आरईसी REC
अक्षय ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities
A MAHARATNA COMPANY

REC Limited | आर ई सी लिमिटेड
(भारत सरकार का एक महारत्न उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
Corporate Office: Plot No. I-4, Near IFFCO Chowk Metro Station, Sector-29, Gurugram - 122001 (Haryana)
Tel: +91 124 444 1300 | Website: www.recindia.nic.in
CIN : L40101DL1969GOI005095 | GST No.: 06AAACR4512R3Z3

SEC-1/187(2)/2026/2952 **Dated: July 30, 2026**

लिस्टिंग विभाग नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - ४०० ०५१	**कॉर्पोरेट संबंध विभाग** बीएसई लिमिटेड पहली मंजिल, फीरोज जीजीभोय टावर्स दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१
स्क्रिप कोड—RECLTD	**स्क्रिप कोड—532955**
Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	**Corporate Relationship Department** BSE Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.
Scrip Code—RECLTD	**Scrip Code—532955**

Sub: Notice of 57th Annual General Meeting ("AGM") & Annual Report of REC Limited ("REC" / "the Company") for the financial year 2025-26.

महोदय / महोदया,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this is to inform that 57th AGM of REC is scheduled to be held on **Tuesday, August 25, 2026 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Visual Means.

Further, in pursuance of Regulation 34 (1) of Listing Regulations, please find enclosed herewith the Annual Report for the financial year 2025-26, *inter-alia* containing the Notice of 57th AGM of the Company.

The said Annual Report is also hosted on the Company's website at the link: https://recindia.com/annual-reports and on the website of the e-voting service provider i.e. National Securities Depository Limited at https://www.evoting.nsdl.com.

Further, in compliance with the provisions of the Companies Act, 2013 ("the Act") and Listing Regulations read with applicable circulars issued by Ministry of Corporate Affairs and SEBI, the Notice of AGM and the Annual Report have been sent through e-mails on July 30, 2026, to all the members whose e-mail IDs are registered with the Company / RTA / Depository. Additionally, the Company has also sent a letter to shareholders whose e-mail IDs are not registered with Company / RTA / Depository, providing the weblink of Company's website where the Annual Report for the financial year 2025-26 can be accessed / viewed.

Pursuant to the provisions of the Act, Rules made thereunder and Listing Regulations, it is informed that the Company has fixed the following dates in connection with the 57th AGM :-

Cut-off date for determining the eligibility of shareholders to vote through remote e-voting before the AGM / e-voting during the AGM	**Tuesday, August 18, 2026**
Period of remote e-voting to enable shareholders as on the Cut-off date i.e., **August 18, 2026** to cast their votes on proposed resolutions electronically.	**From Saturday, August 22, 2026 (0900 hours) to Monday, August 24, 2026 (1700 hours)**
Pay-out date for final dividend 2025-26, if approved at the ensuing AGM.	Within 30 days from the date of AGM. *Members may submit the prescribed tax related documents for the FY 2026-27, using the weblink https://alankitassignments.com/investor-charter/ or through email at virenders@alankit.com with a copy marked to recigr@alankit.com .*

यह आपकी जानकारी के लिए है।

Thanking you,

Yours faithfully,
For REC Limited

Dinesh Garg

Digitally signed by Dinesh Garg
DN: c=IN, o=Personal/CID - 6994588, pseudonym=20240901173923901, 2.5.4.20=546261a62865e1fe498c111861 3cd082802338 46ae851 47a3697421 1b65ea67f 8, postalCode=122001, st=Haryana, title=0743, serialNumber=d08165ab115d3bfb365 0f61f705acf9dbd6d9f4ad667 20c0606fc83a b002577c, cn=Dinesh Garg
Date: 2026.07.30 20:52:46 +05'30'

30/07/2026

(Dinesh Garg)
Company Secretary &
Compliance Officer

Encl.: As Above

आर ई सी
REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.
A MAHARATNA COMPANY

ENERGIZING LIVES
EMPOWERING INDIA



57TH ANNUAL REPORT 2025-26



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OUR STORY

REC Limited, a leading Maharatna Central Public Sector Enterprise and one of 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.

At REC, we are not just building sound power infrastructure, we are enriching the quality of life of every citizen.

Incorporated in 1969 and conferred the 'Maharatna' status in 2022, the highest recognition for Central Public Sector Enterprises, REC stands today as a symbol of India's financial prowess in the energy and infrastructure domain. With an outstanding loan book of ₹5.83 lakh crore and highest-ever disbursements of ₹2.11 lakh crore in financial year 2025-26, REC continues to power the nation's growth with unmatched scale and purpose.

YEAR AT A GLANCE

Key Financial & Operational Highlights

(₹ in crore)



Figures as on March 31, 2026

OUR JOURNEY AT A GLANCE

1969
Journey began to develop power infrastructure in rural areas

1998
Registered as NBFC with RBI

2002
Conferred Miniratna (Category-1) Status

2003
Mandate broadened to finance all power segments

2008
Became Navratna and Listed on NSE & BSE

2010
Conferred IFC status by RBI

2014
Nodal agency for operationalization of Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) (including Rural Electrification ("RE") component)

2017
First Indian PSU to issue USD Green Bonds on London Stock Exchange

2019
As Nodal Agency, achieved 100% Household Electrification

2021
Appointed as Nodal Agency for Revamped Distribution Sector Scheme (RDSS)

2022
Conferred 'Maharatna' status-highest for any CPSE; Forayed into Infrastructure & Logistics sector

2023
Issuer of largest Green Bond of USD 750 million in South & South-East Asia, the first post India's G20 Presidency

2024
Appointed as National programme implementing agency for PM Surya Ghar: Muft Bijli Yojana and Maiden Yen Bond issuance of JPY 61.1 billion

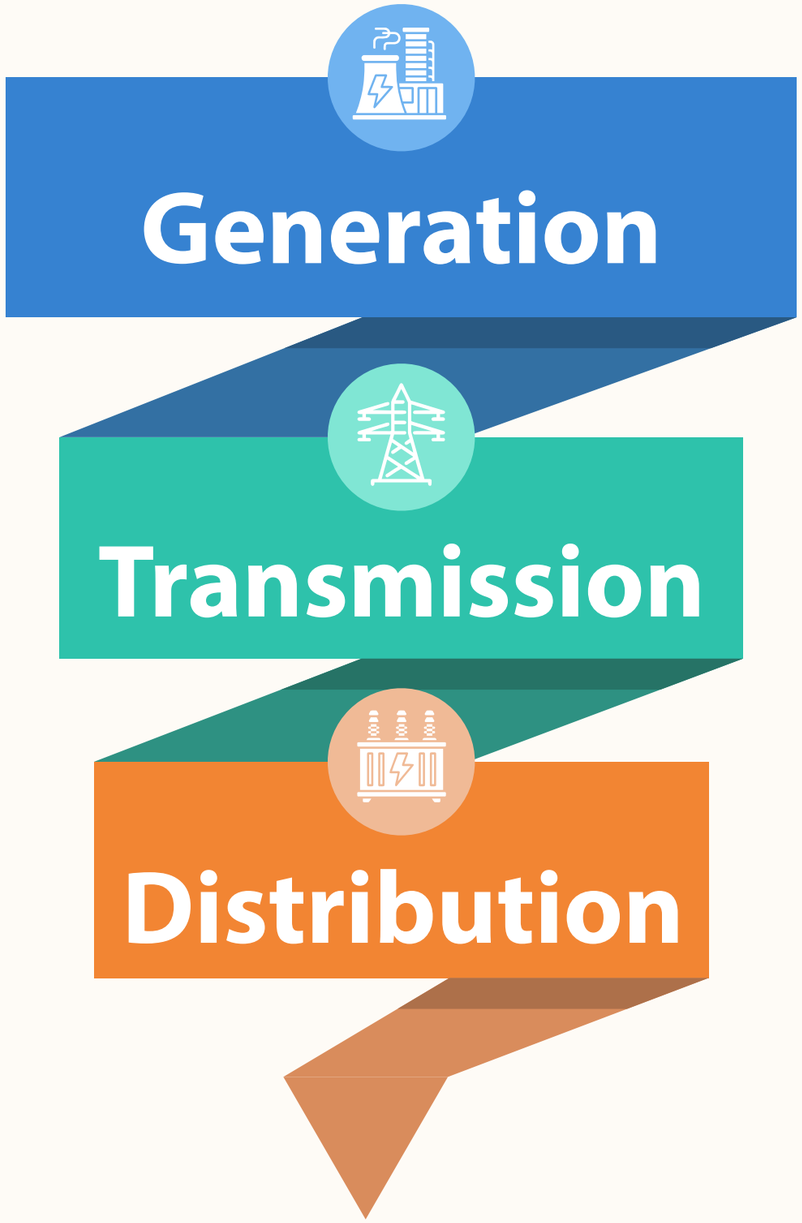
2025
First public sector NBFC to achieve ISO 31000:2018 Independent Opinion Statement from BSI

2026
Highest-ever Net Profit of ₹16,282 crore

WHAT WE DO

REC provides long-term 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:

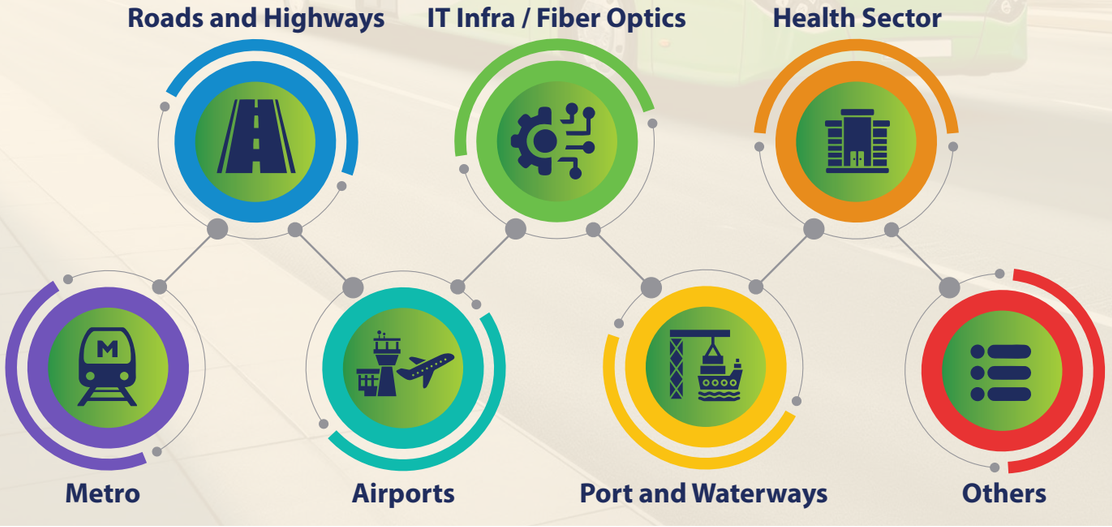
Power Sector Infrastructure



Renewable Energy and New Technologies



Infrastructure & Logistics Sector (Non-Power)



MISSION

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

VISION

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.

Short-Term / Medium-Term Loans

Loans are offered 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.

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.

Revolving Bills Payment Facility

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

Strategic Investment

Strategic Investments through Equity, InvITs and AIFs to diversify REC's asset portfolio and create long-term value across power and infrastructure sectors.

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.

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.

Environment of Confidence

To assist State Electricity Boards/ Power Utilities/State Governments, Rural Electric Cooperative and other loanees 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.

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.

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.

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.

