as EURIBOR, Overnight SOFR, Term SOFR, SORA, TONA, T-Bills, Repo Rate etc. The Company manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimize the risk of fluctuation in interest rates. The Company also uses cross currency interest rate swaps as a cost-reduction strategy to benefit from the interest differentials in different currencies.

Consolidated Notes to Accounts

The table below shows the overall exposure of the Company to the liabilities linked with floating interest rates as at 31st March 2025 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹Crores)

Currency	As at 31-03-2025			As at 31-03-2024		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	44,379.47	-	44,379.47	61,162.28	-	61,162.28
USD \$	8,166.15	7,533.40	632.75	5,611.15	5,218.00	393.15
INR Equivalent	69,887.05	64,471.86	5,415.19	46,782.38	43,504.51	3,277.87
JPY ¥	4,85,390.31	4,51,161.24	34,229.07	2,73,206.75	-	2,73,206.75
INR Equivalent	27,545.90	25,603.40	1,942.50	15,050.96	-	15,050.96
EURO €	604.02	-	604.02	604.02	-	604.02
INR Equivalent	5,576.63	-	5,576.63	5,449.37	-	5,449.37
SGD \$	213.21	-	213.21	285.29	72.08	213.21
INR Equivalent	1,358.36	-	1,358.36	1,761.13	444.93	1,316.20
Total INR Equivalent	1,48,747.41	90,075.26	58,672.15	1,30,206.12	43,949.44	86,256.68

The Company also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹13,955.70 crores as on 31st March 2025 (Previous year ₹15,950.70 crores) have been converted into floating rate borrowings through the use of MIBOR-linked Overnight Indexed Swaps.

The Company's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/6/12/36/60/120 months reset option with the borrower. The Company 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, the Company 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.

The Company is exposed to interest rate risk on following Loan Assets which are at semi-fixed rates:

(₹ in Crores)

Description	As at 31-03-2025	As at 31-03-2024
Rupee Loans	5,48,015.73	4,96,192.74

Sensitivity Analysis

The table below represents the impact* on P&L Gain / (Loss) for 50 basis points increase or decrease in interest rate on Company's floating rate assets and liabilities on the unhedged exposures:

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(219.53)	219.53	(322.74)	322.74
Interest Rate Swaps	(52.37)	52.37	(59.68)	59.68
Floating/ semi-fixed Rate Loan Assets	2,050.46	(2050.46)	1,856.55	(1856.55)

* Holding all other variables constant

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

52.4.1 Disclosures in respect of Interest Rate Benchmark Reform (IBOR)

The Company has variable interest rate borrowings with interest rates linked with different benchmarks. Such interest rate benchmarks for foreign currency borrowings include 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, Overnight SORA (Singapore Overnight Rate Average), Overnight TONAR (Tokyo Overnight Average Rate) etc. The summary of such borrowings as on March 31, 2025 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31-03-2025		As at 31-03-2024	
	Amount (₹in Crores)	Amount (USD Mn Equivalent)	Amount (₹in Crores)	Amount (USD Mn Equivalent)
3M Term SOFR	4,365.53	510.10	3,084.83	370.00
6M Term SOFR	8,611.65	1,006.25	2,427.46	291.15
Overnight SOFR	56,909.87	6,649.79	41,270.08	4,950.00
3M EURIBOR	2,346.84	274.22	2,293.28	275.06
6M EURIBOR	3,229.79	377.39	3,156.10	378.55
Overnight TONA	27,545.90	3,218.68	15,050.96	1,805.24
Overnight SORA	1,358.36	158.72	1,761.12	211.23
Total	1,04,367.94	12,195.15	69,043.83	8,281.23



Consolidated Notes to Accounts

52.5 Hedge accounting

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges. For option contracts, the Company designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to Profit or Loss on a straight-line basis.

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. The Company applies the following effectiveness testing strategies

- For cross currency swaps and interest rate swaps that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.
- 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.
- For option structures, the Company analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

The Company 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.

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)									
As at 31 st March 2025	Notional amount (in Mn)	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	
Type of hedge and risks		Assets	Liabilities						
Cash flow hedge									
Foreign exchange and interest rate risk									
(i)	Foreign currency options structures								
	- Seagull Structure	USD 14,457.24	10,721.55	1,105.39	Apr 2025 - May 2034	1:1	81.73	1,170.72	(1,170.72)
		EUR 604.02	733.20	-	Oct 2027 - Mar 2028	1:1	85.86	(101.88)	101.88
		SGD 213.21	251.39	77.47	Oct 2027	1:1	63.01	19.47	(19.47)
		JPY 5,55,865.90	4,582.67	203.25	Sep 2025 - Jan 2034	1:1	0.56	(1,098.29)	1,098.29
(ii)	Principal only swaps	USD 375.00	87.12	-	Apr 2025 - June 2030	1:1	75.41	(18.43)	18.43
		JPY-	-	-	Matured in Jan 2025	1:1	-	1.47	(1.47)
(iii)	Interest rate swaps	USD 6,583.50	391.39	173.66	Apr 2025 - May 2034	1:1	3.67%	277.79	(277.79)
		JPY 4,38,361.30	254.46	8.42	Sep 2025 - Mar 2030	1:1	1.57%	58.81	(58.81)
		SGD -	-	-	Matured in March 2025	1:1	-	(15.09)	15.09
		INR 55,280.00	-	25.39	June 2025 - Sep 2034	1:1	8.44%	(10.40)	10.40

(₹ in Crores)							
As at 31 st March 2024	Notional amount (in Mn)	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in value of hedged item used as the basis for recognising hedge effectiveness
Type of hedge and risks		Assets	Liabilities				
Cash flow hedge							
Foreign exchange and interest rate risk							

Consolidated Notes to Accounts

As at 31 st March 2024	Notional amount (in Mn)	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					
(i) Foreign currency options structures								
- Seagull Structure	USD 11,452.00	7,137.02	269.59	Apr 2024 - Nov 2030	1:1	79.66	111.47	(111.47)
	EUR 604.02	679.46	-	Oct 2027- Mar 2028	1:1	85.93	16.20	(16.20)
	SGD 285.29	311.62	93.21	Mar 2025- Oct- 2027	1:1	60.28	(3.51)	3.51
	JPY 3,34,306.79	2,942.85	49.01	Dec 2024- Jan 2034	1:1	0.58	(872.94)	872.94
- Call Spread	USD -	-	-	Matured during year	1:1	-	3.68	(3.68)
(ii) Principal only swaps	USD 375.00	43.34	38.13	Mar 2025 - Jun 2030	1:1	75.41	(155.79)	155.79
(iii) Interest rate swaps	USD 5,218.00	834.11	12.02	May 2023 - Mar 2025	1:1	3.12%	1,237.36	(1,237.36)
	USD -	-	-	Matured during year	-	-	(0.05)	0.05
	SGD 72.075	18.08	-	Aug 2023	1:1	1.18%	(4.44)	4.44
	INR 55,280.00	53.11	-	May 2023 - Nov 2030	1:1	8.44%	53.11	(53.11)

(b) Effects of Cash Flow hedge accounting on Statement of Profit and Loss

(₹ in Crores)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from other comprehensive income	Line item affected on reclassification
Year ended 31-03-2025				
-Currency risk and interest rate risk	284.16	-	(4,076.86)	Gain/ loss on foreign exchange translation
			1,796.86	Finance cost
Year ended 31-03-2024				
-Currency risk and interest rate risk	385.09	-	(479.51)	Gain/ loss on foreign exchange translation
			1,368.65	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Effective portion of Cash Flow Hedges		
Opening Balance	(1,846.93)	600.05
Changes in intrinsic value of currency derivatives	7304.05	(2,899.59)
Changes in fair value of interest rate swaps	305.62	1275.44
Amounts reclassified to profit or loss	(6,386.16)	(1,645.82)
Deferred tax relating to above (net)	(307.94)	822.99
Closing Balance	(931.35)	(1,846.93)
Costs of hedging reserve		
Opening Balance	1,690.64	(1,709.87)
Change in deferred time value of foreign currency option structures	(7,325.51)	2,009.23
Amortisation of time value	4,106.16	2,534.96
Deferred tax relating to above (net)	810.26	(1,143.68)
Closing Balance	(718.46)	1,690.64



Consolidated Notes to Accounts

(d) Fair Value Hedges

At 31st March 2025, Company has outstanding interest rate swap agreements of ₹13,995.70 crores (Previous year ₹15,950.70 crores) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

(₹ in Crores)

Particulars	Fair value hedge	Notional amount	Carrying amount *	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Interest rate swap	13,995.70	(8.92)	Derivative financial instruments	212.41
As at 31-03-2024	- Interest rate swap	15,950.70	(221.33)	Derivative financial instruments	57.69

* Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.

The impact of the hedged item on the balance sheet is as follows:

(₹ in Crores)

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 31-03-2025	- Subordinated Liabilities	4,230.16	(47.37)	Subordinated Liabilities	96.40
	- Institutional bonds	10,012.46	38.45	Debt Securities- Institutional Bonds	116.01
As at 31-03-2024	- Subordinated Liabilities	4,133.55	(143.77)	Subordinated Liabilities	34.39
	- Institutional bonds	11,960.91	(77.56)	Debt Securities- Institutional Bonds	23.30

The increase in fair value of the interest rate swap of ₹212.41 crores (Previous year ₹57.69 crores) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

52.6 Market Risk - Price risk

The Company is exposed to price risks arising from investments in quoted equity shares. The Company's investments are held for strategic rather than trading purposes.

Sensitivity Analysis

The table below represents the impact on OCI Gain / (Loss) for 5% increase or decrease in the respective prices on Company's equity investments, outside the group:

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	4.30	(4.30)	4.70	(4.70)
Impact on Profit and Loss account (PL)	4.53	(4.53)	3.82	(3.82)

53. Additional Disclosures in respect of derivatives

53.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

Particulars		As at 31-03-2025	As at 31-03-2024
(i)	The notional principal of swap agreements	1,07,505.58	72,128.13
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,056.25	1,367.71
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Refer Note Below	Refer Note Below
(v)	The fair value of the swap book	772.30	1057.96

REC, being NBFC has entered into swap agreements with Category-I, Authorized Dealers Banks only, in accordance with the RBI guidelines. All the swap agreements entered into with banks are well within the credit risk limit defined in the Board approved Risk Management Policy.

