

Independent Auditors' Review Report on Statement of Unaudited Standalone Financial Results for the quarter ended 30.06.2024 of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To the Board of Directors of
Power Finance Corporation Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Power Finance Corporation Limited (the "Company") for the quarter ended 30.06.2024 together with the notes thereon (hereinafter referred to as the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors of the Company, in its meeting held on 06.08.2024, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.



Other Matters

5. As per past practice, in respect of loan assets and undisbursed letter of comfort, the Company has provided Expected Credit Loss (ECL) as required under Ind AS 109 based on the ECL report submitted by an independent expert appointed by the Company, which *inter-alia* includes assumptions based on technical parameters/certain aspects.
6. The Unaudited Standalone Financial Results of the Company for the corresponding quarter ended 30.06.2023 were reviewed by the then Joint Statutory Auditors of the Company, one of whom was predecessor audit firm, and they had expressed unmodified conclusion vide their review report dated 11.08.2023 on the said financial results.
7. The Statement includes the figures for the quarter ended 31.03.2024 being the balancing figures between the audited figures in respect of the full financial year 2023-24 and the unaudited year-to-date figures upto the quarter ended 31.12.2023, which were subjected to limited review for the quarter ended 31.12.2023 and 30.09.2023 by us and for the quarter ended 30.06.2023 were reviewed by the then Joint Statutory Auditors of the Company, one of whom was predecessor audit firm, and they expressed unmodified conclusion vide their review report dated 11.08.2023 on the said financial results.


Our conclusion on the statement is not modified in respect of the above matters as per paragraph 5 to 7.

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

Meenakshi Bansal


CA MEENAKSHI BANSAL
Partner
Membership No. 520318
UDIN: 24520318BKDFDI6196

FOR CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm's Registration No.: 101872W/W100045