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

- **Revamped Distribution Sector Scheme (RDSS)**
- **PM Surya Ghar: Muft Bijli Yojana**
- **National Electricity Fund**
- **National Feeder Monitoring System**
- **Consumer Service Ratings of Discoms**

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**

CORPORATE WEBSITE & EMAIL

**www.recindia.com
contactus@recindia.com**

EQUITY SHARES LISTED ON

**National Stock Exchange of India Limited &
BSE Limited**

CHIEF VIGILANCE OFFICER

Smt. Vinita Narera

COMPANY SECRETARY

Shri Dinesh Garg

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

SBI · HDFC BANK · बैंक ऑफ़ बड़ौदा Bank of Baroda · Union Bank of India · punjab national bank · ICICI Bank · केनरा बैंक Canara Bank · Bank of India Relationship beyond banking · MUFG · DBS · kfw BANKENGRUPPE · SMBC BANK SMBC INDONESIA

PERFORMANCE AT A GLANCE

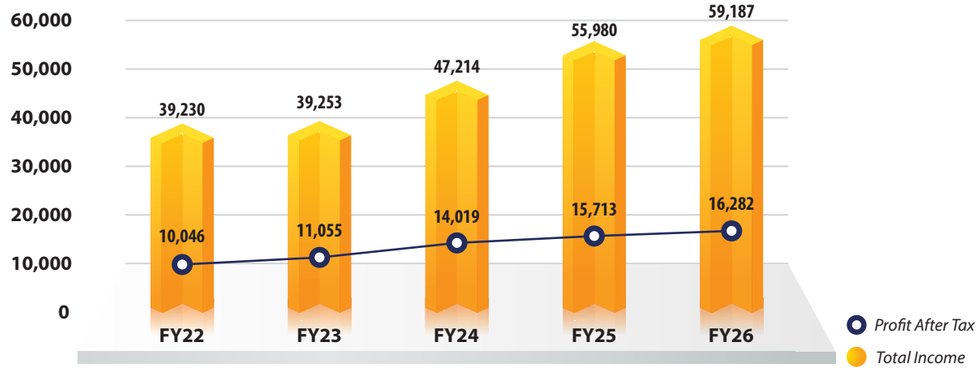
(₹ in crore)

Particulars (As per IND AS)	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
SHAREHOLDERS' FUND (at the end of the year)					
Equity Capital	**2,633.22**	2,633.22	2,633.22	2,633.22	1,974.92
Instruments entirely Equity in nature	**558.40**	558.40	558.40	558.40	558.40
Other Equity/Reserves & Surplus	**81,098.79**	74,446.35	65,591.53	54,448.05	48,452.28
Net Worth	**84,290.41**	77,637.97	68,783.15	57,679.67	50,985.60
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	**2,67,377.58**	2,56,433.17	2,25,589.17	1,98,115.65	1,83,291.97
From Financial Institutions	**-**	2,500.00	8,050.00	6,000.00	6,800.00
Foreign Currency Borrowings	**1,38,248.00**	1,22,857.44	1,00,169.39	78,440.04	65,957.45
Term Loans from Banks	**64,406.69**	41,879.47	50,612.28	56,298.20	42,878.32
Commercial Papers	**3,000.00**	-	-	-	-
Short-Term/Demand Loans/Others	**22,745.15**	54,588.43	43,522.75	25,762.53	17,916.55
Total	**5,05,777.42**	4,88,258.51	4,37,943.59	3,74,616.42	3,26,844.29
FUND MOBILIZATION (during the year)	**83,558.32**	1,42,203.99	1,46,747.00	86,984.00	73,962.93
FINANCING OPERATIONS (during the year)					
Projects approved (in nos.)	**488**	713	782	562	370
Financial assistance sanctioned	**4,09,096.50**	3,37,179.37	3,58,816.34	2,68,460.54	54,421.76
Disbursements*	**2,11,189.25**	1,91,184.67	1,61,462.28	97,911.86	69,467.87
Repayments of Principal by borrowers	**1,90,618.75**	1,30,942.58	86,414.33	46,294.55	56,197.10
Outstanding at the end of the year	**5,83,659.36**	5,66,883.29	5,09,370.95	4,35,011.79	3,85,371.26
WORKING RESULTS (during the year)					
Total Income	**59,187.22**	55,979.62	47,214.15	39,252.73	39,230.45
Finance Costs including Net Exchange Loss, Fees & Commission Expenses	**37,491.97**	34,356.79	30,140.10	24,867.99	22,868.69
Provisions and Contingencies/ Impairment on financial instruments	**201.22**	1,019.41	(1,358.39)	114.91	3,473.31
Other Expenses	**754.22**	719.25	628.08	506.97	445.59
Depreciation	**26.62**	24.39	23.72	24.09	17.96
Profit Before Tax	**20,713.19**	19,859.78	17,780.64	13,738.77	12,424.90
Provision for Taxation/Tax Expenses	**4,430.93**	4,146.57	3,761.43	2,684.13	2,378.98
Profit After Tax	**16,282.26**	15,713.21	14,019.21	11,054.64	10,045.92
Other Comprehensive Income for the period	**(4,166.35)**	(1,516.80)	1,044.27	(971.04)	(59.07)
Total Comprehensive Income	**12,115.91**	14,196.41	15,063.48	10,083.60	9,986.85
Dividend on Equity	**4,884.63**	4,739.80	4,213.16	3,317.86	3,021.62

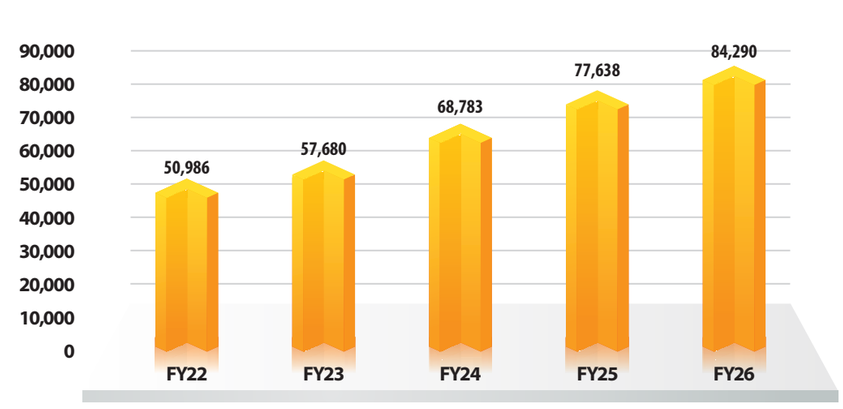
** includes disbursement of loans as well as disbursement of grant/subsidy received from the Government under various schemes.*

PERFORMANCE AT A GLANCE

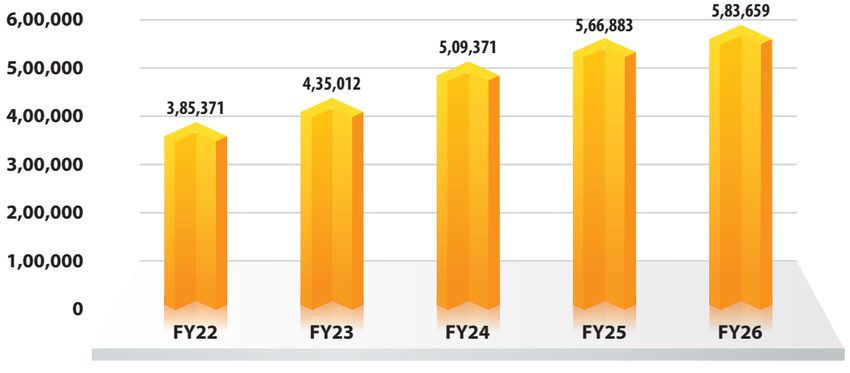
Total Income and Profit After Tax (₹ in crore)



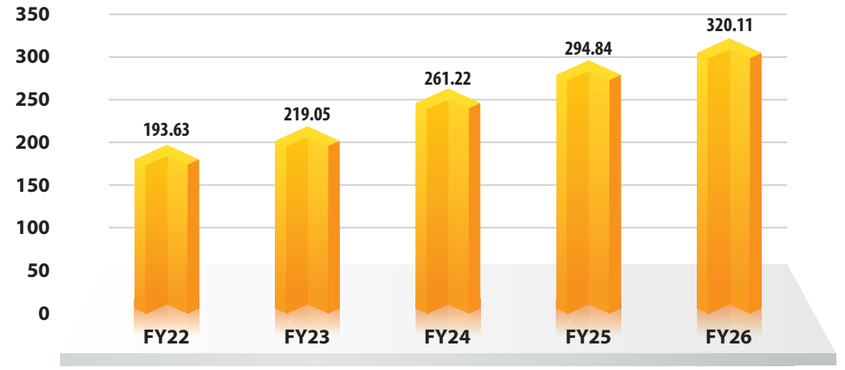
Net Worth (₹ in crore)



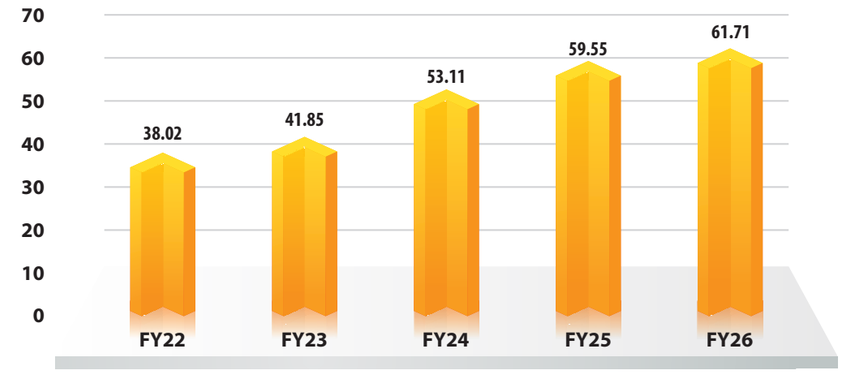
Loan Book (₹ in crore)



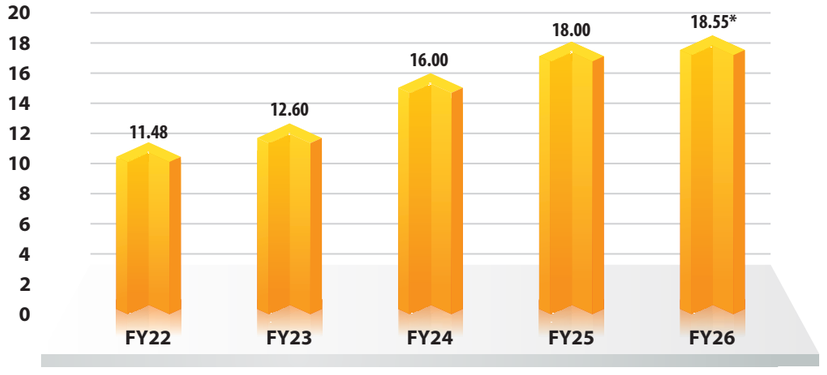
Book Value Per Share (₹)



Earning Per Share (₹)



Dividend Per Share (₹)



**Includes final dividend of ₹1.55/- per share subject to approval of shareholders in 57th AGM.*

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.

AWARDS & RECOGNITION

Financial year 2025-26 marked another year of sustained, multi-dimensional recognition for REC, spanning ESG leadership, sustainable finance, digital transformation, corporate governance and social impact. Earning its fourth ESG-related accolade in a single year and topping NSE's ESG ratings among all financial institutions, REC's recognition reflects not just external validation, but a deep institutional commitment to responsible, future-ready growth.



The Economic Times Infra Leadership Awards 2025 for Best Infra Projects with Green Financing: the Mumbai Metro and the 500 MW Solar Project in Anantapur

Best Financial Services Company and Best Power Transmission Company awards at the Dun & Bradstreet (D&B) 17th PSU & Government Summit 2025

ICPA Treasury Excellence Award, in recognition of exceptional achievements and leadership in the field of treasury management

The first Indian Public Sector NBFC to become ISO 31000:2018 (Enterprise Risk Management Guidelines) Compliant

"NBFC of the Year" Award at Bharat NBFC & FinTech Summit & Awards 2026



ESG and Responsible Business Award at Net Green Foundation Earth Awards 2026

SKOCH Awards 2025 - Silver Award in the 'Corporate Net Zero Transition' category

Sustainability Icons Award 2025 for Excellence in ESG Initiatives

5th PSU Transformation Awards 2025 - Silver Award for 'Cyber Defense & Resilience, Gold Award for ESG Leadership & Net-Zero Operations, Risk Management Leader Award for 'ISO 31000 for Risk Management – Guidelines

Green Urja and Energy Efficiency Award by the Indian Chamber of Commerce (ICC)



India Sports Award 2025 for Best Corporate Promoting Sports – Public Sector by FICCI

PRSI National Award in the category of Public Relations and House Journal



India's Most Influential CFO 2026 award at the National Leadership Summit & Awards 2026

"CISO of the Year" Award at the Insights CXO Awards 2025

Award of Excellence in Digital Transformation Leader category at 10th India PSU Awards 2025 by Governance Now



Best Use of Emerging Technologies Award at 10th India PSU Awards 2025 by Governance Now

7th Future of Legal & Compliance Summit & Awards 2025 - Best Legal Technology Implementation, Compliance Innovation and Compliance Team of the Year awards

Best Security Team of the Year in 12th edition of CISO conclave and awards



Global CSR Excellence and Leadership Awards under the 'Best CSR Projects in PSU' category

India CSR Initiatives & Social Impact Award for Excellence in CSR at the National Leadership Summit & Awards 2026

CSR Award of Appreciation by Indian Red Cross Society

ASSOCHAM CSR and Sustainability Award 2024 for 'Excellence in Providing Support to Healthcare'