Consolidated Notes to Accounts

53.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives

53.3 Quantitative Disclosures

(₹ in Crores)

Particulars	Currency Derivatives *		Interest Rate Derivatives **		Other Derivatives (Reverse cross currency swaps)***	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
(i) Derivatives (Notional Principal Amount)						
For hedging	1,65,416.77	1,24,233.76	1,07,505.58	72,128.13	-	-
(ii) Marked to Market Positions						
a) Asset (+)	16,375.93	11,114.31	1,056.25	1,367.71	-	-
b) Liability (-)	1,386.11	449.95	283.95	309.75	-	-
(iii) Credit Exposure	12,527.27	9,156.47	1,237.73	973.15	-	-
(iv) Unhedged Exposures	622.63	1,074.29	N.A.	N.A.	N.A.	N.A.

* Includes Full Hedge, Principal only Swap and Call Spread and Seagull Options

** Includes Interest Rate Derivatives as a strategy of cost reduction

*** Includes Reverse Cross Currency swap as a strategy of cost reduction

53.4 Refer Note No. 52.3 and 52.4 for Qualitative disclosures on Derivatives and Note No. 52.5 for disclosures related to Hedge Accounting.

54. RBI Scale Based Regulation (SBR) for NBFCs

RBI has introduced Scale Based Framework (SBR) for NBFCs effective from 01st October, 2022, categorising NBFCs in four layers based on their size, activity, and perceived risk. RBI has subsequently issued "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on 19th October, 2023. The Company being a government company, is categorised as NBFC – Middle Layer and is subject to the guidelines / regulation as mentioned in the Master Direction for NBFC-Middle Layer.

55. Disclosure of frauds reported during the Year

RBI has introduced RBI (Fraud Risk Management in NBFCs) Direction, 2024 effective from 15th July, 2024. There were NIL cases (31st March, 2024: 01 case) of frauds amounting to ₹NIL crores (31st March, 2024: ₹33.24 crore) reported during the year.

56. Exposure Related Disclosures

RBI, vide its letter dated 17th September 2010 had categorized REC Limited as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular DNBS.PD.CC.NO.168/03.02.089/2009-10 dated 12th February 2010. As an IFC, the total permissible exposure for lending and investing is 30% of Tier-I capital in case of a single borrower and 50% in case of a single group of borrowers, respectively. The exposure w.r.t outstanding loans to its borrowers as on date is within the prescribed norms.

56.1 Exposure to Real Estate Sector

The Company has no direct or indirect exposure to real estate sector as at 31st March 2025 (As at 31st March 2024 Nil).

56.2 Exposure to Capital Market

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in optionally convertible preference shares)	477.52	604.20
(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	-	-
(vii) Bridge loans to companies against expected equity flows/ issues	-	-
(viii) 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	-	-



Consolidated Notes to Accounts

Particulars	As at 31-03-2025	As at 31-03-2024
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds	-	-
Total Exposure to Capital Market	477.52	604.20

56.3 Sectoral Exposure

(₹ in Crores)

Sectors	As at 31-03-2025					As at 31-03-2024				
	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD
Industry										
Lending to Infrastructure Sector										
- Power	5,54,253.37	3,403.34	5,57,656.70	7,652.65	1.37%	5,05,636.77	2,449.98	5,08,086.75	13,810.33	2.72%
- Infrastructure and Logistic	20,638.62	140.55	20,779.18	-	-	9,727.33	52.36	9,779.69	-	-
Total Exposure	5,74,891.99	3,543.89	5,78,435.88	7,652.65	1.32%	5,15,364.10	2,502.34	5,17,866.44	13,810.33	2.72%

Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)

56.4 The company does not have any financing of Parent Company products during the current and previous year.

56.5 Concentration of Advances, Exposures and Credit-impaired Assets

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Concentration of Advances		
Total Advances to twenty largest borrowers (₹in Crores)	3,26,580.55	3,08,299.02
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	57.61%	60.53%
(ii) Concentration of Exposures*		
Total Exposure to twenty largest borrowers (₹in Crores)	3,29,045.94	3,10,056.72
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	56.89%	59.87%
(iii) Concentration of Credit-impaired Assets		
Total Exposure to the top four Credit-impaired Assets (₹in Crores)	6,175.48	8,645.97

* Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)

57. Fair value disclosures

The carrying values of financial instruments measured at amortised cost and fair value by category are as follows:

(₹ in Crores)

Particulars	Note No.	As at 31-03-2025	As at 31-03-2024
Financial assets measured at fair value			
Derivative financial instruments measured at			
(i) Fair value through other comprehensive income (FVOCI)	8	17,044.69	12,019.60
(ii) Fair value through profit and loss (FVTPL)	8	387.49	462.42
Investments# measured at			
(i) Fair value through other comprehensive income (FVOCI)	11	386.80	410.64
(ii) Fair value through profit and loss (FVTPL)	11	1,058.80	1,141.40
Financial assets measured at amortised cost			
Cash and cash equivalents	6	233.57	262.75
Bank balances (other than cash and cash equivalents)	7	2,109.80	2,699.75
Trade and Other Receivables	9	237.12	153.82
Loan Assets	10	5,59,088.08	4,99,192.05
Investments#	11	5,228.04	3,800.29
Other financial assets	12	24,604.19	24,442.64
Total		6,10,378.58	5,44,585.36

Consolidated Notes to Accounts

	Particulars	Note No.	As at 31-03-2025	As at 31-03-2024
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	1,670.06	759.70
(ii)	Fair value through profit and loss (FVTPL)	8	-	-
	Financial liabilities measured at amortised cost			
	Trade Payable	19	157.67	97.90
	Debt securities	20	2,92,428.27	2,66,063.24
	Borrowings (other than debt securities)	21	1,94,300.16	1,72,092.05
	Subordinated liabilities	22	9,514.16	7,412.21
	Other financial liabilities	23	37,646.70	31,940.58
	Total		5,35,717.02	4,78,365.68

Amount includes investment in Redeemable Preference Shares of RattanIndia Power Limited net of impairment loss.

57.1 Fair values hierarchy

The fair value of financial instruments as referred above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

The Company's policy is to recognize transfers into and transfer out of fair value hierarchy at the date of event or change in circumstances that caused the transfer.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Crores)

Particulars	As at 31-03-2025				As at 31-03-2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments*	86.06	-	300.74	386.80	93.91	-	316.73	410.64
Investments at FVTPL								
Equity investments	90.62	-	-	90.62	76.37	-	-	76.37
Perpetual Bonds	-	-	968.18	968.18	-	-	947.94	947.94
Debentures	-	-	-	-	-	-	117.09	117.09
Preference Shares**	-	-	-	-	-	-	-	-
Assets at FVOCI								
Derivative financial instruments	-	17,044.69	-	17,044.69	-	12,019.60	-	12,019.60
Assets at FVTPL								
Derivative financial instruments	-	387.49	-	387.49	-	462.42	-	462.42
Liability at FVOCI								
Derivative financial instruments	-	1,670.06	-	1,670.06	-	759.70	-	759.70
Liability at FVTPL								
Derivative financial instruments	-	-	-	-	-	-	-	-

* includes investments in Universal Commodity Exchange Ltd of ₹16.00 crores, fair valued at Nil.

** represents investments in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of RattanIndia Power Limited of ₹43.30 crores, fair valued at Nil.

Valuation Techniques for fair value disclosures (Level 1, Level 2 and Level 3)

- (A) **Investment in Quoted Equity Investments - Level 1** - Investment in listed equity instruments of NHPC Limited and RattanIndia Power Limited are measured at their readily available quoted price in the market.
- (B) **Derivative Financial Instruments - Level 2** - The fair value has been determined on the basis of mark to market value provided by the banks that have contracted to hedge the underlying risk. Such valuation is calculated using market observable inputs including forward exchange rates, interest rates corresponding to the maturity of the contract and implied volatilities.
- (C) **Investment in Perpetual Bond - Level 3** - The Company had made investments in perpetual bonds of Canara Bank, UCO Bank and Punjab National Bank which are quoted on NSE/BSE. The Company get the active market transactions (trading data) for these bonds available with NSE/



Consolidated Notes to Accounts

BSE and valued these perpetual bonds based on trading price as well as by using Yield to Maturity rate(s) available with FIMMDA and rating of the investee banks.

- (D) **Investment in Unquoted Equity of Universal Commodity Exchange Limited (UCX) - Level 3** - Investment in unquoted equity shares of UCX is classified as Level 3. It has been carried at Nil value by the Company due to the company specific reasons. UCX was shut down in 2014, thereby, ceasing to exist as a going concern.
- (E) **Investment in Unquoted Equity of Energy Efficiency Services Limited (EESL) - Level 3** - Investment in unquoted equity shares of EESL is classified as Level 3. EESL ceases to be a Joint Venture (JV) with effect from September 01, 2021. The management decided to value such equity shares on the basis of valuation from independent valuer which have considered Market Multiple Method of valuation i.e. the valuation technique covered in IND AS 113.
- (F) **Investment in Unquoted Equity of Jhabua Power Limited (JPL) and JSW Energy (Utkal) Limited (JSWEUL)- Level 3** - Investment in unquoted equity shares of JPL and IBEUL are classified as Level 3. The company has been allotted equity shares of the borrower companies pursuant to their respective resolution plans. The management decided to value these equity shares on the basis of valuation from independent valuer which have considered Market Multiple Method of valuation i.e. the valuation technique covered in IND AS 113.
- (G) **Investment in Unquoted Preference Shares - Level 3** - Investment in unquoted OCCRPS of RattanIndia Power Limited (RIPL) are classified as Level 3. The company has been allotted OCCRPS of the borrower company pursuant to One Time Settlement arrangement executed on 23rd December 2019. The fair value has been taken as Nil as future cash flows are uncertain in such instruments. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.
- (H) **Investment in Optionally Convertible Debentures of R.K.M PowerGen Private Limited - Level 3** - Investment in unquoted Optionally Convertible Debentures (OCDs) of R.K.M PowerGen Private Limited are classified as Level 3, which have been allotted to the Company upon implementation of restructuring plan with the borrower. The fair value has been taken as Nil as such debentures are unsustainable in nature and future cash flows are uncertain. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.
- (I) **Investment in Optionally Convertible Debentures of Dans Energy Private Limited - Level 3** - Investment in unquoted Optionally Convertible Debentures (OCDs) of Dans Energy Private Limited are classified as Level 3, which have been allotted to the Company upon implementation of restructuring plan with the borrower. The fair value has been taken as Nil as such debentures are unsustainable in nature and future cash flows are uncertain. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