Vineet Saxena

CA VINEET SAXENA
Partner
Membership No. 100770
UDIN: 24100770BKCOVA3788

Place: New Delhi
Date: 06.08.2024

(₹ in crore)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended |
|--------------|--|------------------|------------------|------------------|------------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Un-Audited) | (Audited) | (Un-Audited) | (Audited) |
| | Revenue from Operations | | | | |
| (i) | Interest Income | 11,827.03 | 11,493.73 | 10,124.08 | 43,641.14 |
| (ii) | Dividend Income | 0.01 | 694.66 | - | 2,276.01 |
| (iii) | Fees and Commission Income | 83.06 | 55.30 | 14.86 | 105.31 |
| I. | Total Revenue from Operations | 11,910.10 | 12,243.69 | 10,138.94 | 46,022.46 |
| II. | Other Income | 6.14 | 5.41 | 3.24 | 11.64 |
| III. | Total Income (I+II) | 11,916.24 | 12,249.10 | 10,142.18 | 46,034.10 |
| | Expenses | | | | |
| (i) | Finance Costs | 7,499.01 | 7,256.44 | 6,620.69 | 28,013.78 |
| (ii) | Net Translation / Transaction Exchange Loss / (Gain) | (58.87) | (72.31) | (482.71) | (213.09) |
| (iii) | Fees and Commission Expense | 5.39 | 11.44 | 4.62 | 24.40 |
| (iv) | Net Loss / (Gain) on Fair Value changes | (226.81) | 38.89 | 229.22 | 109.73 |
| (v) | Impairment on Financial Instruments | 62.02 | (337.02) | 2.15 | (171.15) |
| (vi) | Employee Benefit Expenses | 62.87 | 57.61 | 58.06 | 242.72 |
| (vii) | Depreciation, Amortisation and Impairment | 3.68 | 5.71 | 3.64 | 18.40 |
| (viii) | Corporate Social Responsibility Expenses | 1.52 | 207.06 | 3.01 | 217.51 |
| (ix) | Other Expenses | 28.16 | 61.31 | 32.46 | 166.11 |
| IV. | Total Expenses | 7,376.97 | 7,229.13 | 6,471.14 | 28,408.41 |
| V. | Profit/(Loss) Before Exceptional Items and Tax (III-IV) | 4,539.27 | 5,019.97 | 3,671.04 | 17,625.69 |
| VI. | Exceptional Items | - | - | - | - |
| VII. | Profit/(Loss) Before Tax (V-VI) | 4,539.27 | 5,019.97 | 3,671.04 | 17,625.69 |
| | Tax Expense: | | | | |
| | (1) Current Tax: | | | | |
| | - Current Year | 790.81 | 796.96 | 612.43 | 2,988.34 |
| | - Earlier Years | - | (15.54) | - | (15.54) |
| | (2) Deferred Tax Expense / (Income) | 30.58 | 103.10 | 51.67 | 285.87 |
| VIII. | Total Tax Expense | 821.39 | 884.52 | 664.10 | 3,258.67 |
| IX. | Profit/(Loss) for the period from Continuing Operations (VII-VIII) | 3,717.88 | 4,135.45 | 3,006.94 | 14,367.02 |
| X. | Profit/(Loss) from Discontinued Operations (After Tax) | - | - | - | - |
| XI. | Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X) | 3,717.88 | 4,135.45 | 3,006.94 | 14,367.02 |
| | Other Comprehensive Income | | | | |
| (A) | (i) Items that will not be reclassified to Profit or Loss | | | | |
| | - Re-measurement of Defined Benefit Plans | (1.43) | (3.32) | (0.91) | (5.73) |
| | - Net Gain / (Loss) on Fair Value of Equity Instruments | 347.50 | 466.80 | 264.78 | 1,577.82 |
| | (ii) Income Tax relating to items that will not be reclassified to Profit or Loss | | | | |
| | - Re-measurement of Defined Benefit Plans | 0.36 | 0.83 | 0.24 | 1.46 |
| | - Net Gain / (Loss) on Fair Value of Equity Instruments | (56.23) | (43.09) | (23.98) | (190.10) |
| | Sub-Total (A) | 290.20 | 421.22 | 240.13 | 1,383.45 |
| (B) | (i) Items that will be reclassified to Profit or Loss | | | | |
| | - Effective Portion of Gains / (Loss) in Cash Flow Hedge | 18.21 | 0.37 | (75.44) | (208.59) |
| | - Cost of Hedging Reserve | 19.41 | (10.12) | (79.72) | 215.28 |
| | (ii) Income Tax relating to items that will be reclassified to Profit or Loss | | | | |
| | - Effective Portion of Gains / (Loss) in Cash Flow Hedge | (4.58) | (0.09) | 18.99 | 52.50 |
| | - Cost of Hedging Reserve | (4.89) | 2.55 | 20.06 | (54.18) |
| | Sub-Total (B) | 28.15 | (7.29) | (116.11) | 5.01 |
| XII. | Other Comprehensive Income (A+B) | 318.35 | 413.93 | 124.02 | 1,388.46 |
| XIII. | Total Comprehensive Income for the period (XI+XII) | 4,036.23 | 4,549.38 | 3,130.96 | 15,755.48 |
| XIV. | Paid up Equity Share Capital (Face Value ₹ 10/- each) | 3,300.10 | 3,300.10 | 2,640.08 | 3,300.10 |
| XV. | Other Equity (As per Audited Balance Sheet as at 31st March) | NA | NA | NA | 75,903.39 |
| XVI. | Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*: | | | | |
| | (1) For continuing operations (in ₹) | 11.27 | 12.53 | 9.11 | 43.53 |
| | (2) For discontinued operations (in ₹) | - | - | - | - |
| | (3) For continuing and discontinued operations (in ₹) | 11.27 | 12.53 | 9.11 | 43.53 |

* EPS for the Quarters is not annualised. EPS (basic and diluted) for quarter ended 30.06.2023 has been restated on account of issue of bonus shares on 21.09.2023.

See accompanying Notes to the unaudited Standalone Financial Results.