BOARD OF DIRECTORS

CMD AND WHOLE - TIME DIRECTORS



Shri Jitendra Srivastava
Chairman & Managing Director



Shri Thangarajan Subash Chandira Bosh
Director (Projects)



Shri Rajesh Kumar
Director (Finance) &
Chief Financial Officer

NOMINEE DIRECTORS



Shri Shashank Misra
Government
Nominee Director



Shri Rajesh Kumar Agarwal
PFC Nominee Director

INDEPENDENT DIRECTORS



Dr. Kanchiappan Ghayathri Devi
Independent Director



Dr. Anil Kumar Gupta
Independent Director



Smt. Poonam Chauhan
Independent Director

DIRECTORS' PROFILE



Shri Jitendra Srivastava
(DIN: 06817799)
Chairman & Managing Director

Shri Jitendra Srivastava is the Chairman & Managing Director of REC Limited with effect from April 22, 2025. He is an IAS Officer from Bihar Cadre (2000 Batch) and is a seasoned civil servant with over 26 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 Srivastava holds Nil equity shares in the Company and he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Shri Thangarajan Subash Chandira Bosh
(DIN: 02772316)
Director (Projects)

Shri Thangarajan Subash Chandira Bosh is Director (Projects) of REC Limited with effect from October 3, 2025. He holds a Bachelor's degree in Electrical & Electronics Engineering and PGPMAX from ISB Hyderabad. With over 35 years of extensive experience in Power Sector, he has played pivotal role in successful implementation of major national electrification initiatives under the Flagship Programmes of Government of India. Notably, he was instrumental in the rollout of the Deen Dayal Upadhyaya Gram Jyoti Yojana, which brought electricity to thousands of remote villages and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana-Saubhagya scheme, achieving the landmark goal of universal household electrification in the country. In his previous role as Executive Director (Engineering) at REC, he demonstrated exceptional project leadership and strategic foresight in steering the financing of power & infrastructure sector projects across both State-owned and private sector entities. He played key role in evaluating and funding critical projects in Power Generation, Transmission & Distribution and Renewable Energy segments, ensuring alignment with national energy goals. He has also implemented large scale Power Transmission & Distribution projects of Government of India. His ability to lead diverse business verticals, coupled with his strong analytical and managerial acumen, significantly contributed to REC's continued growth as a trusted financial partner in India's power sector. His strategic oversight has extended to a wide range of corporate functions, including Business Development, Human Resources, Information Technology, Corporate Social Responsibility, Project Monitoring and Corporate Communications. His visionary leadership and deep sectoral expertise continue to shape REC's role as a key enabler in the nation's Power and Infrastructure Development.

Shri Bosh is a Director on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC. Further, he is also a Nominee Director of REC on the Board of Tamil Nadu Power Distribution Corporation Limited, Bihar Grid Company Limited and U.P. Power Transmission Corporation Limited.

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



Shri Rajesh Kumar
(DIN: 06941428)
Director (Finance) &
Chief Financial Officer

Shri Rajesh Kumar is Director (Finance) & Chief Financial Officer (CFO) of REC Limited with effect from April 2, 2026. Shri Kumar is a seasoned finance professional with over 30 years of experience in accounts, taxation, audit, treasury, project appraisals and regulatory compliances. He holds a bachelor's degree in commerce from Shri Ram College of Commerce, Delhi University, complemented by dual professional qualifications as a Chartered Accountant (CA) and Cost & Management Accountant (CMA). His career is marked by a decade long stint with a CPSE engaged in engineering and project consultancy followed by over 20 years of dedicated service at REC Limited (under the Ministry of Power) developing deep expertise in power sector financing and resource mobilisation. During his tenure at REC, Shri Kumar has been instrumental in managing diverse and complex financial portfolios, demonstrating exceptional leadership across finance and resource mobilization. He has been instrumental in transforming REC's domestic resource mobilisation strategy by introducing innovative bond structures including Tax-Efficient Hybrid Bonds, Perpetual Bonds, CBDT-notified Zero Coupon Bonds and Capital Gain Bonds - consistently expanding the investor base and achieving meaningful reductions in the overall cost of borrowings. He has been instrumental in overseeing multilateral funding, asset liability management, ESG projects and IT transformation within the organisation.

Shri Rajesh Kumar is a Director on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC. Further, he is also a Nominee Director of REC on the Board of Jammu and Kashmir Power Corporation Limited.

Shri Rajesh Kumar holds 900 equity shares in the Company and 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 with effect from 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 and he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Shri Rajesh Kumar Agarwal
(DIN: 09699001)
PFC Nominee Director

Shri Rajesh Kumar Agarwal, Director (Finance) of Power Finance Corporation Limited (PFC) has been appointed as Nominee Director of PFC on the Board of REC Limited with effect from May 1, 2026. He has a distinguished career spanning over 31 years in the Power and Financial sectors. He holds a Bachelor's degree in Commerce (Honours) and is a Member of the Institute of Cost Accountants of India. In his career at PFC since 2009, he managed various cross-functional teams and earned diversified experience in the areas like Corporate Accounts, Taxation, Fund Management & Banking, Lending Policy Compliance, Restructured Assets Management, Fund Raisings and Loan Disbursement. He has been instrumental in spearheading digital reforms and worked extensively towards excellence in financial reporting. He is also a distinguished Speaker at various Professional forums. Prior to joining PFC, he has a rich experience in other Power Sector Companies like NTPC, NPCIL & DTL handling core finance functions along with other key areas like Tariff Matters, PPA Negotiations & Implementation of Ahluwalia Committee Reforms in Power Sector.

Further, Shri Agarwal is also Director on the Board of PFC Consulting Limited and PFC Infra Finance IFSC Limited.

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



Dr. Kanchiappan Ghayathri Devi
(DIN: 07584524)
Independent Director

Dr. K. Ghayathri Devi is an Independent Director of REC Limited with effect from June 22, 2026. Dr. Ghayathri is a Medical Practitioner at Suriyaa Diagnostics since 1997.

She pursued MBBS from Dr. M.G.R. Medical University, Tamil Nadu, Diploma in Medical Cosmetology from Annamalai University & MBA in Hospital management & health administration from Anna University.

Dr. Ghayathri Devi is also actively involved in Social Service. She currently serves as Secretary & Correspondent at Sri Santhoshi Group of Educational Institutions and Director in Suriyaa Diagnostics and SSNT College, Chennai. She has held several notable public roles and was a member of State Women's Commission from the year 2007 to 2010, MLA from the year 2006 to 2011 and OSD to Ministry of Environment and Forests from the year 2011 to 2014.

She is also holding the post of Independent Director in NTPC Limited w.e.f. May 19, 2025.

Dr. Ghayathri Devi holds Nil equity shares in the Company and she has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.



Dr. Anil Kumar Gupta
(DIN: 00442146)
Independent Director

Dr. Anil Kumar Gupta is an Independent Director of REC Limited with effect from June 22, 2026. Dr. Gupta is a distinguished environmentalist, visionary philanthropist and prominent leader in India's MSME sector. He is having decades of service experience in environmental sustainability, business, social development and governance.

He holds an M.Sc. in Environmental Science, along with advanced degrees including an M.B.A., M.A., LL.B. and Ph.D. He has also undertaken specialized courses from IIT Roorkee and IISc Bangalore.

He currently serves on the boards of the Central Pollution Control Board and Delhi Pollution Control Committee and he is also member in Expert Appraisal Committee [EAC (Infra-2)] for Environmental Impact Assessment. He was an Independent Director on the Board of National Waqf Development Corporation Limited, under the Ministry of Minority Affairs, Government of India.

He holds leadership roles in multiple organizations such as DMA, EDMA, ITI and DTNBWED and has served on the JZK Committee on Waqf Property Lease Rules (2018) under the Ministry of Minority Affairs. Further, as Chairman of Jhilmil CETP Society, Shri Gupta oversees the treatment of 16.8 million litres of industrial effluent daily.

He is also holding the post of Independent Director in NTPC Limited w.e.f. May 16, 2025.

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



Smt. Poonam Chauhan
(DIN: 11842802)
Independent Director

Smt. Poonam Chauhan is an Independent Director of REC Limited with effect from July 21, 2026.

Smt. Chauhan holds a Bachelor's Degree in Education (B.Ed.) from Chaudhary Charan Singh University, Meerut and a Master of Arts (M.A.) in English from Kurukshetra University, Kurukshetra.

She brings extensive experience in the field of education and social development. As a dedicated social worker, she has been actively engaged in initiatives focused on healthcare, women's empowerment, child development and environmental conservation. She has made significant contributions towards promoting inclusive social welfare and community development through various grassroots initiatives.

She is recognized for her strong commitment to community development and inclusive growth, with a particular focus on enhancing educational opportunities and improving the quality of life of underprivileged sections of society.

Her diverse experience in education, social advocacy and grassroots development initiatives enables her to contribute valuable insights on sustainability, social responsibility and stakeholder engagement.

Smt. Chauhan holds Nil equity shares in the Company and she has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

LEADERSHIP TEAM



Smt. Vinita Narera
Chief Vigilance Officer



Smt. Valli Natarajan
Executive Director (Technical)



Shri N. Venkatesan
Executive Director (Technical)



Shri V. Lakshmana Charyulu
Executive Director (Finance)



Shri Prince Dhawan, IAS
Executive Director & CEO (RECPDCL)



Shri Ajay Kumar
Executive Director (Technical)



Shri Arun Kumar Tyagi
Executive Director (Finance)



Shri Kuldeep Rai
Executive Director (Technical)



Shri Saurabh Rastogi
Executive Director (Technical)



Shri Hemant Kumar
Executive Director (Finance)



Shri Bhupesh Chandolia
Executive Director (Finance)



Shri Sahab Narain
Executive Director (Finance)



Shri Prabhat Kumar Singh
Executive Director (Technical)



Shri J.K. Nayak
Executive Director (Finance)



Shri Pradeep Fellows
Executive Director (Technical)



Smt. S. Jayanthi
Executive Director (Technical)



Shri Pankaj Gupta
Executive Director (IT)



Shri Dinesh Garg
Company Secretary & Compliance Officer



Shri D.B. Londhe
Executive Director (Technical)



Shri Mohan Lal Kumawat
Executive Director (Finance)



Shri Subrata Aich
Executive Director (Finance) & CRO

PAN INDIA PRESENCE - LOAN ASSETS BOOK

Total Loan Outstanding

₹5,83,659 crore

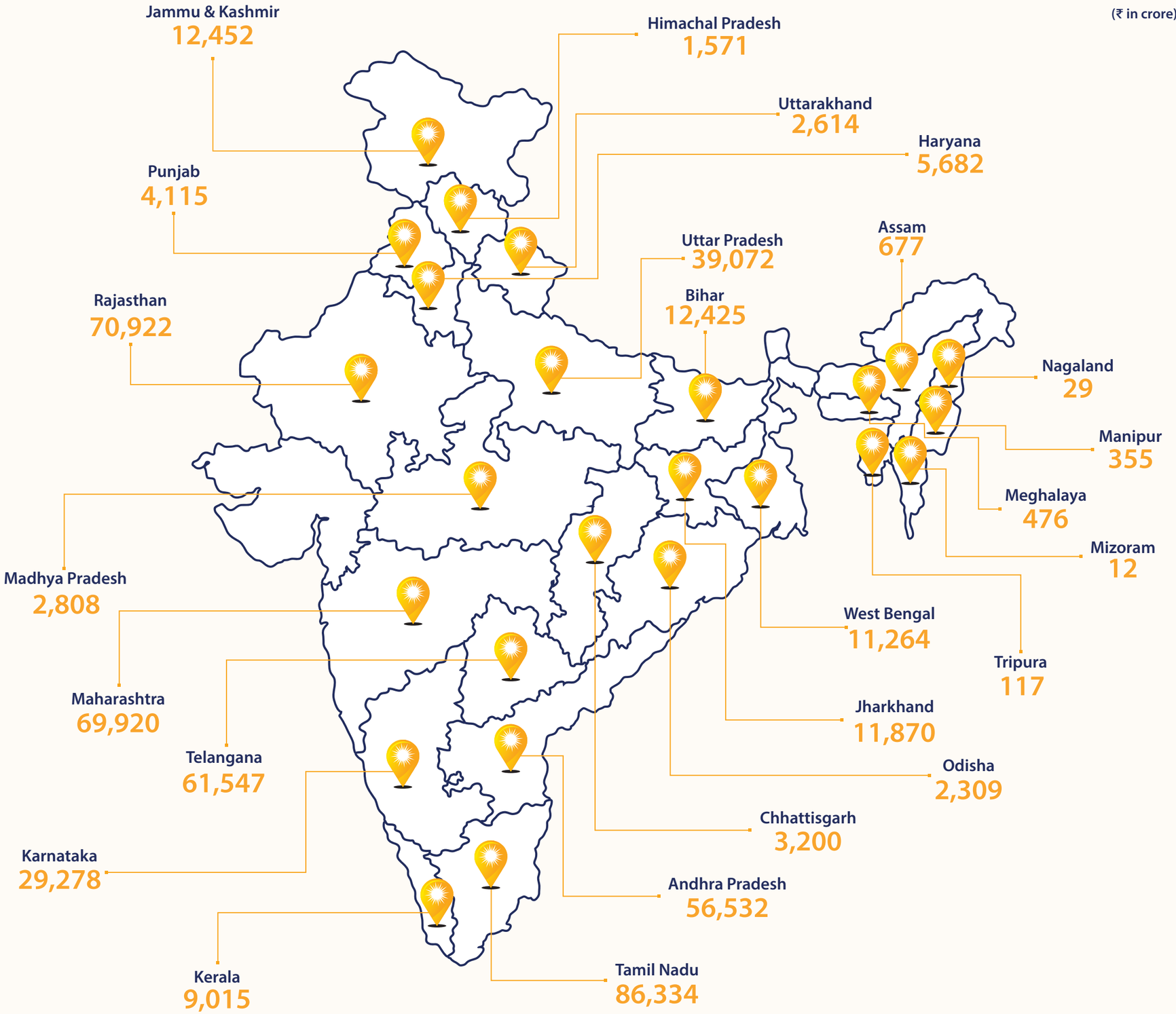
State Sector Borrowers

₹4,94,596 crore **85%**

Private Sector Borrowers

₹89,063 crore **15%**

(₹ in crore)



Figures on map pertains to state sector borrowers only.
Note: Map not to scale and is for illustration purposes only.