57.2 Reconciliation of Financial Instruments measured at Fair Value through Level 3 inputs

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	For the Year ended 31st March 2025				Total
	FVTPL(ii)			FVOCI (iii)	
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	947.94	-	117.09	316.73	1,381.76
Received in Loan Settlement (Refer Note 10.3)"	-	-	-	-	-
Investment/ (Settlement)	-	-	(347.93)	-	(347.93)
Transfer in Level 3	-	-	-	-	0.00
Transfer from Level 3	-	-	-	-	-
Interest income (i)	20.24	-	0.00	-	20.24
Fair value changes	-	0.00	230.84	(15.99)	214.85
Closing Balance	968.18	-	0.00	300.74	1268.92
Unrealised gain/ (loss) at year-end	20.25	0.00	0.00	(15.99)	4.26

(₹ in Crores)

Particulars	For the Year ended 31 st March 2024				Total
	FVTPL (ii)			FVOCI (iii)	
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	437.26	-	125.08	314.48	876.82
Received in Loan Settlement (Refer Note 10.3)	-	-	-	-	-
Investment/ (Settlement)	500.00	-	(18.92)	-	481.08
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income (i)	10.68	2.73	10.93	-	24.34
Fair value changes	-	(2.73)	-	2.25	(0.48)
Closing Balance	947.94	-	117.09	316.73	1,381.76
Unrealised gain/ (loss) at year-end	19.94	-	10.94	(13.75)	17.13

Refer Note No. 11.4 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year

Consolidated Notes to Accounts

* represents investments in Redeemable Preference Shares of RattanIndia Power Limited of ₹43.30 crores, fair valued at Nil

(i) forms part of line item 'Interest Income' in the Consolidated Statement of Profit and Loss.

(ii) 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.

(iii) Fair value gain/ (loss) on Investments at FVOCI forms part of line item 'Changes in Fair Value of FVOCI Equity Instruments' in the Consolidated Statement of Profit and Loss.

57.3 There were no transfers between Level 1 and Level 2 during the year.

57.4 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	As at 31-03-2025		As at 31-03-2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	233.57	233.57	262.75	262.75
Bank balances (other than cash and cash equivalents)	2,109.80	2,109.80	2,699.75	2,699.75
Trade and Other Receivables	237.12	237.12	156.60	156.60
Loans	5,59,088.08	5,59,417.16	4,99,192.05	4,99,309.15
Investments	5,228.04	5,477.61	3,800.28	3,773.77
Other financial assets	24,604.19	24,603.68	24,442.63	24,442.33
Total	5,91,500.80	5,92,078.94	5,30,554.06	5,30,644.35
Financial liabilities				
Debt securities	2,92,428.27	2,91,095.95	2,66,063.24	2,62,160.93
Borrowings (other than debt securities)	1,94,300.16	1,94,412.84	1,72,092.05	1,72,017.85
Subordinated liabilities	9,514.16	9,710.47	7,412.21	7,475.35
Trade and other payables	157.67	157.67	109.42	109.42
Other financial liabilities	37,646.71	37,646.71	31,940.58	31,940.58
Total	5,34,046.97	5,33,023.64	4,77,617.50	4,73,704.14

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, contract assets and contract liability without a specific maturity.

Loans and advances to customers

'Fair values of loan assets are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Financial assets at amortised cost

The fair values of debt securities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2024 was assessed to be insignificant.

Investment in Government Securities (G-SEC) and State Development Loan (SDL)

The Company has made investments in G-SEC and SDL in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The market price of Government of India securities and state development loan is available as at reporting date and accrued interest from last coupon date to the reporting date is added to market price.

Investment in PSU Bonds

The Company has made investments in PSU Bonds in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The company has computed fair value using market inputs i.e., Yield of G-Sec bonds for similar remaining maturity or credit rating wise spread for PSUs for remaining maturity as per industry practice.



Consolidated Notes to Accounts

Investments in securities issued by Borrower entities at the time of Loan Settlement/ Resolution

The fair value has been derived by present value technique by discounting future cash flows at interest rate applicable to the borrowers. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

All other debt securities, borrowings and subordinated liabilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Investments Property

The Company obtains independent valuations for its investment properties annually. The fair values of investment property are determined by an independent registered valuer and the valuation technique adopted is Income approach.

58. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2025 (previous year Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

59. Related Party Disclosures

59.1 List of Related Parties

(1) Key Managerial Personnel	
Sh. Jitendra Srivastava	Chairman & Managing Director (Appointed w.e.f. 22 nd April, 2025)
Smt. Parminder Chopra	Chairman & Managing Director (Appointed w.e.f. 21 st March, 2025 and ceased w.e.f. 22 nd April, 2025)
Sh. Vivek Kumar Dewangan	Chairman & Managing Director (Ceased w.e.f. 21 st March, 2025)
Sh. V.K. Singh	Director (Technical)
Sh. Harsh Baweja	Director (Finance) (appointed w.e.f. 14 th May, 2024)
Sh. Shashank Misra	Government Nominee Director
Sh. Manoj Sharma	PFC Nominee Director
Dr. Gambheer Singh	Part Time Non-Official Independent Director (Ceased w.e.f. 15 th November, 2024)
Dr. Manoj M. Pande	Part Time Non-Official Independent Director (Ceased w.e.f. 15 th November, 2024)
Dr. Durgesh Nandini	Part Time Non-Official Independent Director (Ceased w.e.f. 27 th December, 2024)
Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director
Sh. J.S. Amitabh	Executive Director & Company Secretary
Shri Rajesh Kumar	Executive Director (Finance) (Designated as KMP w.e.f. 26 th October, 2024)
(2) Holding Company	
Power Finance Corporation Limited	
(3) Associates of REC Power Development and Consultancy Limited	
Chandil Transmission Limited	NERGS-I Power Transmission Limited
Dumka Transmission Limited	Kankani Power Transmission Limited
Mandar Transmission Limited	ERES-XXXIX Power Transmission Limited
Koderma Transmission Limited	Bikaner A Power Transmission Limited
Luhri Power Transmission Limited	Bikaner B Power Transmission Limited
Rajasthan Part I Power Transmission Limited	Rajasthan IV 4A Power Transmission Limited
Shongtong Power Transmission Limited	Rajasthan IV 4B Power Transmission Limited
Meerut Shamli Power Transmission Limited	Tuticorin Power Transmission Limited
NERES XVI Power Transmission Limited	WRNES Talegaon Power Transmission Limited
Khavda IV-E2 Power Transmission Limited	RAJGARH III Power Transmission Limited
Jalpura Khurja Power Transmission Limited	Bhadla-III Power Transmission Limited
Kallam Transco Limited	Lakadia B Power Transmission Limited
Khavda II-D Transmission Limited	Bidar Transco Limited
Khavda IV C Power Transmission Limited	Khavda V-B1B2 Power Transmission Limited
Khavda IV A Power Transmission Limited	Ratle Kiru Power Transmission Limited
Khavda V-A Power Transmission Limited	Rajasthan V Power Transmission Limited
Rajasthan IV A Power Transmission Limited	Banaskantha Transco Limited
Rajasthan IV C Power Transmission Limited	Kurnool-IV Transmission Limited

Consolidated Notes to Accounts

Rajasthan IV H1 Power Transmission Limited	Mahan Transmission Limited
Rajasthan IV E Power Transmission Limited	Jejuri Hinjewadi Power Transmission Limited
Tumkur-II REZ Power Transmission Limited	Velgaon Power Transmission Limited
(4) Employment Benefit Trusts/ Funds	
REC Limited Contributory Provident Fund Trust	
REC Gratuity Fund	
REC Employees' Superannuation Trust	
REC Employees' Benevolent Fund	
REC Retired Employees' Medical Trust	
(5) Society registered for undertaking CSR Initiatives	
REC Foundation	
(6) Other Companies in which Key Managerial Personnel are Directors	
Samarpan Hospitals Private Limited	Part Time Non-Official Independent Director- Dr. Gambheer Singh-(Ceased w.e.f. 15 th November, 2024)
(7) Below mentioned related parties of the Ultimate Holding Company are also considered as related parties of REC:	
(a) Key Managerial Personnel of Holding Company	
Smt. Parminder Chopra	Chairman & Managing Director (w.e.f. 14 th August, 2023) and D(F) (till 13 th August, 2023)
Sh. Rajiv Ranjan Jha	Director (Projects)
Sh. Manoj Sharma	Director (Commercial)
Sh. Sandeep Kumar	Director (Finance) (appointed w.e.f. 11 th July, 2024)
Sh. Ajay Tiwari	Government Nominee Director (Ceased w.e.f. 25 th June, 2024)
Sh. Shashank Misra	Government Nominee Director (appointed w.e.f. 25 th June, 2024)
Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director (Ceased w.e.f. 23 rd December, 2024)
Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director (Ceased w.e.f. 23 rd December, 2024)
Shri. Prasanna Tantri	Part Time Non-Official Independent Director (Ceased w.e.f. 23 rd December, 2024)
Mr. Manish Kumar Agarwal	Company Secretary
(b) Subsidiary Companies of Holding Company	
PFC Consulting Limited (PFCL)	
PFC Projects Limited	
PFC Infra Finance IFSC Limited	
(c) Associates of Holding Company	
Bihar Mega Power Limited	Sakhigopal Integrated Power Company Limited
Orissa Integrated Power Limited	Ghogarpalli Integrated Power Company Limited
Jharkhand Infrapower Limited	Odisha Infrapower Limited
Coastal Tamil Nadu Power Limited	Deoghar Mega Power Limited
Bihar Infrapower Limited	Cheyur Infra Limited
Deoghar Infra Limited	South Olpad Transmission Limited
Chhatrapur Transmission Limited	Siot Transmission Limited
Joda Barbil Transmission Limited	Gola B -Ramgarh B Transmission Limited
Ramakanali B -Panagarh Transmission Limited	Angul Sundargarh Transmission Limited
Bhuj II Transmission Limited	KPS III HVDC Transmission Limited
Navinal Transmission Limited	Bijapur REZ Transmission Limited
Chitradurga Bellary REZ Transmission Limited	Kudankulam ISTS Transmission Limited
Jam Khambhaliya Transmission Limited	Bhadla and Bikaner Complex Transmisssion Limited
Gadag II and Koppal II Transmission Limited	Wahipora and Sallar Transmission Limited
Bhuj ICT Transmission Limited	MEL Power Transmission Limited
Kandla GHA Transmission Limited	Kurnool III PS RE Transmission Limited
Raghnesda RE Transmission Limited	NER Expansion Transmission Limited
Mundra I Transmission Limited	Fatengarh II and Barmer I PS Transmission Limited
Anantapur II REZ Transmission Limited	Kakinada I Transmission Limited
NES Dharashiv Transmission Limited	NES Navi Mumbai Transmission Limited