Notes:-

| 1 | These unaudited standalone financial results of the Company for the quarter ended 30.06.2024 have been reviewed and recommended by the Audit Committee and subsequently approved & taken on record by the Board of Directors of the Company (the Board) in their respective meetings held on 06.08.2024. Prem Gupta & Company, Chartered Accountants and Chokshi & Chokshi LLP, Chartered Accountants have conducted limited review of these financial results in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|--|-------------|-------------|------------------|-------------|-----------|------------------|--|--|-------------|---------|-------|-------------|---------|-------|----|------------------|-------------|-----------|-------------|-------------|-----------|-------------|----|-----------------------------|----------|-----------|-----------|----------|-----------|-----------|----|--|-------|--------|-------|-------|--------|-------|
| 2 | These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | <p>(a) The Board of Directors of the Company in their meeting held on 06.08.2024 declared first interim dividend @ <u>32.5/-</u> on the paid up equity share capital i.e. ₹ <u>3.25</u> /- per equity share of ₹ 10/- each for the FY 2024-25.</p> <p>(b) The Board of Directors of the Company in their meeting held on 15.05.2024 had recommended final dividend @ 25% on the paid up equity share capital i.e. ₹ 2.50 /- per equity share of ₹ 10/- each for the financial year 2023-24, subject to the approval of the shareholders at the ensuing Annual General Meeting.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | <p>The Company recognises impairment loss allowance on loan assets in accordance with the Board approved Expected Credit Loss (ECL) policy and report obtained from an independent agency, appointed by the Company for assessment of ECL as per Ind AS 109 'Financial Instruments'. Details in this regard are given below:</p> <p style="text-align: right;">(₹ in crore)</p> <table><tr><th rowspan="2">S. No.</th><th rowspan="2">Particulars</th><th colspan="3">As on 30.06.2024</th><th colspan="3">As on 31.03.2024</th></tr><tr><th>Stage 1 & 2</th><th>Stage 3</th><th>Total</th><th>Stage 1 & 2</th><th>Stage 3</th><th>Total</th></tr><tr><td>a)</td><td>Loan Outstanding</td><td>4,58,930.83</td><td>16,073.22</td><td>4,75,004.05</td><td>4,65,388.68</td><td>16,073.22</td><td>4,81,461.90</td></tr><tr><td>b)</td><td>Impairment Loss Allowance *</td><td>3,965.54</td><td>11,962.53</td><td>15,928.07</td><td>3,908.78</td><td>11,962.53</td><td>15,871.31</td></tr><tr><td>c)</td><td>Impairment Loss Allowance Coverage (%) (b/a)</td><td>0.86%</td><td>74.43%</td><td>3.35%</td><td>0.84%</td><td>74.43%</td><td>3.30%</td></tr></table> <p>*including impairment loss allowance on Letter of Comfort amounting to ₹ 48.09 crore (as at 31.03.2024 ₹ 48.63 crore).</p> | S. No. | Particulars | As on 30.06.2024 | | | As on 31.03.2024 | | | Stage 1 & 2 | Stage 3 | Total | Stage 1 & 2 | Stage 3 | Total | a) | Loan Outstanding | 4,58,930.83 | 16,073.22 | 4,75,004.05 | 4,65,388.68 | 16,073.22 | 4,81,461.90 | b) | Impairment Loss Allowance * | 3,965.54 | 11,962.53 | 15,928.07 | 3,908.78 | 11,962.53 | 15,871.31 | c) | Impairment Loss Allowance Coverage (%) (b/a) | 0.86% | 74.43% | 3.35% | 0.84% | 74.43% | 3.30% |
| S. No. | Particulars | | | As on 30.06.2024 | | | As on 31.03.2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Stage 1 & 2 | Stage 3 | Total | Stage 1 & 2 | Stage 3 | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a) | Loan Outstanding | 4,58,930.83 | 16,073.22 | 4,75,004.05 | 4,65,388.68 | 16,073.22 | 4,81,461.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b) | Impairment Loss Allowance * | 3,965.54 | 11,962.53 | 15,928.07 | 3,908.78 | 11,962.53 | 15,871.31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c) | Impairment Loss Allowance Coverage (%) (b/a) | 0.86% | 74.43% | 3.35% | 0.84% | 74.43% | 3.30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | As a matter of prudence, income on credit impaired loans is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is attached at Annexure A . | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



| | |
|----|--|
| 7 | The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and non-convertible securities of different tenors. During the quarter ended 30.06.2024, the Company has not defaulted in servicing of its borrowings. |
| 8 | During the quarter ended 30.06.2024, the amounts raised by the Company from issue of non-convertible securities have been fully utilized and there are no material deviation(s) from the stated objects in the offer document/ information memorandum. Disclosure as per the Regulation 52 (7) & 52 (7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is attached at Annexure B . |
| 9 | <p>In compliance of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, all the secured listed non-convertible debt securities of the Company are fully secured by way of mortgage on specified immovable properties and/or charge on receivables of the Company. The Company has maintained security cover of 1.03 times as per the terms of offer document / information memorandum sufficient to discharge the principal and interest thereon at all times for the secured listed non-convertible debt securities issued. The security cover disclosure in the prescribed format is attached at Annexure C.</p> <p>Further, security cover maintained by the Company for all secured non-convertible debt securities is 1.02 times.</p> |
| 10 | The Company's operations comprise of only one business segment - lending to power, logistics and infrastructure sector. Hence, there is no other reportable business / geographical segment as per Ind AS 108 "Operating Segments". |
| 11 | Figures for the quarter ended 31.03.2024 are the balancing figures between audited figures for the year ended 31.03.2024 and unaudited figures for the nine months ended 31.12.2023. |
| 12 | Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable with the current period figures. |