ESG AT REC

REC's ESG journey reflects a structured, time bound commitment from policy adoption to stakeholder level ESG assessments reinforcing its role as a responsible, future-ready financial institution.

REC ESG Policy — JAN 2023
REC adopted Board approved ESG policy

ESG Targets — JUN 2023
Assigned Company wide ESG targets for quarterly compliance

ESG Gap Assessment — FEB-APR 2024
New ESG related policies introduced; human rights and well-being trainings organized

ESG Report — AUG 2024
Published 1st ever ESG report referenced to GRI format

REC Net Zero Plan — OCT 2024
REC committed to Net Zero in Scope 1 & 2 emissions by 2035

Stakeholders ESG Assessment — JAN 2025
ESG Assessment of Private Borrowers and Suppliers started

Green Power for operations — APR 2025
100% Green Power for REC Corporate Office

Top ESG Rating in the Country — DEC 2025
REC has secured the highest score in the NSE ESG Ratings

ESG Incentivization — APR 2026
Commencement of incentivization for ESG Compliant RE Borrowers

ESG PERFORMANCE HIGHLIGHTS

E — ENVIRONMENT

Total Renewable Energy (RE) Capacity Sanctioned by REC – emission abating capability of 3.1 billion mature trees in a year
~66 GW

Avoided Emissions of RE Projects attributed to REC in financial year 2025-26 (PCAF Method)
7.6 million t CO_2

RE Loan Book
₹75,347 crore

REC Corporate Office STP treats 100% wastewater
Zero Discharge

Conversion of Conventional office fleet to EV/Hybrid
100%

Green Power for REC World Headquarters
100%

S — SOCIAL

Complaints on Human Rights & POSH
Zero

Instances of Data Breaches
Zero

CSR Budget for financial year 2025-26
338 crore

Employee Turnover Ratio
2.92%

Women Employee Ratio
14.75%

Training Man-days Achieved for Employees *(including training through Karmyogi Portal)*
6,783 (↑189%)

G — GOVERNANCE

Training on NGRBC and ESG to Board Members & KMPs
100%

Training man days to Borrowers as part of capacity building through RECIPMT, IIT's & IIM's
18,155

Training man days on ethics, code of conduct
640

Total Board Meetings
14

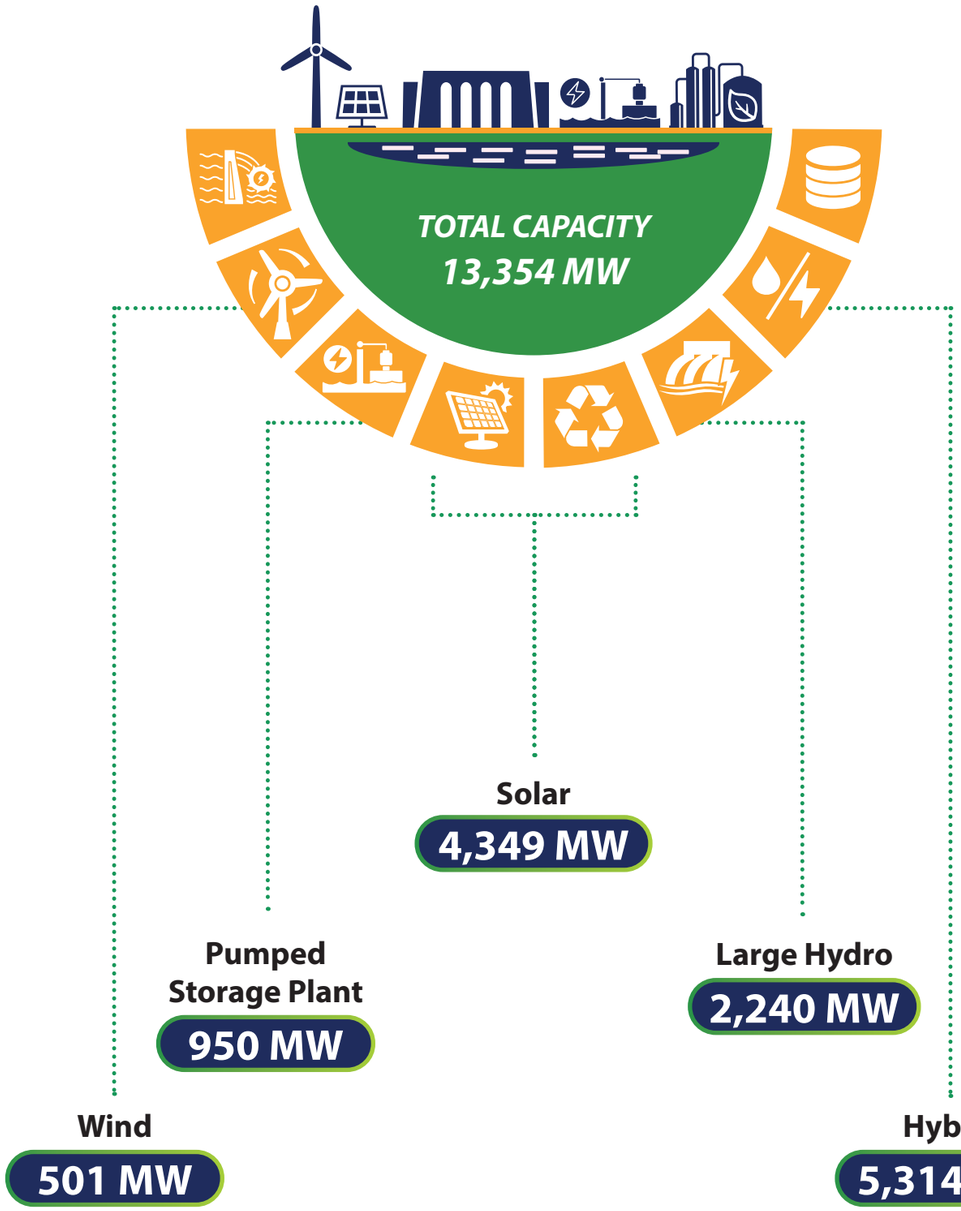
Women Ratio in the Board
16.67%

Figures as on March 31, 2026

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 the nation's commitment towards harnessing clean and green energy sources.

Projects Supported (Capacity in MW)



Figures as on March 31, 2026

STRATEGIC LENDING FOR A SUSTAINABLE FUTURE

REC, through focusing on Green Infrastructure financing, demonstrates its unwavering commitment for ***'Panchamrit'*** goals & fostering environmental sustainability. 'Panchamrit' strategy is India's 5-point commitment towards mitigating climate change.

30%
YoY Growth in Renewables' Loan Book

13%
share of the total loan book



20.78%
of Total Loan Sanctioned - ₹85,008 crore

12.2
Million tonnes of CO_2 emissions avoided during financial year 2025-26

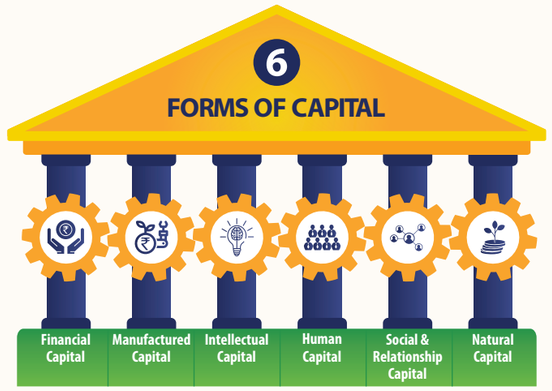
Figures as on March 31, 2026

INTEGRATED REPORTING FRAMEWORK

In today's complex business environment, financial performance alone cannot capture the full picture of how an organization creates value. Integrated Reporting bridges this gap by presenting a comprehensive and interconnected view of strategy, governance, performance and future prospects. Rather than treating financial and non-financial information as separate narratives, the International Integrated Reporting Council (IIRC) framework weaves them together to demonstrate how an organization generates sustainable value.

REC operates in this spirit. We finance power projects that light up homes, support healthcare and education through our community initiatives, develop talent within our organization and actively work to transition India toward clean energy. We recognize that our success is measured not just by profits, but by the real difference we make in people's lives and in building a sustainable future.

This report tells that fuller story. It shows how we combine financial strength with social responsibility, how we develop people while advancing technology and how we pursue growth while protecting the environment. It's about being transparent with our stakeholders about who we are, what we stand for and how we create value that matters beyond the financial numbers.



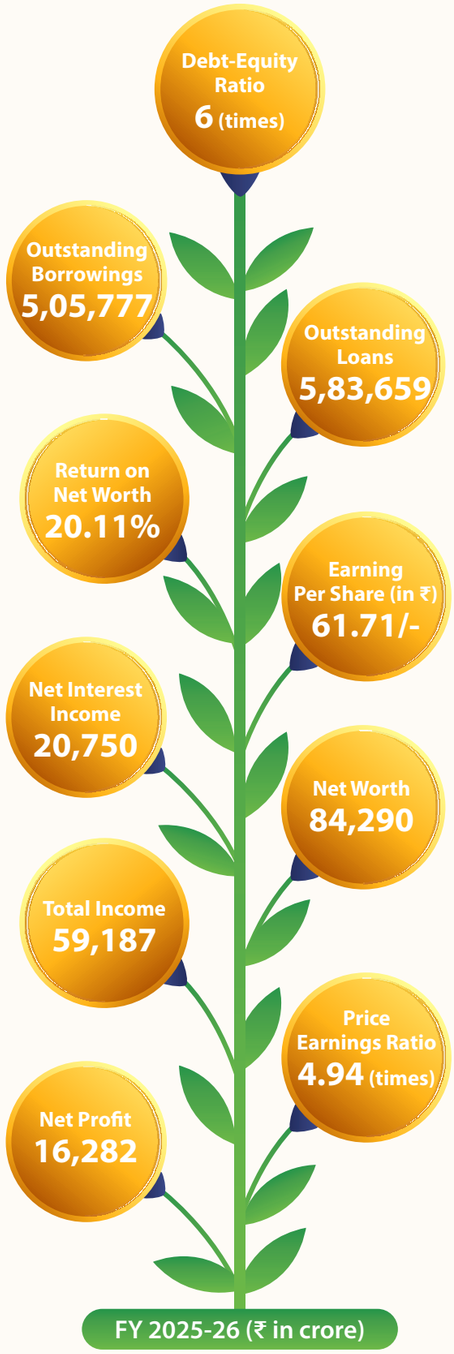
1. Financial Capital

Financial capital 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 generating sustainable value for all stakeholders. During financial year 2025-26, REC demonstrated exceptional financial performance with net profit of ₹16,282 crore and total income of ₹59,187 crore, reflecting strong operational excellence and market confidence.