Consolidated Notes to Accounts

NES Pune East New Transmission Limited	Barmer I Transmission Limited
Beawar - Mandsaur Transmission Limited	Bhadla-III & Bikaner-III Transmission Limited
Jamnagar Transmission Limited	Khavda PS1 And 3 Transmission Limited
Paradeep Transmission Limited	Pune- III Transmission Limited
Sirohi Transmission Limited	

59.2 Amount due from/ to the related parties

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Power Finance Corporation Limited (PFC)		
Other Financial Assets	2.82	0.51
Other Financial Liabilities- Unpaid Dividend	498.96	623.70
Associates		
Loans	3.57	19.25
Employment Benefit Trusts/ Funds		
Debt Securities	3.00	3.00
Subordinated Liabilities	3.70	2.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions	3.26	0.13
Other financial assets	34.78	23.55
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.13	0.30
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.15
REC Foundation		
Other non-financial assets (Advance to CSR Foundation)	1.67	1.25
Other non-financial assets (Prespent CSR Expense)	5.53	5.15

The aggregate amount of sanctioned loans and advances by the Company to directors or senior officer or their relative or entities associated with directors and their relatives is NIL (previous year NIL), except Loan & Advances of ₹0.74 Crores (previous year ₹1.14 Crore) sanctioned to Key Managerial Personnel (KMP) under schemes applicable generally to the employees of the Company.

59.3 Maximum amount of loans/ advances/ investments outstanding during the year

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Power Finance Corporation Limited (PFC)		
Other Financial Assets	3.83	3.83
Other Financial Liabilities- Unpaid Dividend	623.70	623.70
Employment Benefit Trusts/ Funds		
Debt Securities	45.44	57.44
Subordinated Liabilities	7.18	8.34
Other financial liabilities- GOI Serviced Bonds	0.10	0.10
Associates		
Loans	19.25	19.25
Payables	-	0.02
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.16
Staff Loans & Advances	0.41	0.55
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.17
REC Foundation		
Other non-financial assets (Advance to CSR Foundation)	11.31	35.47
Other non-financial assets (Prespent CSR Expense)	5.53	7.70

Consolidated Notes to Accounts

59.4 Transactions with the related parties :

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Power Finance Corporation Limited (PFC)		
Dividend Paid	2,952.17	1,503.80
Directors' Sitting Fee	0.11	0.05
Apportionment of Other Expenses/Administrative Expenses	4.12	0.69
Associates		
Consultancy fee	335.59	104.42
Interest income	0.90	0.71
Reimbursement/Expenses reimbursement	17.36	11.39
Investment made	0.80	0.90
Sale of investments	1.45	0.45
Employment Benefit Trusts/ Funds		
Contributions made by the Company	11.40	21.29
Finance Costs - Interest Paid	3.04	2.87
Subscription to the bonds of Company	1.00	2.00
Key Managerial Personnel (KMP)		
Recovery of Staff Loans & Advances	0.22	0.23
Disbursement of Staff Loans & Advances	-	0.35
Interest Income on Staff Loans	0.05	0.03
Finance Costs - Interest Paid	0.00	0.00
Employee Benefits Expense - Managerial Remuneration	3.78	3.51
Directors' Sitting Fee	0.35	0.40
Dividend paid	0.02	0.00
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Finance Cost	0.01	0.01
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	268.00	243.00

59.5 Terms and conditions of transactions with related parties

The transactions with the related parties are being made at arm's length basis. The remuneration and the staff loans & advances to Key Managerial Personnel are in line with the service rules of the Company. The finance costs paid to the related parties are on account of their investments in the debt securities of the Company. The interest rate payable on such debt securities is uniformly applicable to all the bondholders. The Company also makes advances to its subsidiary company on account of apportionment of establishment and administrative expenses, which are recovered on quarterly basis. Even while the outstanding balances of subsidiary company at the year-end are unsecured, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is made on the basis of short-term realisation of the advances so given.

59.6 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

	(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Short-term employee benefits	3.48	3.24
(ii) Post employment benefits	0.30	0.27
Total	3.78	3.51

As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Company as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in the above table. Gratuity and compensated absence, are included based on actual payment in respective year based in the above table.



Consolidated Notes to Accounts

59.7 Disclosure in respect of entities under the control of the same government (Government related entities)

List of Government related entities

Entities/ Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government or State Public Sector Undertaking in which Central Government has significant influence. List of Government related entities with which the Group has done transactions, includes but not limited to:

Bihar Grid Company Limited
 Damodar Valley Corporation
 HPCL Rajasthan Refinery Limited
 Nabinagar Power Generating Co. Pvt. Limited
 Neyveli Uttar Pradesh Power Limited
 NTPC Tamil Nadu Energy Company Limited
 Patratu Vidut Utpadan Nigam Limited
 Tusco Limited
 SJVN Thermal Pvt. Limited
 SJVN Limited
 Energy Efficiency Services Limited (EESL)
 Himachal Renewables Limited
 Chenab Valley Power Projects Private Limited
 Power Foundation of India

Aggregate transactions with such government related entities are as under:

Particulars	(₹ in Crores)	
	Year ended 31-03-2025	Year ended 31-03-2024
Disbursement of Loans	7,113.40	5,443.35
Interest income recognised	2,526.56	2,039.94
Other Expenditure- REC's contribution to Power Foundation	5.00	5.00

Aggregate balance outstanding from such government related entities are as under:

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Loan Assets	31,796.82	25,554.99
LoU & LoC (Non fund based)	2.33	-
Interest Accrued	60.66	48.72

Refer Note No. 12, 21, 23, 35 and 49 in respect of material transactions with the Central Government.

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 administrative expenses, 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.

60. Disclosures in respect of Ind AS 116 'Leases'

During the year ended 31st March, 2025, the expenses relating to short-term leases are ₹12.44 crores (previous year ₹8.23 crores). The total cash outflow towards all leases, including Right-of-Use Assets is ₹12.44 crores. (previous year ₹8.25 crores).

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the year:

Particulars	(₹ in Crores)	
	As at 31-03-2025	As at 31-03-2024
Opening Balance	-	0.02
Finance cost accrued during the year	-	-
Payments made during the year	0.00	(0.02)
Closing Balance	-	-

61. Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits'

61.1 Defined Contribution Plans

A. Defined Contribution Superannuation Scheme

The Company pays fixed contribution towards superannuation scheme at pre-determined rates to NPS Trust which invests the funds in the permitted securities. The balance with the NPS Trust/ separate trust includes the monthly contributions in the members' account along with the accumulated returns. When the pension becomes payable to the member, the amount standing to the credit of the member is appropriated towards the member's accumulation and annuities, as opted for by the member.

The Company has recognised an expense of ₹11.54 crores (previous year ₹9.38 crores) towards defined contribution plans

Consolidated Notes to Accounts

61.2 Defined Benefit Plans - Post-Employment Benefits

A. Provident Fund

The Company pays fixed contribution of Provident Fund at pre-determined rates to a separate registered trust which invests the funds in permitted securities. The trust declares the rate of interest on contribution to the members based upon the returns earned on its investments during the year, subject to minimum interest rate specified by Employees' Provident Fund Organisation. Any shortfall in the specified interest rate and returns earned on investments of the trust, for payment of interest to members, is to be compensated by the Company. The Company's obligation towards provident fund is determined and provided for on the basis of actuarial valuation as per IND AS 19 on Employee Benefits. The details of the fair value of plan assets and obligations are as under:

In case of RECPDCL, there is no separate trust and the company makes provident fund contributions to defined contribution plans.

Net Defined Benefit (Asset)/ Liability

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation	313.04	297.79
Fair Value of Plan Assets	317.40	298.03
Net Defined Benefit (Asset)/ Liability	(4.36)	(0.24)

Movement in net defined benefit (asset)/ liability

	(₹ in Crores)					
Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	297.79	276.16	298.03	281.00	(0.24)	(4.84)
Included in profit or loss						
Current service cost	11.10	9.58	-	-	11.10	9.58
Past service cost	-	-	-	-	-	-
Interest cost / income	24.01	22.63	24.17	23.12	(0.16)	(0.49)
Total amount recognised in profit or loss	35.11	32.21	24.17	23.12	10.94	9.09
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	1.36	0.51	5.31	(4.57)	(3.95)	5.08
- Actuarial loss (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
- Actuarial loss (gain) arising from Experience adjustments	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-	-
Total amount recognised in OCI	1.36	0.51	5.31	(4.57)	(3.95)	5.08
Contribution by participants	16.98	16.35	16.98	16.35	-	-
Contribution by employers	-	-	11.10	9.58	(11.10)	(9.58)
Net Liability transferred In / (Out)	9.97	14.80	9.97	14.80	-	0.00
Benefits paid	(48.16)	(42.24)	(48.16)	(42.25)	-	0.01
Closing Balance	313.05	297.79	317.40	298.03	(4.35)	(0.24)

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹0.20 crores on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability of Gratuity is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

	(₹ in Crores)	
Particulars	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation	28.54	27.31
Fair Value of Plan Assets	25.28	27.18
Net Defined Benefit (Asset)/ Liability	3.26	0.13