Place: New Delhi

Date: 06.08.2024


Parminder Chopra
Chairman & Managing Director
DIN – 08530587



Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.06.2024 on standalone basis:

| Particulars | As at / For the quarter ended 30.06.2024 |
|---|--|
| (i) Debt to Equity Ratio (times) | 4.79 |
| (ii) Outstanding Redeemable Preference Shares | - |
| (iii) Capital redemption reserve/debenture redemption reserve | - |
| (iv) Net Worth (₹ in crore) | 83,264.66 |
| (v) Net profit after tax (₹ in crore) | 3,717.88 |
| (vi) Earnings per share (Not annualised) (in ₹) | |
| Basic | 11.27 |
| Diluted | 11.27 |
| (vii) Total Debt to Total Assets (times) | 0.80 |
| (viii) Operating Margin (%) | 38.06 |
| (ix) Net Profit Margin (%) | 31.20 |
| (x) Other Sector Specific Ratios (%) | |
| Gross Credit Impaired Assets Ratio | 3.38 |
| Net Credit Impaired Assets Ratio | 0.87 |
| CRAR | 27.10 |

Note:

- 1) Debt to Equity ratio = Net Debt / (Equity Share Capital + Other Equity). Net debt = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} less cash and cash equivalents.
- 2) Net worth = Equity Share Capital + Other Equity.
- 3) Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
- 4) Operating Margin = (Profit before Tax - Other Income) / Total Revenue from operations.
- 5) Net profit margin = Net profit After Tax/Total Income.
- 6) Gross Credit Impaired Assets Ratio = Gross Credit Impaired Assets /Gross Loan Assets.
- 7) Net Credit Impaired Assets Ratio = Net Credit Impaired Assets /Gross Loan Assets.
- 8) CRAR = Total Capital Fund (Tier 1 Capital +Tier 2 Capital) / Risk weighted assets, calculated as per applicable RBI guidelines.
- 9) Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current Liability Ratio, Debtors turnover, Inventory turnover ratio are not applicable to the Company.



Disclosure in compliance with Regulation 52(7) & 52(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, for the quarter ended 30.06.2024.

A. Statement of utilization of issue proceeds:

| Name of the Issuer | ISIN | Mode of Fund Raising (Public Issues/Private Placement) | Type of instrument | Date of raising of funds | Amount Raised (₹ In Crore) | Funds Utilized (₹ In Crore) | Any deviation (Yes/No) | If 8 is Yes, then specify the purpose of for which the funds were utilized | Remarks, if any |
|-----------------------------------|--------------|--|--------------------|--------------------------|----------------------------|-----------------------------|------------------------|--|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Power Finance Corporation Limited | INE134E08NA9 | Private Placement | NCD | 31-May-2024 | 3,178.00 | 3,178.00 | No | NA | - |
| Total | | | | | 3,178.00 | 3,178.00 | | | |

B. Statement of deviation/ variation in use of Issue proceeds:

| Particulars | | | | | Remarks | | |
|---|-------------------------|---------------------|-----------------------------|----------------|---|-----------------|--|
| Name of listed entity | | | | | Power Finance Corporation Limited | | |
| Mode of fund raising | | | | | Private placement | | |
| Type of instrument | | | | | Non-convertible Securities | | |
| Date of raising funds | | | | | 31-May-24 (single option) | | |
| Amount raised | | | | | ₹ 3,178.00 Crores | | |
| Report filed for quarter ended | | | | | 30-Jun-2024 | | |
| Is there a deviation/ variation in use of funds raised? | | | | | No | | |
| Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document? | | | | | NA | | |
| If yes, details of the approval so required? | | | | | | | |
| Date of approval | | | | | | | |
| Explanation for the deviation! variation | | | | | | | |
| Comments of the audit committee after review | | | | | | | |
| Comments of the auditors, if any | | | | | | | |
| Objects for which funds have been raised and where there has been a deviation/ variation, in the following table: | | | | | | | |
| Original Object | Modified Object, if any | Original Allocation | Modified Allocation, if any | Funds utilised | Amount of deviation/ variation for the quarter according to applicable object (in ₹ Crore and in %) | Remarks, if any | |
| NA | | | | | | | |
| Deviation could mean: | | | | | | | |
| a. Deviation in the objects or purposes for which the funds have been raised. | | | | | | | |
| b. Deviation in the amount of funds actually utilized as against what was originally disclosed. | | | | | | | |



Annexure C

[illegible]

We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the secured redeemable Non-convertible debentures for the period ended June 30, 2022. The market value of Rs. 12.73 Cr & Rs 1.63 Cr (total Rs 14.36 Cr) of the immovable properties are on the basis of certified valuation done on 19th May 2022 & 26th May 2022 respectively. The properties (Boat, Debris) shared by pari passu charge are calculated based on security cover requirements as per information memorandum for securities.