Financial Performance

REC's profitability metrics demonstrate robust performance across the financial year. The Company achieved a return on net worth of 20.11%, indicating efficient deployment of shareholder capital. The net interest income of ₹20,750 crore reflects strong margins from the core lending business, supported by diversified funding sources and prudent asset-liability management. The Company maintains multiple investment-grade credit ratings, with all domestic agencies assigning AAA ratings for long-term borrowings, signifying the highest credit quality and low default risk.

Financial Metrics

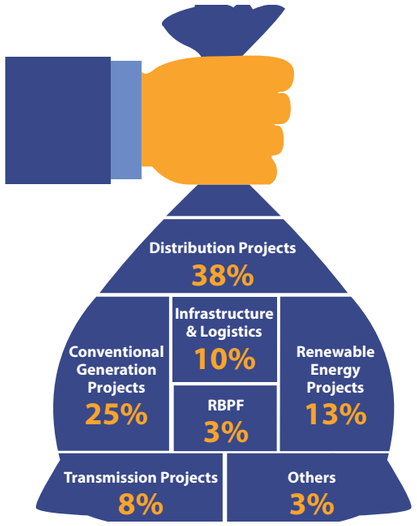


Lending and Funding

REC's lending portfolio reflects its strategic focus on the power and infrastructure sectors.

During the financial year 2025-26, the Company sanctioned ₹4,09,097 crore across diverse projects, with disbursements reaching to ₹2,11,189 crore. Outstanding loans totaling to ₹5,83,659 crore demonstrate the substantial capital deployed in supporting India's energy and infrastructure development. The Company's portfolio is well-balanced across the value chain: 38% in distribution projects, 25% in conventional generation projects, 13% in renewable energy, 10% in infrastructure and logistics and 8% in transmission projects, 3% in RBPF and 3% in others.

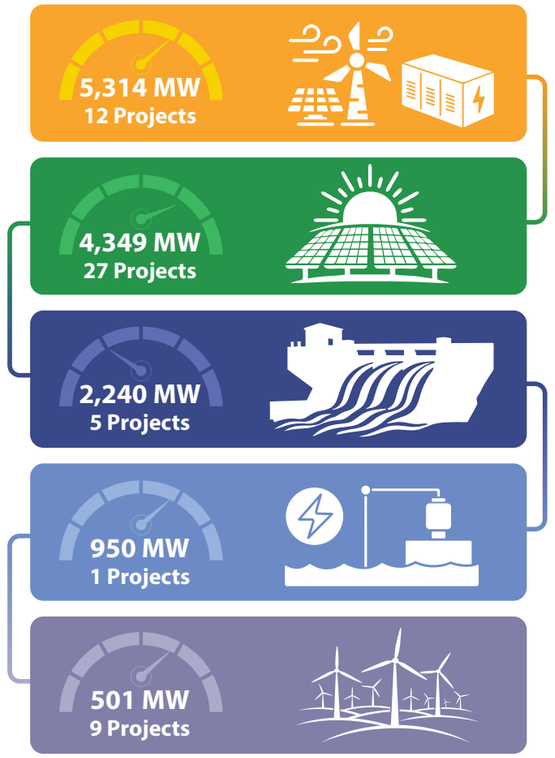
REC's expansion into non-power infrastructure is significant. During the financial year 2025-26, the Company sanctioned 7 infrastructure and logistics projects totaling ₹41,784 crore. This includes ₹40,284 crore in the State sector (covering roads, metro, city gas distribution and others) and ₹1,500 crore in the private sector (airport infrastructure). This diversification strengthens REC's resilience while supporting India's broader infrastructure development agenda.



Green Finance and Renewable Energy

REC has emerged as a leader in green finance, demonstrating commitment to India's clean energy transition.

Major Renewable Energy Portfolio



REC's commitment is reflected in its target to increase the clean energy portfolio loan book by March 2030. This strategic focus supports India's renewable energy targets and climate commitments under the Paris Agreement.



Shri Jitendra Srivastava, CMD, REC, presenting REC's initiatives to Shri Manohar Lal, Hon'ble Minister of Power and Housing & Urban Affairs, at the Bharat Electricity Summit held in March 2026.



Shri Pankaj Agarwal, IAS, Secretary, Ministry of Power addressed REC employees at a Corporate Event.

Latest International Green Bonds Includes

2024

JPY 61.1 BILLION GREEN BOND

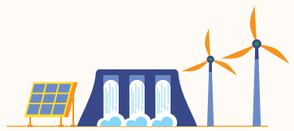


REC'S FIRST YEN ISSUANCE

USD 500 MILLION GREEN BOND



PROJECT FUNDED



RENEWABLE PROJECTS FUNDING

These international green bonds provide funding for renewable energy projects and support REC's role in mobilizing capital for climate-aligned investments

REC's Diverse Funding Instruments

- Institutional Bonds
- Foreign Currency Borrowings and FCNRs
- Capital Gain Bonds
- Tax-Free Bonds
- Infrastructure Bonds
- Commercial Paper
- Loans from Banks, Financial Institutions and Multilateral Agencies
- Green Bonds (Domestic and International)

The domestic debt instruments of REC continued to enjoy "AAA" rating, the highest rating assigned by CRISIL, CARE, India Ratings & Research & ICRA-credit rating agencies throughout the financial year 2025-26. There was no revision in the ratings assigned to REC during the financial year 2025-26.

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

Credit Ratings - Highest Domestic Grade, Sovereign-Aligned International

DOMESTIC RATINGS (Highest Domestic Grade)		INTERNATIONAL RATINGS (Sovereign-Aligned)	
CRISIL	AAA	Moody's	Baa3
CARE	AAA	Fitch	BBB-
India Ratings	AAA	JCR	BBB+
ICRA	AAA		



Chintan Shivir held at REC where employees shared their thoughts and suggestions with the management.



आरईसी मुख्यालय, गुरूग्राम में आयोजित कवि सम्मेलन का एक दृश्य

The Company's Non-Performing Assets (NPAs) position, among the lowest in the industry, reflects disciplined credit appraisal and comprehensive risk management practices.

ESG Incentivization

Effective from April 2026, REC has implemented an incentivization framework for ESG-compliant renewable borrowers, further reinforcing its leadership role in catalyzing India's clean energy transition through preferential terms for borrowers demonstrating strong environmental, social and governance performance.

2. Manufactured Capital

Manufactured capital comprises the physical and digital infrastructure that REC has developed to support its operations and strategic objectives. As a non-banking financial Company, REC does not operate manufacturing facilities, but has invested substantially in creating modern, sustainable physical infrastructure and cutting-edge digital systems that enhance operational efficiency and support its role in the power and infrastructure sectors.

Physical Infrastructure and Green Buildings

REC's Corporate headquarters at Gurugram exemplifies sustainable development and modern workplace design. The building incorporates energy-efficient architectural features including a specially designed façade that reduces HVAC load as compared to conventional buildings. LED lighting has been installed throughout the facility, supported by an advanced Light Management System that enables automated controls for optimal energy consumption. Radiant cooling slabs enhance thermal comfort while maintaining energy efficiency standards. To harness renewable energy, a 979 kWp solar plant has been installed at top of the Corporate Office building, supported on a solar pergola structure, generating 12.95 lakh units of clean electricity during the financial year 2025-26. Additionally, rooftop solar installations of a combined capacity of 54 kWp were commissioned across three Regional Offices at Panchkula, Vadodara and Lucknow during the financial year 2025-26.

These investments in renewable energy generation align with REC's sustainability commitments and demonstrate environmental stewardship at the corporate level.

Digital Infrastructure and IT Systems

REC implemented Oracle E-Business Suite in 2009 and later upgraded it to R12 version. The ERP system is continuously enhanced to meet evolving business needs. During financial year 2025–26, key improvements such as AI-enabled invoice processing automation and daily automated bank book reconciliation were implemented, enhancing the efficiency, accuracy and timeliness of financial operations.

NIC e-Office was implemented in REC in 2021 to enhance efficiency, transparency and paperless operations. During the financial year 2025-26, the NIC e-Office platform was upgraded to the latest version with enhanced features and security improvements, strengthening digital governance and office automation.

As part of digital transformation journey, REC deployed multiple in-house developed IT systems during financial year 2025–26 which *inter-alia* includes digitization of employee requests for administrative services and digital monitoring of CSR projects to support sustainability objectives, enhancing efficiency, transparency, and service delivery.

Data Centers and Cybersecurity Infrastructure

REC operates a Primary Data Centre (PDC) and Disaster Recovery Centre (DRC), both of which have been re-certified during the financial year 2025-26 under the upgraded ISO/IEC 27001:2022 standard, transitioning from the earlier 2013 version. This re-certification reflects REC's continued commitment to information security management and demonstrates implementation of the latest international information security standards. Both data centers maintain real-time synchronization and regular disaster recovery drills are conducted to ensure business continuity in adverse scenarios.

The cybersecurity framework deployed across REC's IT infrastructure includes real-time monitoring and analysis of system logs and security events, enabling timely identification of anomalous activities. The Company has implemented comprehensive threat detection and containment mechanisms, with swift restoration capabilities ensuring minimal operational impact.



Multiple awareness sessions on emerging cyber threats and prevention techniques are organized regularly, with the National Cyber Security Awareness Month observed in October, 2025 with focused awareness campaigns.

Project Monitoring Infrastructure

REC has developed a comprehensive web-based project monitoring platform that provides timely visibility into project implementation status across the loan portfolio. The platform includes automated alert systems for early identification of emerging risks and potential cost or time overruns. This enables proactive risk management and expeditious resolution of project-specific challenges. The monitoring mandate extends beyond project commissioning, with ongoing performance tracking post-operationalization to ensure long-term asset quality.

For projects involving private sector exposure, REC engages independent third-party validation through Project Management Agencies (PMAs) that conduct periodic site inspections and submit detailed reports on physical progress, supply chain constraints and emerging credit risks. High-value and critical category projects are escalated for periodic senior management review, ensuring strategic interventions and policy-level decisions are made expeditiously. Quality assurance is maintained through Third-Party Quality Monitoring Agencies (TPQMAs) that conduct concurrent inspections following the comprehensive quality guidelines for RDSS projects.

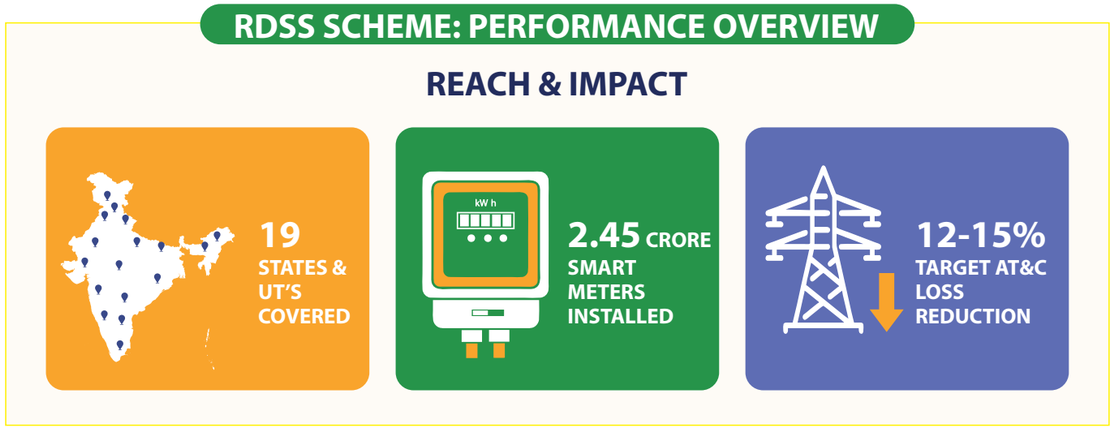
3. Intellectual Capital

Intellectual capital represents organization-driven, knowledge-based intangible resources that are closely linked with the Company's brand strength, reputation and goodwill. It encompasses intellectual property, organizational frameworks, governance structures, institutional systems and internally developed processes that form the foundation for innovation and long-term competitiveness. REC's intellectual capital has been built through decades of sectoral expertise and is continuously strengthened through institutional learning and innovation.

Government Scheme Implementation and Sectoral Leadership

REC plays a pivotal role in supporting the Government of India's strategic initiatives for power sector development and infrastructure modernization. The Company works closely with Central Government authorities, State administrations, power utilities, sector intermediaries and private sector participants in formulating and executing policies and implementing structural reforms in India's power sector. This partnership is formalized through REC's role as the nodal agency or implementing partner for several flagship Government programmes.