Consolidated Notes to Accounts

Movement in net defined benefit (asset)/ liability

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	27.31	29.23	27.18	26.55	0.13	2.68
Included in profit or loss						
Current service Cost	1.34	1.08	-	-	1.34	1.08
Past service cost	2.73	-	-	-	2.73	-
Interest cost / income	1.78	1.99	1.93	1.94	(0.15)	0.05
Total amount recognised in profit or loss	5.85	3.07	1.93	1.94	3.92	1.13
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	0.76	0.40	-	-	0.76	0.40
-Actuarial loss (gain) arising from Experience adjustments	(0.64)	(0.89)	-	-	(0.64)	(0.89)
Return on plan assets excluding interest income	-	-	0.78	0.51	(0.78)	(0.51)
Total amount recognised in OCI	0.12	(0.49)	0.78	0.51	(0.66)	(1.00)
Contribution by employers	-	-	0.13	2.68	(0.13)	(2.68)
Benefits paid	(4.74)	(4.50)	(4.74)	(4.50)	-	-
Closing Balance	28.54	27.31	25.28	27.18	3.26	0.13

C. Post Retirement Medical Facility (PRMF)

The Company has Post Retirement Medical Facility under which the entitled retired employees and their dependent family members are covered as per Company Rules. The scheme is funded by the Company and is managed by separate trust. The liability towards the same is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation	176.86	171.28
Fair Value of Plan Assets	211.64	194.83
Net Defined Benefit (Asset)/ Liability	(34.78)	(23.55)

Consolidated Notes to Accounts

Movement in net defined benefit (asset)/ liability

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	171.28	164.67	194.83	179.78	(23.55)	(15.11)
Included in profit or loss						
Current service Cost	6.60	5.10	-	-	6.60	5.10
Past service cost	-	-	-	-	-	-
Interest cost / income	11.86	11.73	13.81	13.14	(1.95)	(1.41)
Total amount recognised in profit or loss	18.46	16.83	13.81	13.14	4.65	3.69
Included in OCI						
Re-measurement loss (gain)						
-Actuarial loss (gain) arising from changes in financial assumptions	(13.32)	(5.30)	-	-	(13.32)	(5.30)
-Actuarial loss (gain) arising from Experience adjustments	14.65	8.28	-	-	14.65	8.28
Return on plan assets excluding interest income	-	-	2.89	1.85	(2.89)	(1.85)
Total amount recognised in OCI	1.33	2.98	2.89	1.85	(1.56)	1.13
Contribution by participants	0.10	0.06	0.11	0.06	(0.01)	-
Contribution by employers	-	-	-	-	-	-
Benefits paid	(14.31)	(13.26)	-	-	(14.31)	(13.26)
Closing Balance	176.86	171.28	211.64	194.83	(34.78)	(23.55)

D. Economic Rehabilitation Scheme (ERS)

The Company has an Economic Rehabilitation Scheme (ERS) to support the family financially in case of permanent disability/ death of an employee during the service tenure. This scheme is unfunded and the liability is determined based on actuarial valuation.

Net Defined Benefit (Asset)/ Liability for ERS

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
Present value of Defined benefit obligation		
- ERS	6.70	4.92

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
Opening Balance	4.92	4.17
Included in profit or loss		
Current service Cost	0.39	0.30
Interest cost / income	0.33	0.28
Total amount recognised in profit or loss	0.72	0.58
Included in OCI		
-Actuarial loss (gain) arising from changes in financial assumptions	0.25	0.12
-Actuarial loss (gain) arising from Experience adjustments	1.21	0.74
Total amount recognised in OCI	1.46	0.86
Benefits paid	(0.40)	(0.69)
Closing Balance	6.70	4.92

61.2.1 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) Asset volatility

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 and macro-economic factors.



Consolidated Notes to Accounts

(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 market yields at the end of the reporting period. A decrease in discount rate will increase present values of defined benefit obligations, although this will be partially offset by an increase in the value of the plans' investments.

(iii) 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 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/ Withdrawal risk

The present value of the defined benefit plan liability is calculated by reference to the expected withdrawal rate in the future. As such, if the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the plan's liability.

61.2.2 Plan Assets

The fair value of plan assets at the end of reporting period for each category, are as follows:

(₹ in Crores)

Particulars	Provident Fund		Gratuity		PRMF	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
Cash & Cash Equivalents	7.10	0.62	0.36	0.07	4.34	3.94
Quoted Plan Assets						
Equity Instruments	23.81	20.53	1.02	0.99	-	-
State Government Debt Securities	127.60	127.64	10.22	10.22	41.76	41.63
Central Government Debt Securities	42.56	45.94	-	-	-	-
Corporate Bonds/ Debentures	116.33	103.30	9.34	9.35	165.54	149.25
Sub-total - Quoted Plan Assets	310.30	297.41	20.58	20.56	207.30	190.88
Unquoted Plan Assets						
Others - Insurer managed funds & T-bills	-	-	4.34	6.55	-	-
Sub-total - Unquoted Plan Assets	-	-	4.34	6.55	-	-
Total	317.40	298.03	25.28	27.18	211.64	194.82

Actual return on plan assets is ₹ 43.58 crores (previous year ₹ 40.56 crores).

61.2.3 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 31st March, 2025 by M/s Transvalue Consultants. 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 (PUCM). The principal assumptions used for actuarial valuations are:-

(₹ in Crores)

Particulars	Provident Fund		Gratuity		PRMF		ERS	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Method Used	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM
Discount Rate	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%
Expected Return on Plan Assets, if funded	8.26%	8.24%	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%
Future Salary Increase / medical inflation			6.00%	6.00%	4.50%	5.50%	6.00%	6.00%
Expected average remaining working lives of employees (years)			21.17	20.07	21.17	20.07	21.17	20.07
Mortality Rate			IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover / Withdrawal Rate			0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

The principal assumptions are the discount rate, salary growth rate and expected average remaining working lives of employees. The discount rate is generally based on the market yields available on Government bonds at the reporting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotions and other relevant factors as long term basis. The above information is certified by the Actuary.

Consolidated Notes to Accounts

61.2.4 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at 31-03-2025		As at 31-03-2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(1.11)	1.21	(0.89)	0.97
- PRMS	(8.87)	9.77	(9.23)	9.86
- ERS	(0.36)	0.39	(0.20)	0.22
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.23	(0.15)	0.17	(0.17)
- PRMS	-	-	-	-
- ERS	0.24	(0.23)	0.18	(0.16)
Medical inflation Rate (0.50% movement)				
- PRMS	9.89	(9.04)	9.92	(9.06)
Medical Cost (10% movement)				
- PRMS	17.64	(17.54)	17.24	(17.08)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.

61.2.5 Expected maturity analysis of the defined benefit plans in future years

Particulars	Gratuity		PRMF		ERS	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
Less than 1 year	5.99	5.15	16.23	15.20	1.10	0.95
From 1 to 5 years	11.47	12.52	90.62	84.88	3.09	2.61
Beyond 5 years	44.85	37.67	422.40	329.93	6.30	5.21
Total	62.31	55.34	529.25	430.01	10.49	8.77

61.2.6 Expected contribution for the next year

Particulars	Provident Fund		Gratuity		PRMF	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
Expected contribution	-	-	5.14	1.48	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.51 years (as at 31.03.2024 is 11.78 years).

61.3 Other Long-term Employee Benefits

61.3.1 Earned Leave and Half Pay Leave

REC 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, while there is no limit for accumulation of half pay leave. In case of RECPDCL, The Employees are entitled for Leave encashment after completion of one year of service only and amount is paid in full, at the time of separation. The liability for the same is recognized on the basis of actuarial valuation. Total expenses amounting to ₹ 10.79 crores (Previous year ₹ 8.67 crores) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

61.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to ₹1.27 crores (previous year ₹2.15 crores) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

61.4 Employee benefits including Gratuity, PRMF, 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.

61.5 The Company is managing all the superannuation schemes i.e Contributory Provident Fund (CPF), Gratuity, Pension and Post-Superannuation / Retirement Medical Benefits (PSMB/PRMB) within the overall limit, as prescribed by Department of Public Enterprises (DPE) from time to time.



Consolidated Notes to Accounts

62. Status of Documentation Subsequent to Unbundling of SEBs/Utilities

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.

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 (UTs) – Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of J&K have been restructured vide unbundling order dated 23rd October 2019. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documentation, the existing loans for Generation, T&D and Government schemes are being serviced / repaid in line with the existing loan agreements.

Status of Documentation Subsequent to Reorganisation of the State of Andhra Pradesh

Subsequent to the reorganisation of erstwhile State of Andhra Pradesh, the state of Telangana has been formed on 2 June 2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal Gazette Notification.

Status of Documentation is as under:

- (i) Wherever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).
- (ii) Wherever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.
- (iii) Wherever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.
- (iv) Once the final transfer scheme is notified through Gazette Notification by Government, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

Status of Documentation Subsequent to Trifurcation of TANGEDCO

Government of Tamil Nadu vide G.O.No.6 & G.O.No 7 dated 24 January, 2024 ordered the trifurcation of TANGEDCO into 3 entities i.e. (i) the existing company TANGEDCO would be renamed as Tamil Nadu Power Distribution Corporation Limited (TNPDC) and continue to carry on distribution business (ii) Formation of Tamil Nadu Power Generation Company Limited (TNPGL) for carrying out thermal & gas power generation business and (iii) Tamil Nadu Green Energy Corporation Limited (TNGECL) to carry out the green power generation business. Pursuant thereto, the two new entities viz. TNPGL and TNGECL were formed on 09.02.2024 and 10.02.2024 respectively.

Thereupon, Government of Tamil Nadu vide G.O.No.32 dt.06th March, 2024 ordered provisional transfer of assets and liabilities among three companies namely TNPGL, TNGECL and TNPDC. As per the order, the transfer of Assets and Liabilities are provisional in nature for one year and final transfer of assets and liabilities would be notified subsequently.

In terms of the aforesaid notifications, tripartite agreements dated 29th May 2024 were executed between (i) REC, TANGEDCO and TNGECL (in respect of green energy loans of erstwhile TANGEDCO) and (ii) REC, TANGEDCO and TNPGL (in respect of thermal and gas power business of erstwhile TANGEDCO) wherein TNGECL and TNPGL have agreed to repay the respective portion of their loan amounts as per the loan documents executed by REC with erstwhile TANGEDCO. Final documentation with the new entities would be executed with the respective entities based upon the final notification issued by Govt. of Tamil Nadu.