Securities cover ratio is calculated only on debt for which this certificate is being issued.

applicable only for debt securities, borrowings and subordinated debt.



Independent Auditors' Review Report on Unaudited Consolidated Financial Results for the quarter ended 30.06.2024 of the Company Pursuant to the Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To the Board of Directors of
Power Finance Corporation Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Power Finance Corporation Limited (the 'Company/Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its associates for the quarter ended 30.06.2024 together with the notes thereon (hereinafter referred to as the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors in its meeting held on 06.08.2024, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under, and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the unaudited financial results of the following entities:

| Parent | |
|---------------|--|
| 1. | Power Finance Corporation Limited |
| Subsidiaries: | |
| 1. | REC Limited* |
| 2. | PFC Consulting Limited* |
| 3. | PFC Projects Limited (previously known as Coastal Karnataka Power Limited) |
| 4. | PFC Infra Finance IFSC Limited |
| Associates: | |
| 1. | Orissa Integrated Power Limited |
| 2. | Coastal Tamil Nadu Power Limited |
| 3. | Deoghar Infra Limited |
| 4. | Bihar Infrapower Limited |
| 5. | Sakhigopal Integrated Power Company Limited |
| 6. | Ghogarpalli Integrated Power Company Limited |
| 7. | Deoghar Mega Power Limited |
| 8. | Cheyur Infra Limited |
| 9. | Odisha Infrapower Limited |
| 10. | Bihar Mega Power Limited |
| 11. | Jharkhand Infrapower Limited |

**Consolidated financial results considered for consolidation*

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Consolidated Financial Results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatements.



Other Matters

6. We did not review the unaudited financial results of a subsidiary included in the unaudited consolidated financial results, whose financial results reflect Group's share of total revenues of ₹ 12,806.39 crores, total net profit after tax of ₹ 3,460.19 crores and total comprehensive income (net of tax) of ₹ 3,542.76 crores for the quarter ended 30.06.2024, as considered in the unaudited consolidated financial results. These financial results have been reviewed by other independent auditors, whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the review report of the other auditors and the procedures performed by us as stated in paragraph 3 above.
7. The unaudited consolidated financial results include the unaudited financial results of three other subsidiaries, which have neither been reviewed by us nor by other auditors, whose financial results reflect Group's share of total revenues of ₹ 16.39 crores, total net profit after tax ₹ 4.00 crores and total comprehensive income of ₹ 4.18 crores for the quarter ended 30.06.2024.

The unaudited consolidated financial results also include the unaudited financial results in respect of associates referred to in paragraph 4 above, whose financial results reflect Group's share of net profit after tax of ₹ Nil and total comprehensive income of ₹ Nil for the quarter ended 30.06.2024, based on their financial results which have neither been reviewed by us nor by other auditors.

These unaudited financial results/ financial information have been furnished to us by the Board of Directors of the Parent and our Conclusion on the Unaudited Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these three subsidiaries and eleven associates is based solely on such unaudited financial results/ financial information certified by the Board of Directors of the respective Companies. In our opinion and according to the information and explanations given to us by the Board of Directors of the Parent, these financial results/financial information are not material to the Group.

8. As per past practice, in respect of loan assets and undisbursed letter of comfort, the Parent has provided expected credit loss (ECL) as required under Ind AS 109 based on the ECL report submitted by an independent expert appointed by the Company, which *inter-alia* includes assumptions based on technical parameters/certain aspects.



9. The Unaudited Consolidated Financial Results of the Company for the corresponding quarter ended 30.06.2023 were reviewed by the then Joint Statutory Auditors of the Company, one of whom was predecessor audit firm, and they had expressed unmodified conclusion vide their review report dated 11.08.2023 on the said financial results.
10. The Statement includes the figures for the quarter ended 31.03.2024 being the balancing figures between the audited figures in respect of the full financial year 2023-24 and the unaudited year-to-date figures upto the quarter ended 31.12.2023, which were subjected to limited review for the quarter ended 31.12.2023 and 30.09.2023 by us and for the quarter ended 30.06.2023 were reviewed by the then Joint Statutory Auditors of the Company, one of whom was predecessor audit firm, and they expressed unmodified conclusion vide their review report dated 11.08.2023 on the said financial results.