The Revamped Distribution Sector Scheme (RDSS) represents the most significant initiative, with REC serving as the nodal agency for 19 States and Union Territories. With a total outlay of ₹3,03,758 crore over five years (extended to March 2028), RDSS is designed to improve the quality, reliability and affordability of power supply by reducing Aggregate Technical & Commercial (AT&C) losses to pan-India levels of 12-15% and bridging the Average Cost of Supply and Average Revenue Realization (ACS-ARR) gap to zero.



The National Electricity Fund (NEF), another major initiative, provides interest subsidy support to distribution utilities for capital investment in distribution infrastructure. REC's role as nodal agency has resulted in the release of ₹2,864.48 crore in interest subsidies to utilities in 14 States. The Prime Minister Development Package (PMDP-2015) for Jammu & Kashmir and Ladakh has seen REC disburse ₹2,559.31 crore since inception. Additionally, REC serves as the National Programme Implementing Agency for the PM Surya Ghar: Muft Bijli Yojana, promoting household rooftop solar adoption for self-consumption and livelihood opportunities.

Innovation and Technology Adoption

REC supports technology-driven transformation in the power distribution sector through the Powerthon initiative, an innovation program launched to promote adoption of advanced digital technologies. Powerthon Phase I (launched in February 2022) identified and selected 7 market-ready Technology Solution Providers (TSPs) from 275 applications, focusing on emerging technologies such as AI/ML, IoT, Blockchain and immersive technologies. The top three solutions from Phase I have been scaled across six Distribution Utilities, demonstrating tangible operational benefits.

Building on the success of Phase I, Powerthon Phase II (launched November 2024) accelerates innovation and supports up to 40 TSPs with financial assistance, structured mentorship and oversight by an Expert & Technical Committee. Phase II received 331 applications including 255 from startups, covering eight priority problem areas such as smart metering, demand-side management, renewable energy integration, digital twins, asset management and demand forecasting. Approximately 28 pilot projects are under active implementation across multiple DISCOMs as of March 31, 2026, with expected outcomes supporting AT&C loss reduction, improved power purchase planning, enhanced renewable energy integration and data-driven operational efficiency.

The India Energy Stack (IES), another transformational initiative, is being developed as a Digital Public Infrastructure for the power sector. Led by REC as the nodal agency with FSR Global as Knowledge Partner, IES aims to establish uniform digital standards, open specifications and secure data exchange mechanisms connecting utilities, regulators, technology providers and consumers. During the financial year 2025-26, significant progress was achieved with the IES Strategy and Architecture refined through a dedicated Task Force. High-impact use cases were demonstrated including Peer-to-Peer (P2P) energy exchange (presented to the Prime Minister at India AI Impact Summit), Energy Credentials integrated with DigiLocker (demonstrated before Ministers at Bharat Electricity Summit) and protocols for consumer-side flexibility and EV charging integration.

Institutional Systems and Expertise

REC has developed efficient internal systems, procedures and protocols that provide strategic advantage and contribute significantly to brand value. The Company's Project Monitoring Guidelines establish a disciplined mechanism for supervision across the entire project lifecycle from first loan drawdown to post-commissioning stability. These Guidelines facilitate milestone-wise mapping of physical progress against scheduled timelines, early identification of bottlenecks to prevent time and cost overruns and alignment of fund releases with verified on-ground completion to prevent capital diversion.

REC's credit appraisal methodology reflects sectoral expertise accumulated over five decades. The Company's Guaranteed Technical Particulars (GTP), layout drawings, data sheets and construction standards for distribution system equipment are widely utilized by State power utilities and have become sector benchmarks. This institutional knowledge base supports effective policy formulation, programme structuring and execution of complex Government schemes.



Shri Rajesh Kumar, Director (Finance), REC chaired the session on "Financing the Transmission Imperative" at the National Conference on Power Transmission organised by India Energy Forum.

The Company's organizational frameworks for ISO 31000:2018 Enterprise Risk Management Compliance represent industry leadership. REC is the first Indian Public Sector NBFC to achieve ISO 31000:2018 compliance, receiving an Independent Opinion Statement from the British Standards Institution (BSI). This comprehensive risk management framework integrates environmental impact assessments into operational, financial and risk management decision-making processes, incorporating specific Environmental, Health, Safety and Social (EHSS) requirements into loan agreements and sanction terms.

REC Institute of Power Management and Training (RECIPMT)

RECIPMT, established in 1979, is a premier power sector training institute that has trained over 86,427 engineers and managers from domestic power utilities across generation, transmission and distribution companies over the last four decades. The institute has also served as a partner training organization with the Ministry of External Affairs, Government of India, for executives of international power sector organizations in the financial year 2025-26. RECIPMT has conducted 113 training programmes for 1,936 international executives from 102 countries, till March 31, 2026 facilitating international knowledge transfer and capacity building.



During the financial year 2025-26, RECIPMT trained 5,888 participants with an achievement of 17,876 training man-days. The institute plays a crucial role in developing skilled workforce for sector modernization and building human capital across India's power sector. Through RECIPMT's programs, REC contributes to institutional learning and knowledge dissemination that strengthens the entire power ecosystem.

Brand Value and Market Position

REC's intellectual capital is reflected in its strong brand position and numerous awards and recognitions. The Company is recognized as "Lighting every 4th bulb in India," symbolizing its critical role in the country's electrification journey. REC has received multiple prestigious awards including the Economic Times Infra Leadership Awards 2025 for Best Infra Projects with Green Financing, Dun & Bradstreet PSU Summit Awards for Best Financial Services Company and Best Power Transmission Company and ICPA Treasury Excellence Award.

In the ESG and sustainability domain, REC has been recognized with the Net Green Foundation Earth Awards 2026 for ESG and Responsible Business, SKOCH Awards 2025 Silver Award for Corporate Net Zero Transition and PSU Transformation Awards 2025 Gold Award for ESG Leadership. The Company's governance and compliance excellence is acknowledged through multiple awards including the Future of Legal & Compliance Summit 2025 recognitions for Best Legal Technology Implementation and Compliance Innovation.

4. Human Capital

Human capital represents the skills, capabilities, expertise, dedication and drive of an organization's workforce. It is fundamental to sustained growth and organizational success. REC's human capital strategy focuses on attracting, developing and retaining top talent across diverse disciplines while maintaining inclusive and ethical workplace practices.

Workforce Composition and Diversity

As of March 31, 2026, REC's total manpower stood at 591 employees comprising 579 executives and 12 non-executives. During the financial year 2025-26, the Company strengthened its professional base by appointing 36 executives through direct recruitment drives, drawing talent from across the country. This infusion of fresh talent supports organizational capability building and ensures the Company remains a preferred employer in the renewable energy, power and infrastructure sectors.

REC demonstrates strong commitment to diversity and inclusion. Women employees comprise 87 individuals (14.7% of total workforce), with no discrimination in recruitment, promotion, compensation, or termination decisions. The Company's Women Cell operates to ensure welfare and all-round development of women employees, with International Women's Day celebrations featuring team building activities, cultural programs and interactive sessions. The Company maintains a safe and conducive workspace for all employees.

Social inclusion is reflected in category-wise representation i.e. 336 General/Others category employees, 154 OBC category employees, 69 Scheduled Caste category employees and 32 Scheduled Tribe category employees. Additionally, 14 employees with disabilities (Divyang/PwBD) are employed. This diversity strengthens organizational perspective and aligns with Government of India's directives on reservations.

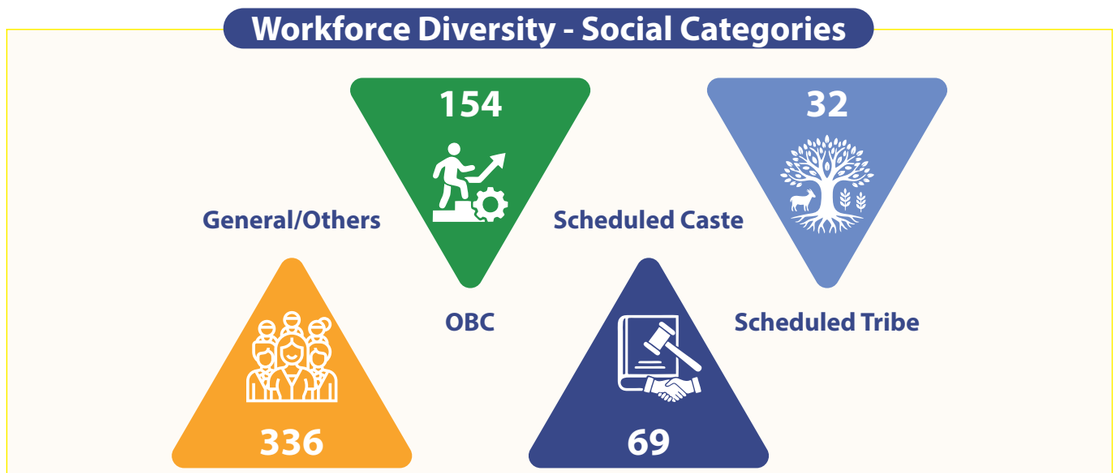
Total Employees: 591	Executives: 579
Non-Executives: 12	Women Employees: 87 (14.7%)
PwBD (Divyang) Employees: 14	



Smt. Valli Natarajan, Executive Director, REC sharing her thoughts at India AI Impact Summit, 2026.



On behalf of REC, Shri Kuldeep Rai, Executive Director & Shri Arun Kumar Chaturvedi, General Manager accepted the Green Urja and Energy Efficiency Award from the Indian Chamber of Commerce.



Training and Development

REC prioritizes continuous learning and professional development. During the financial year 2025-26, a total of 550 employees participated in various training programmes covering a wide spectrum of topics. The Company achieved 2,783 training man-days including over 150 training man-days through international training programmes, benefitting 30 employees. Training coverage encompasses Leadership & Management Development, Corporate Governance, Women Empowerment, Technology & Digital Transformation, Banking & Finance, IT & Cyber Security, Energy Sector Knowledge, ESG & Sustainability, Legal & Compliance, Human Resource Management & Health & Wellness.



All employees have been registered on the iGOT Karmayogi portal, the Government of India's dedicated learning platform. Through active participation, employees have completed mandatory courses on Work Ethics, Code of Conduct, ESG Awareness, Preventive Vigilance and Cyber Security amongst others, achieving over 4,000 training man-days. This participation reflects the Company's commitment to fostering a culture of continuous learning and self-development across the organization.

Employee Welfare and Work-Life Balance

REC is committed to employee well-being through multiple welfare initiatives. The Company provides on-site medical facilities with part-time doctors, regular health check-ups for employees and families, wellness seminars and yoga programs. A well-equipped gymnasium at the corporate office is available for employees, supporting physical health and fitness objectives. Creche and day care facilities are extended to foster work-life balance for employees across NCR centers.

The Company has established a Grievance Redressal Committee with clear and transparent frameworks for addressing employee complaints. A senior official is designated as Chairman of the Public Grievance Committee to ensure prompt redressal within stipulated timeframes. Regarding sexual harassment prevention under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, an Internal Complaints Committee has been constituted headed by a senior woman officer and including an NGO member. During the financial year 2025-26, no complaints of sexual harassment were received, reflecting a healthy and congenial work environment.

The Company fully complies with the Maternity Benefits Act 1961 and maintains harmonious industrial relations. During the financial year 2025-26, there was zero loss of man-days due to industrial unrest, reflecting cordial relations between management and employee unions.

Human Rights Commitment

REC upholds human rights as integral to its identity as a responsible corporate citizen. The Company maintains comprehensive policies and practices that aim to create positive impact on employees, customers, suppliers and the broader community. REC strictly prohibits all forms of human trafficking, forced labour and child labour within its operations and value chain. The Company is committed to providing equal remuneration for work of equal value and ensuring non-discrimination in all employment aspects including recruitment, hiring, promotion, compensation and termination.

Non-discrimination extends across all protected characteristics including gender, age, religion, disability and sexual orientation. Supply chain partners and operational collaborators are required to meet human rights standards consistent with REC's values. Through these comprehensive commitments, REC maintains a workplace based on principles of dignity, equity and respect.