63. Modifications in the Material Accounting Policies

The company has continued to follow the same accounting policies as was followed during the financial year ended 31-03-2024 and has added accounting policies on investment property in note no. 3.9 and recoveries from written-off financial assets in note no. 3.14. Further, certain accounting policies have been reworded to bring in more clarity and align with company's practice. There is no financial impact of such modification carried out in the accounting policies.

64. Provisions, Contingencies and Impairment loss allowances debited to Consolidated Statement of Profit and Loss

(₹ in Crores)

Particulars	Year ended 31-03-2025	Year ended 31-03-2024
(i) Impairment Loss Allowance for loans*	886.24	(1,367.07)
(ii) Impairment Loss Allowance for Investments	3.26	-
(iii) Impairment Loss Allowance for Other Receivables	132.08	(12.51)
(iv) Provision made for Income Tax	4,233.24	3,814.48

* includes ₹-13.54 crores (Previous year ₹16.14 crores) towards impairment allowance on Letter of Comfort.

65. The Company's operation comprise of only one business segment - lending to power, logistic and infrastructure sector. Hence, there is no other reportable segment in terms of Indian Accounting Standard (Ind-AS) 108 "Operating Segments". Based on "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

Consolidated Notes to Accounts

65.1 Information about Revenue from major products and services

		(₹ in Crores)	
Particulars	Year ended 31-03-2025	Year ended 31-03-2024	
(A) Income from Loan Assets	54,660.83	45,954.08	
(B) Fee for Implementation of Government Schemes	53.79	114.49	
(C) Income from Treasury Operations	762.93	590.96	
(D) Revenue from sale of services	510.97	360.52	
Total	55,988.52	47,020.05	

65.2 The Group does not have any reportable geographical segment as the primary operations of the Group are carried out within the country.

65.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2024-25 and 2023-24.

65.4 In line with the RBI Scale Based Regulations and accounting policy of the Company and on a prudent basis, the Interest Income on net of provision Credit Impaired Loan Assets (Stage III) of Rs. 2,163.17 Crores (Previous Year Rs. 4,356.53 Crores) has not been recognized.

66. Subsidiaries, joint venture and associates considered for consolidation

A. Wholly owned subsidiaries of the Company:

		(₹ in Crores)	
Particulars	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31-03-25	As at 31-03-24
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	India	100%	100%

B. Joint venture- Nil

C. Associates

		(₹ in Crores)	
Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31-03-25	As at 31-03-24
Chandil Transmission Limited**	India	100.00%	100.00%
Dumka Transmission Limited**	India	100.00%	100.00%
Mandar Transmission Limited**	India	100.00%	100.00%
Koderma Transmission Limited**	India	100.00%	100.00%
Luhri Power Transmission Limited	India	100.00%	100.00%
Shongtong Power Transmission Limited	India	100.00%	100.00%
Kankani Power Transmission Limited	India	100.00%	100.00%
Tuticorin Power Transmission Limited	India	100.00%	-
WRNES Talegaon Power Transmission Limited	India	100.00%	-
Rajgarh III Power Transmission Limited	India	100.00%	-
Jejuri Hinjewadi Power Transmission Limited	India	100.00%	-
Velgaon Power Transmission Limited	India	100.00%	-
Meerut Shamli Power Transmission Limited*	India	-	100.00%
NERES XVI Power Transmission Limited*	India	-	100.00%
Rajasthan Part I Power Transmission Limited*	India	-	100.00%
Khavda IV C Power Transmission Limited*	India	-	100.00%
Khavda IV-E2 Power Transmission Limited*	India	-	100.00%
Khavda IVA Power Transmission Limited*	India	-	100.00%
Rajasthan IV A Power Transmission Limited*	India	-	100.00%
Rajasthan IV C Power Transmission Limited*	India	-	100.00%
Rajasthan IV H1 Power Transmission Limited*	India	-	100.00%
Rajasthan IV E Power Transmission Limited*	India	-	100.00%
Khavda V-A Power Transmission Limited*	India	-	100.00%
NERGS-I Power Transmission Limited*	India	-	100.00%
Tumkur-II REZ Power Transmission Limited*	India	-	100.00%
ERES-XXXIX Power Transmission Limited*	India	-	100.00%
Jalpura Khurja Power Transmission Limited*	India	-	100.00%



Consolidated Notes to Accounts

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31-03-25	As at 31-03-24
Kallam Transco Limited *	India	-	100.00%
Rajasthan IV 4A Power Transmission Limited #	India	-	-
Rajasthan IV 4B Power Transmission Limited #	India	-	-
Rajasthan V Power Transmission Limited #	India	-	-
Bhadla III Power Transmission Limited #	India	-	-
Rattle Kiru Power Transmission Limited #	India	-	-
Kurnool-IV Transmission Limited #	India	-	-
Mahan Transmission Limited #	India	-	-
Bikaner A Power Transmission Limited #	India	-	-
Bikaner B Power Transmission Limited #	India	-	-
Lakadia B Power Transmission Limited #	India	-	-
Bidar Transco Limited #	India	-	-
Khavda V-B1B2 Power Transmission Limited #	India	-	-
Banaskantha Transco Limited #	India	-	-

* The above SPV has been sold during the year.

** The above SPV is under process of strike off.

#The above SPV has been incorporated and sold during the year.

Note: The above investments 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 Companies unilaterally. The Company therefore, considers its investment in respective Companies as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

67. Disclosures in respect of Entities Consolidated as required under Schedule III to the Companies Act, 2013

67.1 Share in Net Assets i.e. Total Assets minus Total Liabilities

Name of the Entity	As at 31-03-2025		As at 31-03-2024	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent				
REC Limited	99.06%	77,637.97	99.18%	68,783.15
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.94%	738.19	0.82%	567.18
Associates - Indian				
Chandil Transmission Limited**	-	-	-	-
Dumka Transmission Limited**	-	-	-	-
Mandar Transmission Limited**	-	-	-	-
Koderma Transmission Limited**	-	-	-	-
Luhri Power Transmission Limited	0.00%	0.05	0.00%	0.05
Shongtong Power Transmission Limited	0.00%	0.05	0.00%	0.05
Kankani Power Transmission Limited	0.00%	0.05	0.00%	0.05
Tuticorin Power Transmission Limited	0.00%	0.05	-	-
WRNES Talegaon Power Transmission Limited	0.00%	0.05	-	-
Rajgarh III Power Transmission Limited	0.00%	0.05	-	-
Jejuri Hinjewadi Power Transmission Limited	-	-	-	-
Velgaon Power Transmission Limited	-	-	-	-
Meerut Shamli Power Transmission Limited*	-	-	0.00%	0.05
NERES XVI Power Transmission Limited*	-	-	0.00%	0.05
Rajasthan Part I Power Transmission Limited*	-	-	0.00%	0.05
Khavda IV C Power Transmission Limited*	-	-	0.00%	0.05
Khavda IV-E2 Power Transmission Limited*	-	-	0.00%	0.05
Khavda IVA Power Transmission Limited*	-	-	0.00%	0.05

Consolidated Notes to Accounts

Name of the Entity	As at 31-03-2025		As at 31-03-2024	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Rajasthan IV A Power Transmission Limited*	-	-	0.00%	0.05
Rajasthan IV C Power Transmission Limited*	-	-	0.00%	0.05
Rajasthan IV H1 Power Transmission Limited*	-	-	0.00%	0.05
Rajasthan IV E Power Transmission Limited*	-	-	0.00%	0.05
Khavda V-A Power Transmission Limited*	-	-	0.00%	0.05
NERGS-I Power Transmission Limited*	-	-	0.00%	0.05
Tumkur-II REZ Power Transmission Limited*	-	-	0.00%	0.05
ERES-XXXIX Power Transmission Limited*	-	-	0.00%	0.05
Jalpura Khurja Power Transmission Limited*	-	-	0.00%	0.05
Kallam Transco Limited *	-	-	0.00%	0.05
Rajasthan IV 4A Power Transmission Limited #	-	-	-	-
Rajasthan IV 4B Power Transmission Limited #	-	-	-	-
Rajasthan V Power Transmission Limited #	-	-	-	-
Bhadla III Power Transmission Limited #	-	-	-	-
Ratle Kiru Power Transmission Limited #	-	-	-	-
Kurnool-IV Transmission Limited #	-	-	-	-
Mahan Transmission Limited #	-	-	-	-
Bikaner A Power Transmission Limited #	-	-	-	-
Bikaner B Power Transmission Limited #	-	-	-	-
Lakadia B Power Transmission Limited #	-	-	-	-
Bidar Transco Limited #	-	-	-	-
Khavda V-B1B2 Power Transmission Limited #	-	-	-	-
Banaskantha Transco Limited #	-	-	-	-
Adjustments or eliminations effect	0.00%	(0.40)	0.00%	(1.02)
Total	100.00%	78,376.06	100.00%	69,350.25

Share in profit and loss

Name of the Entity	Year ended 31-03-2025		Year ended 31-03-2024	
	As % of Consolidated Net Profit	Amount	As % of Consolidated Net Profit	Amount
Parent				
REC Limited	98.92%	15,713.21	99.11%	14,019.21
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	1.65%	261.65	1.06%	149.65
Adjustments or eliminations effect	-0.57%	(90.63)	-0.17%	(23.40)
Total	100.00%	15,884.23	100.00%	14,145.46

Share in Other Comprehensive Income

Name of the Entity	Year ended 31-03-2025		Year ended 31-03-2024	
	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
Parent				
REC Limited	100.00%	(1,516.80)	100.00%	1044.27
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	-	-	-	-
Adjustments or eliminations effect	-	-	-	-
Total	100.00%	(1,516.80)	100.00%	1,044.27



Consolidated Notes to Accounts

Share in Total Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31-03-2025		Year ended 31-03-2024	
	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent				
REC Limited	98.81%	14,196.41	99.17%	15,063.48
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	1.82%	261.65	0.99%	149.65
Adjustments or eliminations effect	-0.63%	(90.63)	-0.15%	(23.40)
Total	100.00%	14,367.43	100.00%	15,189.73

68. Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities (₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	233.57	-	262.75	-
(b) Bank balances other than (a) above	2,109.80	-	2,676.74	23.01
(c) Derivative financial instruments	2,637.20	14,794.98	1,995.61	10,486.41
(d) Trade and Other Receivables	237.12	-	156.60	-
(e) Loans	1,00,475.55	4,58,612.53	84,849.07	4,14,342.98
(f) Investments	156.00	6,517.64	115.28	5,237.04
(g) Other financial assets	433.02	24,171.17	288.32	24,154.32
Total - Financial Assets (1)	1,06,282.26	5,04,096.32	90,344.37	4,54,243.76
(2) Non-Financial Assets				
(a) Current tax assets (net)	8.09	398.98	8.72	300.96
(b) Deferred tax assets (net)	15.95	2,852.75	-	2,500.96
(c) Investment Property	-	1.01	-	-
(d) Property, Plant & Equipment	-	625.99	-	630.98
(e) Capital Work-in-Progress	-	76.01	-	23.59
(f) Other Intangible Assets	0.00	1.84	-	0.52
(g) Other non-financial assets	138.75	-	117.03	-
Total - Non-Financial Assets (2)	162.79	3,956.58	125.75	3,457.01
(3) Assets classified as held for sale	3.88	-	20.20	-
Total ASSETS (1+2+3)	1,06,448.93	5,08,052.90	90,490.32	4,57,700.78
LIABILITIES				
(1) Financial Liabilities				
(a) Derivative financial instruments	844.66	825.40	338.08	421.62
(b) Trade and Other Payables	157.67	-	109.42	-
(c) Debt Securities	33,578.27	2,58,850.00	48,240.03	2,17,823.21
(d) Borrowings (other than debt securities)	51,565.83	1,42,734.33	43,071.37	1,29,020.68
(e) Subordinated Liabilities	333.79	9,180.37	321.21	7,091.00
(g) Other financial liabilities	13,545.08	24,101.64	7,831.28	24,109.30
Total - Financial Liabilities (1)	1,00,025.31	4,35,691.73	99,911.39	3,78,465.81
(2) Non-Financial Liabilities				
(a) Current tax liabilities (net)	-	-	66.51	-
(b) Provisions	70.74	66.77	80.00	57.35
(c) Other non-financial liabilities	184.36	86.86	165.72	94.07
Total - Non-Financial Liabilities (2)	255.10	153.63	312.23	151.42

Consolidated Notes to Accounts

Particulars	As at 31-03-2025		As at 31-03-2024	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
Total LIABILITIES (1+2)	1,00,280.41	4,35,845.36	1,00,223.62	3,78,617.22

- 69.** Previous year figures have been reclassified/ regrouped to conform to the current classification.
- 70.** There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.
- 71.** The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.
- 72.** The disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 have been made in Note No. 3, 8, 10, 11, 22.1, 28, 29.1, 48, 51, 52, 52.1.3 (M), 52.1.3 (N), 52.1.3 (O), 52.1.3 (P), 52.1.3 (Q), 52.1.3 (R), 52.1.3 (S), 52.1.3 (T), 52.1.3 (U), 52.1.3 (V), 52.2.2, 52.2.4, 52.3, 53, 54, 55, 56, 58, 63, 64, 65, 70, 71, 73, 75.
- 73.** No penalties have been levied on the company by any regulator during the year ended 31st March 2025 (previous year Nil) However, during the year, the Company has received notices from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) imposing a total fine of ₹0.18 crore (previous year ₹0.43 crore) (inclusive of GST) for non-compliance on the corporate governance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the position/quorum requirements of Board/ Committees, due to inadequate number of Independent Directors.
- The Company has requested the Stock Exchanges to waive the fine since the power to appoint Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors of the Company cannot appoint Independent Directors on the Board of the Company. As such, there is no violation on the part of the Company in the appointment of Independent Directors. The Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by BSE & NSE after complying with the requirement.
- 74.** During the year, the Company does not have any transactions with the companies struck off u/s 248 of Companies Act, 2013 as on 31st March 2025 (as on 31st March 2024- Nil).
- 75.** No complaints have been received by the Company from the customers or Offices of Ombudsman during the year ended 31st March 2025 (previous year Nil).
- 76.** Figures in Rupees have been rounded off to the nearest crores with two decimals, unless expressly stated.

The Notes to Accounts 1 to 76 are an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025



REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Annexure to be enclosed with Balance Sheet as at 31st March 2025

(As prescribed by Reserve Bank of India)

(Particulars set out in Annexure- VIII of RBI's (Non-Banking Financial Company - Scale Based Regulation) Directions dated 19.10.2023, as updated from time to time, in so far as they are applicable to the Company)

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
LIABILITIES SIDE:				
(1) Loans and advances availed by the NBFC				
inclusive of interest accrued thereon but not paid:				
(a) Debentures/ Bonds :				
-Secured	54,718.68	-	55,197.53	-
- Unsecured	2,47,816.42	-	2,19,135.12	-
(b) Term Loans				
- Unsecured Loans from NSSF	10,325.12	-	10,325.12	-
- Unsecured Loans from Banks	41,887.00	-	50,620.49	-
- Unsecured Loans from Financial Institutions	2,500.00	-	8,072.29	-
(c) Commercial Paper	-	-	-	-
(d) Other Loans				
- Foreign Currency Borrowings	95,172.85	-	67,597.00	-
- FCNR (B) Loans	43,200.30	-	25,151.29	-
- Overdrafts from Bank	570.78	-	267.44	-
- Short Term Loans/ Loans Repayable on Demand	1,600.32	-	10,883.04	-
Particulars	As at 31-03-2025		As at 31-03-2024	
ASSETS SIDE :				
(2) Break-up of Loans and Advances including bills receivables				
(a) Secured		5,25,654.96		4,72,151.03
(b) Unsecured		41,228.32		37,219.92
Less: Impairment loss allowance		(10,795.76)		(12,380.52)
Loans and advances (net of provision)		5,56,087.52		4,96,990.43
(3) INVESTMENTS :				
Investments carried at Cost/Amortised Cost:				
Quoted:				
(i) Shares : Equity		-		-
(ii) Debentures and Bonds		3,379.03		1,962.14
Less: Impairment Loss allowance		2.31		-
Quoted Debentures and Bonds (net of provision)		3,376.72		1,962.14
(iii) Government Securities		1,621.86		1,624.08
Unquoted:				
(i) Shares : Equity		-		-
(ii) Debentures and Bonds		230.41		214.06
Less: Impairment Loss allowance		0.95		-
Unquoted Debentures and Bonds (net of provision)		229.46		214.06
(iii) Preference shares		28.72		28.72
Less: Impairment Loss allowance		(28.72)		(28.72)
Unquoted Preference Shares (net of Provision)		-		-
Investments carried at Fair Value:				
Quoted:				
(i) Shares : Equity		176.68		170.28
(ii) Debentures and Bonds		968.18		947.94

Particulars	As at 31-03-2025	As at 31-03-2024
Unquoted:		
(i) Shares : Equity	300.74	316.73
(ii) Debentures and Bonds	-	117.09

(4) Borrower Group-wise classification of assets financed in (2) above:

(₹ in Crores)

Particulars	Amount Net of Provisions			
	Secured	Unsecured	Provision	Total
As at 31-03-2025				
1. Related Parties	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	5,25,654.96	41,228.32	(10,795.76)	5,56,087.52
Total	5,25,654.96	41,228.32	(10,795.76)	5,56,087.52
As at 31-03-2024				
1. Related Parties	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	4,72,151.03	37,219.92	(12,380.52)	4,96,990.43
Total	4,72,151.03	37,219.92	(12,380.52)	4,96,990.43

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Crores)

Particulars	As at 31-03-2025		As at 31-03-2024	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties	-	-	-	-
2. Other than Related Parties	6,923.31	6,673.64	5,325.91	5,352.32
Total	6,923.31	6,673.64	5,325.91	5,352.32

(6) Other Information

(₹ in Crores)

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Gross Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	7,652.65	13,810.33
(ii) Net Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	2,163.17	4,356.53
(iii) Asset acquired in satisfaction of debts	130.43	394.18

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No.: 112318W

Saurabh Chouhan
Partner
M.No. : 167453

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla
Partner
M.No. : 087010

Place: Delhi
Date: May 08, 2025



Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures for the Year 2024-25

Part A: Subsidiaries

(₹ in Crores)

Particulars	(I)
1 Name of the Subsidiary	REC Power Development and Consultancy Limited
2 The date since when subsidiary was acquired	12-Jul-07
3 Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4 Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
5 Share capital	9.49
6 Reserves & Surplus	728.70
7 Total assets	1,000.76
8 Total Liabilities	262.57
9 Investments	78.78
10 Turnover	551.57
11 Profit/ (Loss) Before Taxation	348.32
12 Provision for Taxation	86.67
13 Profit/ (Loss) After Taxation	261.65
14 Proposed Dividend	32.76
15 Extent of shareholding (in percentage)	100.00%

(1) Name of subsidiaries which are yet to commence operations - Nil

(2) Names of subsidiaries which have been liquidated or sold during the year - Nil

Part B: Associates and Joint Ventures

Details of Associates

(₹ in Crores)

Name of Associates	Koderma Transmission Limited *	Chandil Transmission Limited *	Dumka Transmission Limited *	Mandar Transmission Limited *	Luhri Power Transmission Limited *	Shongtong Power Transmission Limited *	Kankani Power Transmission Limited *	WRNES Talegaon Power Transmission Limited #	Tuticorin Power Transmission Limited #	Rajgarh III PT Limited #	Jejuri Hinjewadi Power Transmission Limited ##	Velgaon Power Transmission Limited ##
	1	2	3	4	5	6	7	8	9	10	11	12
1 Latest audited Balance Sheet Date	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24					
2 Date on which the Associate or Joint Venture was associated or acquired	19.03.2018	14.03.2018	25.03.2018	26.03.2018	28.10.2022	14.06.2023	18.12.2023	16.11.2024	05.11.2024	24.12.2024	28.03.2025	28.03.2025
3 Shares of Associate or Joint Ventures held by the company on the year end												
i. Number	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
ii. Amount of Investment in Associates or Joint Venture	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05		
iii. Extent of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		
4 Description of how there is significant influence	Refer Note 1											
5 Reason why the associate or joint venture is not consolidated **	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		
6 Networth attributable to Shareholding as per latest audited Balance Sheet	(0.01)	(0.01)	(0.01)	(0.01)	(1.36)	(1.25)	0.04	(0.24)	(0.37)	(0.13)		
7 Profit / (Loss) for the year	(0.01)	(0.01)	(0.01)	(0.01)	(0.31)	(0.73)	(0.01)	(0.29)	(0.42)	(0.18)		
i. Considered in Consolidation **	-	-	-	-	-	-	-	-	-	-		
ii. Not Considered in Consolidation	(0.01)	(0.01)	(0.01)	(0.01)	(0.31)	(0.73)	(0.01)	(0.29)	(0.42)	(0.18)		

* The latest audited Balance Sheet available for associates have been prepared on the basis of IND-AS.