Our conclusion on the statement is not modified in respect of above matters as per paragraph 6 to 10.

FOR PREM GUPTA & COMPANY

Chartered Accountants

Firm's Registration No.: 000425N




CA MEENAKSHI BANSAL

Partner

Membership No. 520318

UDIN: 24520318BKDFDJ7581

FOR CHOKSHI & CHOKSHI LLP

Chartered Accountants

Firm's Registration No.: 101872W/W100045




CA VINEET SAXENA

Partner

Membership No. 100770

UDIN: 24100770BKCOVB9876

Place: New Delhi

Date: 06.08.2024

(₹ in crore)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended |
|--------------|--|------------------|------------------|------------------|------------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Un-Audited) | (Audited) | (Un-Audited) | (Audited) |
| | Revenue from Operations | | | | |
| (i) | Interest Income | 24,526.37 | 23,891.19 | 20,815.76 | 90,085.40 |
| (ii) | Dividend Income | 0.01 | 25.27 | - | 68.53 |
| (iii) | Fees and Commission Income | 129.97 | 147.68 | 50.75 | 341.35 |
| (iv) | Other Operating Income | 60.41 | 77.26 | 142.35 | 601.44 |
| I. | Total Revenue from Operations | 24,716.76 | 24,141.40 | 21,008.86 | 91,096.72 |
| II. | Other Income | 19.92 | 34.94 | 8.95 | 78.15 |
| III. | Total Income (I+II) | 24,736.68 | 24,176.34 | 21,017.81 | 91,174.87 |
| | Expenses | | | | |
| (i) | Finance Costs | 15,519.40 | 15,152.30 | 13,669.55 | 57,962.20 |
| (ii) | Net Translation / Transaction Exchange Loss / (Gain) | 2.08 | (12.36) | (433.17) | (46.52) |
| (iii) | Fees and Commission Expense | 7.99 | 7.98 | 8.10 | 36.32 |
| (iv) | Net Loss / (Gain) on Fair Value changes | (512.86) | (96.85) | (20.97) | (364.76) |
| (v) | Impairment on Financial Instruments | 528.78 | (1,070.68) | 67.19 | (1,550.77) |
| (vi) | Cost of Services Rendered | 32.27 | (1.72) | 108.94 | 180.84 |
| (vii) | Employee Benefit Expenses | 129.13 | 127.56 | 116.24 | 496.76 |
| (viii) | Depreciation, Amortisation and Impairment | 12.31 | 14.85 | 12.06 | 53.40 |
| (ix) | Corporate Social Responsibility Expenses | 52.82 | 326.21 | 30.90 | 470.47 |
| (x) | Other Expenses | 71.10 | 131.87 | 57.96 | 348.63 |
| IV. | Total Expenses | 15,843.01 | 14,579.16 | 13,616.80 | 57,586.57 |
| V. | Share of Profit / (Loss) in Joint Venture and Associates | - | (0.18) | - | (0.18) |
| VI. | Profit/(Loss) Before Exceptional Items and Tax (III-IV+V) | 8,893.67 | 9,597.00 | 7,401.01 | 33,588.12 |
| VII. | Exceptional Items | - | - | - | - |
| VIII. | Profit/(Loss) Before Tax (VI-VII) | 8,893.67 | 9,597.00 | 7,401.01 | 33,588.12 |
| | Tax Expense: | | | | |
| | (1) Current Tax: | | | | |
| | - Current Year | 1,747.61 | 1,706.46 | 1,414.17 | 6,370.07 |
| | - Earlier Years | - | (13.17) | - | (11.74) |
| | (2) Deferred Tax Expense / (Income) | (36.00) | 347.28 | 4.70 | 768.61 |
| IX. | Total Tax Expense | 1,711.61 | 2,040.57 | 1,418.87 | 7,126.94 |
| X. | Profit/(Loss) for the period from Continuing Operations (VIII-IX) | 7,182.06 | 7,556.43 | 5,982.14 | 26,461.18 |
| XI. | Profit/(Loss) from Discontinued Operations (After Tax) | - | - | - | - |
| XII. | Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI) | 7,182.06 | 7,556.43 | 5,982.14 | 26,461.18 |
| | Other Comprehensive Income | | | | |
| (A) | (i) Items that will not be reclassified to Profit or Loss | | | | |
| | - Re-measurement of Defined Benefit Plans | (1.82) | (9.09) | (0.91) | (6.72) |
| | - Net Gain / (Loss) on Fair Value of Equity Instruments | 375.54 | 519.45 | 292.59 | 1,674.16 |
| | (ii) Income Tax relating to items that will not be reclassified to Profit or Loss | | | | |
| | - Re-measurement of Defined Benefit Plans | 0.46 | 2.28 | 0.24 | 1.71 |
| | - Net Gain / (Loss) on Fair Value of Equity Instruments | (57.08) | (41.13) | (24.12) | (194.96) |
| | Sub-Total (A) | 317.10 | 471.51 | 267.80 | 1,474.19 |
| (B) | (i) Items that will be reclassified to Profit or Loss | | | | |
| | - Effective Portion of Gains / (Loss) in Cash Flow Hedge | 2,788.35 | (2,525.00) | 71.71 | (3,478.56) |
| | - Cost of Hedging Reserve | (2,676.34) | 4,007.18 | (20.04) | 4,759.47 |
| | - Exchange differences in translating the financials of foreign operations | 0.18 | - | - | - |
| | (ii) Income Tax relating to items that will be reclassified to Profit or Loss | | | | |
| | - Effective Portion of Gains and (Loss) in Cash Flow Hedge | (701.77) | 635.50 | (18.04) | 875.49 |
| | - Cost of Hedging Reserve | 673.58 | (1,008.52) | 5.04 | (1,197.86) |
| | Sub-Total (B) | 84.00 | 1,109.16 | 38.67 | 958.54 |
| XIII. | Other Comprehensive Income (A+B) | 401.10 | 1,580.67 | 306.47 | 2,432.73 |
| XIV. | Total Comprehensive Income (XII+XIII) | 7,583.16 | 9,137.10 | 6,288.61 | 28,893.91 |