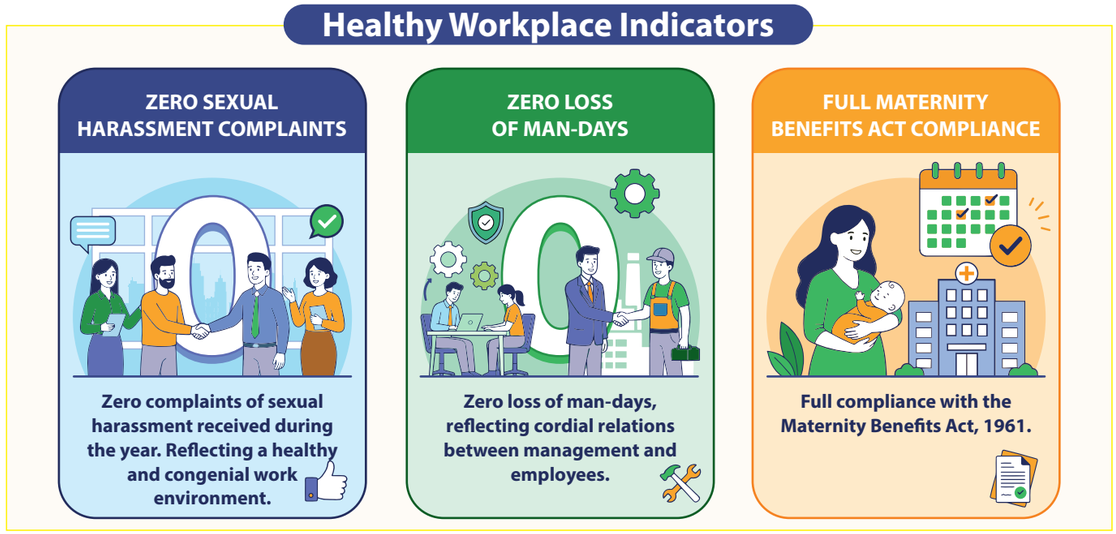
5. Social & Relationship Capital

Social and Relationship Capital reflects REC's engagement with and commitment to diverse stakeholder groups including customers, investors, suppliers, communities, government bodies and regulators. As a leading public sector financial institution, REC plays a catalytic role in supporting India's power sector development while progressively expanding into infrastructure and logistics sectors. Beyond core operations, the Company advances inclusive social development through its CSR arm, REC Foundation.

Corporate Social Responsibility Initiatives

Social and Relationship Capital reflects REC's engagement with and commitment to its diverse stakeholder groups, including customers, investors, suppliers, communities, government bodies and regulators. REC Foundation implemented several initiatives during the financial year 2025-26 across healthcare, education, skill development, rural development, environmental sustainability, sports and support for armed forces.

In the healthcare sector, REC flagship CSR initiative for procurement & deployment of Mobile Medical Units to provide primary healthcare services to underprivileged people across Country, 8,000 cataract surgeries under the Eye Care for All initiative and supported 5,000 Phacoemulsification surgeries, strengthened healthcare delivery through installation of advanced medical equipment including an Advanced Heart Lung Machine, creation of a 200-bedded Vishram Sadan, development of waiting halls and incubation facilities and installation of incubators at district hospitals and PHCs, while





Board Members and Senior Management inaugurated Urjayan, an internal Hindi magazine of REC.

also enabling rehabilitation of Divyangjan by distributing 8,000 nos. of artificial limbs and assistive aids. In the education and skill development domain, Established 300 solar energy-operated smart classrooms, imparted bachelor's degree-level education to 300 youth under the Learn and Earn initiative and augmented educational infrastructure through provision of school benches, bunk beds and recycled polyester T-shirts. Women empowerment initiatives addressed menstrual health and hygiene awareness among over 3,000 adolescent girls.

Through these outcome-oriented interventions, along with continued support for community infrastructure, environmental sustainability and sports promotion, REC strengthens trust-based relationships with stakeholders and reinforces its long-term social value creation framework.

Stakeholder Engagement and Communication

REC maintains open lines of communication with all stakeholder groups. Financial results are published in major national newspapers including Economic Times, Mint and Financial Express (English) and Business Standard, Hindustan and Jansatta (Hindi). The Company's website (https://recindia.com) provides comprehensive disclosures under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 including quarterly and annual financial results, shareholding patterns, annual reports and official news releases. Regular investor meets are conducted with institutional investors and analysts.

The Company maintains designated telephone numbers and email addresses for shareholder and bondholder queries, accessible through the investor relations section of the website. Beyond traditional communication channels, REC engages with stakeholders through media interactions, participation in industry forums and conferences and increasingly through social media for community connection. This multi-channel engagement approach ensures transparency and fosters trust within the investor community and broader stakeholder ecosystem.

CSR Awards and Recognitions

REC's CSR initiatives have garnered numerous prestigious recognitions. The Company has received Global CSR Excellence and Leadership Awards under the 'Best CSR Projects in PSU' category. India CSR Initiatives & Social Impact Award for Excellence in CSR at the National Leadership Summit & Awards, 2026 and been recognized in the "Best CSR Projects in PSU" category. ASSOCHAM recognized REC for Excellence in Healthcare Support, while the Indian Red Cross Society bestowed an Award of Appreciation for enhancing access to healthcare services in rural, tribal and aspirational districts. REC also received recognition from the National Culture Fund (Ministry of Culture) and a Global CSR Leadership Award for Healthcare Services.

Beyond CSR, REC has been recognized with the India Sports Award 2025 for "Best Corporate Promoting Sports – Public Sector" by FICCI and the PRSI National Award in the category of Public Relations and House Journal, reflecting the Company's comprehensive stakeholder engagement and communication excellence.

6. 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 and sustainability, striving to minimize resource consumption, reduce environmental impact and promote sustainable energy solutions that support India's climate commitments and development objectives.

Renewable Energy Financing and Green Finance Framework

REC has established itself as a leader in green finance with a comprehensive Green Finance Framework aligned with international standards including Climate Bonds Standard version 3.0, Green Bond Principles 2021 (ICMA) and Green Loan Principles 2021 (LMA, APLMA, LSTA). The framework incorporates four core components: (1) Use of Proceeds specifying eligible green projects, (2) Process for Project Evaluation and Selection incorporating rigorous environmental and social assessment, (3) Management of Proceeds through segregated accounting and (4) Reporting with transparent disclosure of environmental outcomes.

Under this framework, ₹85,008.57 crore towards renewable energy projects, financing 58 projects with a combined installed generation capacity of 13,353.62 MW. The portfolio encompasses diverse renewable technologies including solar power (exceeding 85% of capacity), wind energy, hydropower, biomass and emerging solutions including geothermal, tidal and wave energy. Energy efficiency projects addressing grid loss reduction and sustainable water management projects for treatment, recycling and reuse are also supported. REC's commitment is reflected in its target to



Stellar Performance by REC team at the Inter-CPSU Badminton Tournament.

increase the clean energy portfolio to approximately 30% of total loan book by March 2030.

Environmental and Social Impact Assessment

REC integrates rigorous environmental and social impact assessment into its lending decisions. The Company has prepared Environmental and Social Impact Analysis (ESIA) reports aligned with international standards including the Official Development Assistance KfW-III framework. Third-party environmental audits are commissioned for major projects, documenting baseline environmental conditions and establishing mitigation measures and monitoring protocols. Project-level requirements incorporate Environmental, Health, Safety and Social (EHSS) specifications in loan covenants, with regular compliance verification and monitoring of environmental performance throughout the loan tenure.

REC actively supports pollution control technologies in thermal power plants, financing Flue Gas Desulphurization (FGD) systems for sulphur dioxide removal, Selective Catalytic Reduction (SCR) for nitrogen oxide control and Electrostatic Precipitators (ESP) for particulate matter removal.

Corporate Environmental Practices and Green Buildings

REC's headquarters in Gurugram incorporates energy-efficient architectural features including a specially designed façade that reduces HVAC load as compared to conventional buildings. LED lighting has been installed throughout the facility, supported by an advanced Light Management System that enables automated controls for optimal energy consumption. Radiant cooling slabs enhance thermal comfort while maintaining energy efficiency standards. To harness renewable energy, a 979 kWp solar plant has been installed atop the Corporate Office building, supported on a solar pergola structure, generating 12.95 lakh units of clean electricity during the financial year 2025-26. Additionally, rooftop solar installations of a combined capacity of 54 kWp were commissioned across three Regional Offices at Panchkula, Vadodara and Lucknow during the financial year.

Waste management follows circular economy principles with segregation of organic, recyclable and hazardous waste streams, partnerships with certified recycling agencies and transition to digital workflows reducing paper consumption. Zero-plastic usage in boardrooms (replaced with glass bottles) exemplifies the Company's commitment to eliminating single-use plastics. Sanitary



REC was conferred with "NBFC of the Year" award at the 3rd Annual Bharat NBFC & FinTech Summit & Awards 2026.



As part of the Waste to Wealth initiative, REC has provided Benches and Center Tables to a Government Primary School under Swachhta Action Plan 2025-26.



Awareness Session conducted as part of Vigilance Awareness Week, observed from October 27, 2025 to November 2, 2025.

pad vending machines have been installed at the corporate office, reflecting commitment to women's health and hygiene.

REC's sustainable transportation initiative includes procurement of electric vehicles for office transportation, reducing operational carbon footprint. Tree plantation drives are conducted regularly across communities, supporting afforestation and carbon sequestration. Water conservation measures include rainwater harvesting systems, wastewater treatment and recycling for landscaping and low-flow water fixtures.

Green Finance Mobilization and International Leadership

REC has emerged as a significant issuer of green bonds in global capital markets, demonstrating international investor confidence in green finance initiatives. In year 2023, REC raised USD 750 million in green bonds, the largest green bond issued by a South and South-East Asian issuer at that time, supporting renewable energy and sustainable infrastructure financing. In year 2024, the Company issued JPY 61.1 billion in yen bonds, marking its first yen bond issuance. These international green bonds provide cost-effective funding for climate-aligned projects and support REC's role in mobilizing capital for India's clean energy transition.

The Company's ESG policy framework integrates environmental impact assessments into operational, financial and risk management decision-making processes, ensuring sustainability considerations inform all major decisions.

Awards and Recognition in Sustainability

REC's environmental and sustainability leadership has been recognized through multiple prestigious awards. The Company received the Net Green Foundation Earth Awards 2026 for ESG and Responsible Business, SKOCH Awards 2025-Silver Award in the Corporate Net Zero Transition category and Sustainability Icons Award 2025 for Excellence in ESG Initiatives. The PSU Transformation Awards 2025 recognized REC with a Gold Award for ESG Leadership & Net-Zero Operations, while the Green Urja and Energy Efficiency Award by the Indian Chamber of Commerce acknowledged the Company's environmental commitment. These recognitions validate REC's comprehensive approach to sustainability and position the Company as a leader in corporate environmental stewardship.



REC sets up 'Neki Ki Deewar' under Swachhata Pakhwada, 2026.

Message from CMD

Record disbursements of ₹2,11,189 crore in financial year 2025-26 highlights our capacity to meet new capital demands in power and infrastructure landscape.



Jitendra Srivastava
Chairman & Managing Director

Dear Esteemed Stakeholders,

It gives me immense pleasure to present the 57th Annual Report of REC, a year marked by financial efficacy and continued commitment to powering India's growth story as a trusted partner in the Nation's energy transition journey.

The financial year 2025–26 unfolded amid a phase of far-reaching global transformation, where economies realigned to evolving geopolitical shifts, rapid technological advancement and intensified commitment to sustainability. In this dynamic landscape, success was defined not merely by financial strength but also by the ability to remain resilient, agile and purpose-driven. It was a time that called for institutions to rise above uncertainties, demonstrate clarity of vision and act with strategic foresight reinforcing their role as catalysts of stability, growth and value creation.

In the face of global uncertainties, we chose to move forward with confidence and conviction. By embracing change, strengthening our operational resilience and sharpening our strategic focus, we have reinforced our position as a reliable institution, well-prepared to harness opportunities while effectively managing risks. In alignment with the Government of India's vision for a self-reliant, energy-secure and sustainable Bharat, REC has progressed with renewed energy and strategic intent, enabling transformative growth across the entire energy value chain. Guided by a deep sense of purpose, the Company has played a catalytic role in advancing infrastructure development, fostering inclusive progress and shaping a resilient energy ecosystem for the nation.

We remain firmly committed to upholding the highest standards of Corporate Governance, transparency and accountability, ensuring that the interests of all stakeholders are protected and promoted in a consistent and balanced manner. This commitment is duly reflected by the Company's sustained track record of dividend payouts over consecutive years, with a total dividend of ₹18.55 per equity share of ₹10 each for the financial year 2025–26, including final dividend of ₹1.55 per equity share.

Economic Overview: Navigating Shifting Global Winds

The global economy has, in recent years, exhibited a remarkable resilience, even as it adjusts to an increasingly complex and evolving set of challenges. While the year 2024 and 2025 showed encouraging signs of recovery, driven by strong technology led investments and easing trade tensions, the outlook has deteriorated sharply following the onset of conflicts in the Middle East in early 2026. Occurring amid significant shifts in global trade dynamics, this development has intensified geopolitical tensions to unprecedented levels and revived concerns over a potential large-scale global energy crisis.