**Associates classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.

The latest management certified Balance Sheet available for associates have been prepared on the basis of IND-AS.

Since company incorporated on 28.03.2025, auditor will be appointed in next financial year.

Note : 1. The company is holding 100% of shares but these investments are managed as per the mandate from Government of India and company does not have the practical ability to direct the relevant activities of these companies unilaterally, hence treated as associate.

Note : 2. Twenty nine associates have been transferred during FY 2024-25.

Details of Joint Venture : NA

- (1) Names of associates or joint ventures which are yet to commence operations - NIL
- (2) Names of associates or joint ventures which have been liquidated or sold during the year.

The following associates have been sold during the year, as a part of business process:

Name of SPV	Date of Incorporation	Date of Sale
Meerut Shamli Power Transmission Limited	14.12.2022	6.04.2024
NERES XVI Power Transmission Limited	10.01.2023	30.05.2024
Rajasthan Part 1 Transmission Limited	30.04.2023	20.01.2025
Khavda IVC Power Transmission Limited	27.09.2023	30.08.2024
Khavda IV E2 Power Transmission Limited	5.10.2023	30.05.2024
Khavda IVA Power Transmission Limited	09.10.2023	30.08.2024
Rajasthan IVA Power Transmission Limited	10.10.2023	21.08.2024
Rajathan IVC Power Transmission Limited	11.10.2023	19.08.2024
Rajathan IV H1 Power Transmission Limited	13.10.2023	15.10.2024
Rajathan IVE Power Transmission Limited	14.10.2023	19.08.2024
Khavda VA Power Transmission Limited	10.10.2023	19.11.2024
NERG-1 Power Transmission Limited	13.12.2023	30.07.2024
Tumkur II Power Transmission Limited	13.12.2023	03.09.2024
ERES XXXIX Power Transmission Limited	27.03.2024	14.11.2024
Jalpura Khurja Transmission Limited	28.04.2023	05.04.2024
Kallam Transco Limited	15.09.2023	05.04.2024
Rajasthan IV 4A Power Transmission Limited (w.e.f. 06 August, 2024 to 30 December 2024)	06.08.2024	30.12.2024
Rajasthan IV 4B Power Transmission Limited (w.e.f. 14 August, 2024 to 30 December 2024)	14.08.2024	30.12.2024
Rajasthan V Power Transmission Limited (w.e.f. 25 October, 2024 to 24 March 2025)	25.10.2024	24.03.2025
Bhadla III Power Transmission Limited (w.e.f. 09 April, 2024 to 28 August 2024)	09.04.2024	28.08.2024
Ratle Kiru Power Transmission Limited (w.e.f. 23 October, 2024 to 24 March 2025)	23.10.2024	24.03.2025
Kurnool-IV Transmission Limited (w.e.f. 20 November, 2024 to 24 March 2025)	20.11.2024	24.03.2025
Mahan Transmission Limited (w.e.f. 20 November, 2024 to 26 March 2025)	20.11.2024	26.03.2025
Bikaner A Power Transmission Limited (w.e.f. 14 May, 2024 to 11 November 2024)	14.05.2024	11.11.2024
Bikaner B Power Transmission Limited (w.e.f. 14 May, 2024 to 11 November 2024)	14.05.2024	11.11.2024
Lakadia B Power Transmission Limited (w.e.f. 29 October, 2024 to 14 February 2025)	29.10.2024	14.02.2025
Bidar Transco Limited (w.e.f. 05 November, 2024 to 18 February 2025)	05.11.2024	18.02.2025
Khavda V-B1B2 Power Transmission Limited (w.e.f. 18 November, 2024 to 18 February 2025)	18.11.2024	18.02.2025
Banaskantha Transco Limited (w.e.f. 25 October, 2024 to 24 March 2025)	25.10.2024	24.03.2025

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Harsh Baweja
Director (Finance)
DIN-09769272

Jitendra Srivastava
Chairman & Managing Director
DIN-06817799

Place: Delhi
Date: May 08, 2025



Our Presence

Registered Office	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003 ☎ +91-11-4309 1500 ✉ contactus@recindia.com		
Corporate Office	Plot no. I-4, Sector 29, Gurugram, Haryana - 122001 ☎ +91-124-444 1300 ✉ contactus@recindia.com		
Training Centre	REC Institute of Power Management & Training RECIPMT Campus, NPA Post, Shivrampally, Near Aramghar Crossroad, Hyderabad - 500052 ☎ +91-40-2988 5851 / 5852; +91-40-2955 5901 ✉ recipmt@recindia.com		
Regional Office Punjab, Haryana, Himachal Pradesh	BAY No. 7-8, Sector-2, Panchkula - 134112 ☎ +91-172-2563 863 / 864 ☎ +91-172-2580 476 ✉ popanchkula@recindia.com	Regional Office Madhya Pradesh	Hall no. 3, West Block, 2 nd Floor, Metro Walk, Bittan Market, Bhopal- 462016 ☎ +91-755-2460 006 ✉ recbhopal@recindia.com
Regional Office West Bengal, Sikkim, Andaman & Nicobar Islands	I B-186, Sector-III Salt Lake City, Kolkata - 700106 ☎ +91-33-2335 6989 / 6994 / 6998 ✉ zmkkolkata@recindia.com	Regional Office Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland & Tripura	SRADDHA, M.G. Path, G.S. Road Crossing Sohum/SBI Point, Christian Basti Guwahati - 781005 ☎ +91-361-2343 713 ✉ poguawahati@recindia.com
Regional Office Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli	51-B, Mittal Tower 5 th Floor, Nariman Point Mumbai - 400021 ☎ +91-22-2283 3068 / 3055 ✉ zmmumbai@recindia.com	Regional Office Chhattisgarh	F-6 & F-7, Block B-1, 1 st Floor, Pujari Chambers, Commercial Complex Pachpedi Naka, Raipur - 492001 ☎ +91-771-2241 055 ✉ recriipur@recindia.com
State Office Himachal Pradesh	Pt. Padamdev Commercial Complex Phase-II, First Floor The Ridge Shimla - 171001 ☎ +91-177-2653 411 ✉ poshimla@recindia.com	Regional Office Jharkhand	101 & 102, Om Shree Enclave, Beside Loyola School, Airport Road, Hinoo Ranchi - 834002 ☎ +91-651-4667 947 ✉ soranchi@recindia.com
Regional Office Jammu & Kashmir, Ladakh	157-A, Gandhi Nagar, Behind Apsara Cinema, Jammu - 180004 ☎ +91-191-2450 800 ✉ pojammu@recindia.com	Regional Office Odisha	Deen Dayal Bhawan, 5 th Floor, Ashok Nagar Janpath, Bhubaneswar - 751009 ☎ +91-674-2393 206 ☎ +91-674-2536 649 ✉ pobhubaneswar@recindia.com
Regional Office Uttar Pradesh	19/8, Indira Nagar, Ring Road Extension, Lucknow - 226016 ☎ +91-522-271 6324 / 7376 ☎ +91-522-434-9849 ✉ zmlucknow@recindia.com	Regional Office Karnataka	Plot No. 1/5, Halasuru Road Bengaluru - 560042 ☎ +91-80-2555 0240 ✉ pobangalore@recindia.com
Regional Office Uttarakhand	44A, Ground Floor, IT Park Sahastradhara Road Dehradun - 248001 ☎ +91-135-2650 799 ✉ sodehradun@recindia.com	Regional Office Telangana	RECIPMT Campus, NPA Post, Shivrampally Near Aramghar Crossroad Hyderabad - 500052 ☎ +91-40-2988 6745 ✉ zmhyderabad@recindia.com
Regional Office Bihar	Maurya Lok Complex Block - C, 4 th Floor New Dak Bangalow Road Patna - 800001 ☎ +91-612-4016 248 ✉ popatna@recindia.com	Regional Office Andhra Pradesh	54-15-13, BSR Hill View, 2 nd Floor Srinivasa Nagar Bank Colony Vijayawada - 520008 ☎ +91-866-2973 405 ✉ recro-vijay@recindia.com
Regional Office Rajasthan	J-4-A, Jhalana Dungari Institutional Area, Jaipur - 302004 ☎ +91-141-270 0161 ✉ pojaipur@recindia.com	Regional Office Kerala, Lakshadweep	O-5, 4 th Floor, Saphallyam, Commercial Complex, TRIDA Building, Palayam Thiruvananthapuram - 695034 ☎ +91-471-2328 662 ✉ potrivandrum@recindia.com
State Office Gujarat	Plot No. 585, T.P. Scheme No.2, Behind Pusti Complex, Atma Jyoti Ashram Road Subhanpura, Vadodara - 390023 ☎ +91-265-2397 487 ✉ povadodara@recindia.com	Regional Office Tamil Nadu, Puducherry	12 & 13, T.N.H.B. Complex, 180 Luz Church Road, Mylapore Chennai- 600004 ☎ +91-44-2467 2376 ☎ +91-44-2498 7960 ✉ pochennai@recindia.com

[illegible]



Glimpse of 56th Foundation Day of REC



असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

A MAHARATNA COMPANY

Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003 **Tel.:** +91-11-43091500

Corporate Office: Plot No. I-4, Sector-29, Gurugram, Haryana-122001 **Tel.:** +91-124-4441300

E-mail: contactus@recindia.com **Website:** www.recindia.nic.in **CIN:** L40101DL1969GOI005095



Please Scan QR Code
to Download
Annual Report 2024-25

Follow us on:     @reclindia



contactus@recindia.com



www.recindia.nic.in



Please Scan to
Visit Our Website