| Sr. No. | Particulars | Quarter Ended | | Year Ended | |
|---------|--|-----------------|-----------------|-----------------|------------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Un-Audited) | (Audited) | (Un-Audited) | (Audited) |
| | Profit attributable to: | | | | |
| | - Owners of the Company | 5,543.14 | 5,624.36 | 4,576.32 | 19,761.16 |
| | - Non-Controlling Interest | 1,638.92 | 1,932.07 | 1,405.82 | 6,700.02 |
| | | 7,182.06 | 7,556.43 | 5,982.14 | 26,461.18 |
| | Other Comprehensive Income attributable to: | | | | |
| | - Owners of the Company | 361.99 | 1,028.05 | 220.05 | 1,938.11 |
| | - Non-Controlling Interest | 39.11 | 552.62 | 86.42 | 494.62 |
| | | 401.10 | 1,580.67 | 306.47 | 2,432.73 |
| | Total Comprehensive Income attributable to: | | | | |
| | - Owners of the Company | 5,905.13 | 6,652.41 | 4,796.37 | 21,699.27 |
| | - Non-Controlling Interest | 1,678.03 | 2,484.69 | 1,492.24 | 7,194.64 |
| | | 7,583.16 | 9,137.10 | 6,288.61 | 28,893.91 |
| XV. | Paid up Equity Share Capital (Face Value ₹ 10/- each) | 3,300.10 | 3,300.10 | 2,640.08 | 3,300.10 |
| XVI. | Other Equity (As per Audited Balance Sheet as at 31st March) | NA | NA | NA | 97,846.67 |
| XVII. | Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*: | | | | |
| | (1) For continuing operations (in ₹) | 16.80 | 17.04 | 13.87 | 59.88 |
| | (2) For discontinued operations (in ₹) | - | - | - | - |
| | (3) For continuing and discontinued operations (in ₹) | 16.80 | 17.04 | 13.87 | 59.88 |

* EPS for the Quarters is not annualised. EPS (basic and diluted) for quarter ended 30.06.2023 has been restated on account of issue of bonus shares on 21.09.2023.

See accompanying Notes to the unaudited Consolidated Financial Results.



Notes:-

- 1 These unaudited consolidated financial results of the Group for the quarter ended 30.06.2024 have been reviewed and recommended by the Audit Committee and subsequently approved & taken on record by the Board of Directors of the Company (the Board) in their respective meetings held on 06.08.2024. Prem Gupta & Company, Chartered Accountants and Chokshi & Chokshi LLP, Chartered Accountants have conducted limited review of these financial results in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 These unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 3 These unaudited consolidated financial results include the quarterly limited reviewed consolidated financial results of one subsidiary; management approved consolidated financial results of one subsidiary and management approved standalone financial results of two subsidiaries and eleven associates. The Financial results of these subsidiaries and associates have been consolidated in accordance with Ind AS 110 – 'Consolidated Financial Statements' and Ind AS 28 – 'Investments in Associates and Joint Ventures'.
- 4 (a) The Board of Directors of the Company in their meeting held on 06.08.2024 declared first interim dividend @ 32.57 on the paid up equity share capital i.e. ₹ 3.25 /- per equity share of ₹ 10/- each for FY 2024-25.

- (b) The Board of Directors of the Company in their meeting held on 15.05.2024 had recommended final dividend @ 25% on the paid up equity share capital i.e. ₹ 2.50 /- per equity share of ₹ 10/- each for the financial year 2023-24, subject to the approval of the shareholders at the ensuing Annual General Meeting.

- 5 In respect of the Company and its subsidiary REC Ltd., impairment loss allowance on loan assets has been provided in accordance with the Board approved Expected Credit Loss (ECL) policy and based on the report obtained from an independent agency, appointed by the respective companies for assessment of ECL as per Ind AS 109 'Financial Instruments'. Details in this regard are given below:

(₹ in crore)

| S. No. | Particulars | As on 30.06.2024 | | | As on 31.03.2024 | | |
|--------|---|------------------|-----------|--------------|------------------|-----------|-------------|
| | | Stage 1 & 2 | Stage 3 | Total | Stage 1 & 2 | Stage 3 | Total |
| a) | Loan Outstanding | 9,74,851.11 | 29,883.55 | 10,04,734.66 | 9,60,940.12 | 29,883.55 | 9,90,823.67 |
| b) | Impairment Allowance * Loss | 7,388.88 | 21,419.46 | 28,808.34 | 6,867.48 | 21,416.33 | 28,283.81 |
| c) | Impairment Allowance Coverage (%) (b/a) | 0.76% | 71.68% | 2.87% | 0.71% | 71.67% | 2.85% |


*including impairment loss allowance on Letter of Comfort (LoC) amounting to ₹ 76.61 Crore. (as at 31.03.2024 ₹ 80.65 Crore.)

- 6 As a matter of prudence, income on credit impaired loans is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.



| | |
|----|---|
| 7 | Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is attached at Annexure A . |
| 8 | The Group's operations comprise of only one business segment - lending to power, logistics and infrastructure sector. Hence, there is no other reportable business / geographical segment as per Ind AS 108 "Operating Segments". |
| 9 | Figures for the quarter ended 31.03.2024 are the balancing figures between audited figures for the year ended 31.03.2024 and unaudited figures for the nine months ended 31.12.2023. |
| 10 | Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable with the current period. |

Place: New Delhi
Date: 06.08.2024


Parminder Chopra
Chairman & Managing Director
DIN – 08530587



Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.06.2024 on consolidated basis:

| Particulars | As at / For the quarter ended 30.06.2024 |
|---|--|
| (i) Debt to Equity Ratio (times) | 6.00 |
| (ii) Outstanding Redeemable Preference Shares | - |
| (iii) Capital redemption reserve/debenture redemption reserve | - |
| (iv) Net Worth (₹ in crore) | 1,07,099.57 |
| (v) Net profit after tax (₹ in crore) | 7,182.06 |
| (vi) Earnings per share (Not annualised) (in ₹) | |
| Basic | 16.80 |
| Diluted | 16.80 |
| (vii) Total Debt to Total Assets (times) | 0.81 |
| (viii) Operating Margin (%) | 35.90 |
| (ix) Net Profit Margin (%) | 29.03 |
| (x) Other Sector Specific Ratios (%) | |
| Gross Credit Impaired Assets Ratio | 2.97 |
| Net Credit Impaired Assets Ratio | 0.84 |

Note:

- 1) Debt to Equity ratio = Net Debt / (Equity Share Capital + Other Equity+ Non-Controlling Interest).
Net debt = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} less cash and cash equivalents.
- 2) Net worth = Equity Share Capital + Other Equity.
- 3) Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
- 4) Operating Margin = (Profit before Tax - Other Income) / Total Revenue from operations.
- 5) Net profit margin = Net profit After Tax/Total Income.
- 6) Gross Credit Impaired Assets Ratio = Gross Credit Impaired Assets /Gross Loan Assets.
- 7) Net Credit Impaired Assets Ratio = Net Credit Impaired Assets /Gross Loan Assets.
- 8) Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current Liability Ratio, Debtors turnover, Inventory turnover ratio are not applicable to the Group.