Geopolitical developments continue to reshape the global economic landscape, sustaining a climate of elevated uncertainty. The ongoing conflict has disrupted key production hubs and critical transit routes, resulting in sharp increases in energy and food prices and tighter global financial conditions. While the uncertainty had eased from its peak in 2025, it remains pronounced as markets respond to evolving geopolitical dynamics and changing trade

systems. Against this backdrop, global growth (as per the IMF : World Economic Outlook - April 2026) is projected to a moderate 3.1% in 2026 from 3.4% in 2025, before stabilizing at around 3.2% in 2027. Advanced economies are expected to grow modestly at 1.8% and growth in emerging market and developing economies is likely to ease to 3.9%, with lower-income commodity-importing nations facing pressures from currency depreciation and rising import costs.

Looking ahead, global growth is expected to remain subdued at around 3.1%, below the historical average of 3.7%. This reflects ongoing geo-economic fragmentation, demographic shifts and structural constraints. While advancements in artificial intelligence offer strong potential for productivity gains, associated risks to financial stability and labour markets remain.

India's Powerful Growth Energy Trajectory

The Indian economy showed robustness in financial year 2025–26 despite global uncertainties from geopolitical tensions, supply chain disruptions and commodity volatility. Strong domestic demand, sustained investments and prudent macro-economic management helped India remain one of the fastest growing economies. Continued reforms, GST rationalisation, expansion of digital infrastructure and a strong infrastructure and manufacturing push under the Union Budget 2026–27 accelerated the growth.

The IMF (April 2026 WEO) revised India's growth estimate upward to ~7.6% for financial year 2025–26, while Ministry of Statistics and Programme Implementation (MoSPI) provisional estimates place real GDP growth at 7.7%, up from 7.1% in the previous financial year.

The Indian power sector has demonstrated exceptional growth and transformation during the financial year 2025-26, reflecting India's commitment to energy security and climate action. Total installed capacity has reached approximately 533 GW, with a historic shift towards clean energy. India achieved the milestone of 50% non-fossil capacity in June 2025, five years ahead of the 2030 target set under its Nationally Determined Contribution (NDC) to the Paris Agreement, a remarkable acceleration that underscores Government commitment and sector capability.

During the year under review, capacity additions reached around 62 GW, with renewable energy contributing 89% of this expansion. Renewable installations, added a record 55 GW, bringing total renewable capacity to approximately 275 GW. This strong performance has elevated India to third position in global renewable energy rankings. On the generation front, non-fossil sources now constitute 29% of the total energy mix, up from 25% in the previous financial year.

Electricity demand has remained resilient, with peak demand reaching record levels of ~271 GW during May 2026 and being fully met without shortages, demonstrating the robustness of India's power system. On the supply side, domestic coal production and dispatch have remained stable, with the power sector accounting for the largest share of total coal offtake at 79%, equivalent to around 808 MT, ensuring fuel security for thermal generation. Recent Government reforms, including the Revised SHAKTI Policy, are further strengthening coal availability and substitution mechanisms for the power sector.

Financial Performance : A Year of Milestones

The financial year 2025-26 has been a remarkable period of growth and operational strength for REC. Further, REC has significantly expanded its lending footprint i.e. sanctioning of loans aggregating to a record ₹4.09 lakh crore, an increase of approximately 21% over the previous year's sanctions of ₹3.37 lakh crore.

Our Sanctions has increased to ₹4.09 lakh crore, an increase of ~21% over previous year.

More notably, the disbursements during the financial year reached to ₹2.11 lakh crore, the highest in REC's history, reflecting a growth of 10% over the previous year's disbursements of ₹1.91 lakh crore. This landmark performance underscores the commitment to accelerating infrastructure development and meeting financing needs of the power and infra sector at a crucial juncture in India's energy transformation.

REC's balance sheet has strengthened considerably. The Net Worth of the Company as on March 31, 2026, increased to ₹84,290 crore, representing a growth of 8.57% from ₹77,638 crore in the previous year.

The Gross Loan Asset Book of the Company stood at ₹5.83 lakh crore as on March 31, 2026, compared to ₹5.67 lakh crore in the previous year. Further, outstanding borrowings during the period increased to ₹5.05 lakh crore from ₹4.88 lakh crore, enabling us to sustain the enhanced pace of lending while maintaining our prudent funding strategy.

Fund Mobilization: Strengthening Our Financial Arsenal

REC's ability to execute its development mandate and deliver sustained impact depends fundamentally on its capacity to access capital markets efficiently and at competitive rates. During the financial year 2025-26, the Company has mobilized funds of ₹83,558 crore from the market. This included ₹9,600 crore from External Commercial Borrowings in different currencies, long and short rupee term loans from banks and financial institutions of ₹27,697 crore and ₹4,118 crore, respectively, ₹3,000 crore from issuance of Commercial Paper, ₹5,177.91 crore from Capital Gains Tax Exemption Bonds and ₹30,882.50 crore from Institutional Bonds.

Further, during the financial year 2025-26, REC has raised funds of ₹30,882 crore through listed bonds, at a cost of 6.80% p.a., which is 29 bps lower than the rates of similarly rated instruments issued by other CPSEs/entities. This diversified funding portfolio provides operational flexibility, reduces refinancing risk and ensures the ability to support lending across economic cycles.

Also, credit ratings remain the bedrock of capital markets access and represent an unambiguous endorsement of institutional quality. Throughout the financial year 2025-26, REC's domestic debt instruments maintained the highest rating of "AAA" from all major

Indian credit rating agencies, CRISIL, CARE, India Ratings & Research and ICRA, with no downgrades or revisions during the year. This rating stability reflects consistent operational performance and sound financial management. On the international stage, REC holds ratings of "Baa3" from Moody's, "BBB-" from FITCH and "BBB+" from Japan Credit Rating Agency, all placed at par with India's sovereign rating. This equivalence is significant, as it signals that those international investors view REC's credit quality as aligned with the stability of the Indian economy itself, enabling us to access global capital at rates that reflect sovereign-level creditworthiness rather than standalone entity risk.

> *"During FY 2025-26, the Company had raised funds of ₹30,882 crore through listed bonds, at a cost of 6.80% p.a., which is 29 bps lower than the rates of similarly rated instruments issued by other CPSEs / entities."*

REC's commitment to sustainable financing is reflected in its strategic deployment of Green Bonds aligned with India's climate action agenda. These instruments are allocated exclusively to eligible green projects as defined in the Green Finance Framework, enabling REC to channel capital toward renewable energy, energy efficiency and sustainable infrastructure development. The proceeds remain invested in eligible projects throughout the tenor of each bond, tracked through disciplined internal monitoring systems and subject to external certification by the Climate Bonds Standard Board.

Risk Management

REC continues to maintain a strong and resilient risk management framework that not only meets applicable statutory and regulatory requirements but also reinforces stakeholder's confidence. During the financial year 2025-26, the framework was further strengthened through an independent ISO based assessment and the Company has obtained a Letter of Conformity to ISO 31000:2018, reaffirming its alignment with globally recognised risk management principles across all major functional areas. REC remains committed to further strengthening of its risk management culture through continuous improvement initiatives, aligned with evolving market dynamics and best industry practices, along with focused capacity building efforts, including targeted training programmes aimed at enhancing employees' awareness on risk management.

Renewables & Non-Fossil Push

India achieved historic growth in its Renewable Energy (RE) capacity during the financial year 2025-26, by adding a record 55 GW. The 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. India has surpassed Brazil to secure third position in Global Renewable Energy Rankings.

During the financial year 2025-26, the Company has sanctioned 58 nos. of Renewable Energy Projects with installed capacity aggregating to 13,354 MW, BESS, Solar Park projects with total loan assistance of ₹85,008.57 crore, including 5 Large Hydro Projects with aggregate capacity of 2,240 MW, 27 Solar Energy Projects with aggregate capacity of 4,348.62 MW, 9 Wind Energy Projects with aggregate capacity of 500.90 MW, 12 Solar+Wind+BESS Hybrid Projects with aggregate capacity of 5,314.10 MW, 1 Pumped Storage Project with aggregate capacity of 950 MW, 3 Battery Energy Storage System and 1 Solar Park Infra Project.

Environment, Social & Corporate Governance Excellence

REC has positioned Environmental, Social and Governance sustainability not as a peripheral responsibility, but as the fundamental architecture of value creation. Our performance across ESG dimensions demonstrates this conviction with measurable rigor. On the Environmental front, REC has scaled our renewable energy loan asset to approx. ₹75,347 crore, a 30% year-on-year expansion that now constitutes 13% of our total loan book, up from 10% in the previous financial year. The renewable energy sanctioned capacity stands at ~66 GW, representing an emission-abating capability equivalent to 3.1 billion mature trees annually. Our financed projects have cumulatively avoided 7.6 million tons of CO_2 emissions, a 24.6% increase over 6.1 million tons, a trajectory that positions REC as the financial vanguard of India's energy transition and our commitment to the Panchamrit framework.

Further, social pillar is equally quantified and deliberate. REC has achieved zero data breaches and zero human rights complaints, a testament to our upgraded ISO 27001:2022 certification and the recent attainment of ISO 31000:2018 ERM accreditation, positioning REC as the first Indian public sector NBFC to achieve this global benchmark.

> *"REC has secured highest rating in the NSE ESG Ratings among 505 Indian Companies."*

Corporate Governance

As REC continues to evolve its Corporate Governance practices, we remain dedicated to meeting the rising expectations of the stakeholders, ensuring transparency and accountability at all levels. ESG criteria has been incorporated into every loan and vendor decision, ensuring that governance and sustainability remain central to the business dealings. REC strives to create lasting value for all its stakeholders through responsible Resource Utilisation, Environmental Sustainability and Active Community Engagement.

The focus remains on scaling green and inclusive energy finance to accelerate India's journey towards net-zero emissions.

Digital Transformation & Financial Innovation

REC's sustained growth and competitive advantage rest on the commitment to digital transformation and financial innovation. REC has invested significantly in building robust internal systems, disciplined processes and technology-enabled frameworks that enhance operational efficiency and create measurable value.

The Project Monitoring Guidelines represent a cornerstone of our digital infrastructure, establishing a technology-driven mechanism for timely visibility across the entire lifecycle of financed projects, from initial loan drawdown through post-commissioning. This digital monitoring framework enables to track progress against agreed timelines, identify bottlenecks early through data analytics, prevent time and cost overruns and align fund releases with verified on-ground completion. By leveraging technology to enforce capital discipline and visibility, we protect against diversion and ensure effective deployment of resources.

Building on more than five decades of sectoral expertise, REC has digitized and standardized its credit appraisal methodology that drives financial innovation. This structured knowledge base enables us to move beyond traditional lending to serve as a trusted technical and policy adviser, supporting Governments in programme formulation and execution of complex infrastructure initiatives.

MoU Rating & Awards

The performance of the Company has been rated "Excellent", in terms of MoU signed under the Guidelines of the DPE, Government of India for the financial year 2024-25. Further, for the financial year 2025-26, the MoU rating is awaited from DPE.

During financial year 2025–26, REC received several prestigious awards and recognitions across business performance, digital and technology initiatives, sustainability and CSR, reaffirming its commitment to excellence in Governance, stakeholder value creation and responsible growth. The Company was also honoured with the Economic Times Infra Leadership Award 2025 for its contribution to low-carbon urban transport financing through the Mumbai Metro project and for strong performance in the renewables segment, REC was conferred the Green PSU Award at the 5th PSU Transformation Awards 2025. REC leads the financial sector as the top-ranked institution in NSE ESG Ratings and has received the SKOCH ESG Award 2025, Sustainability Icons Award 2025, 5th PSU Transformation Award 2025 among others. Further, REC received the Sustainability Icons Award 2025 under the 'Excellence in ESG Initiatives' category, along with the India Sports Awards 2025 under the 'Best Corporate Promoting Sports – Public Sector' category. REC's commitment to social responsibility was also acknowledged at the Global CSR Excellence & Leadership Awards, under the 'Best CSR Projects in PSUs' category. These recognitions are not ornamental; it signifies that REC is redefining the alignment between financial performance and sustainability outcomes.

India's Energy Transition through Mission-Driven Governance & Innovation

In addition to its business goals, REC has been a reliable partner of the Government of India in achieving the national goals of the power sector. It is heartening to see that electricity has reached the remotest corners of the country. The flagship schemes i.e. Deendayal Upadhyaya Gram Jyoti Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana, for which REC was the nodal agency of the Ministry of Power, achieved successful completion and have truly laid the foundation of a brighter and more prosperous India. The power sector is now poised for modernisation and technological upgradation, reduction of power prices for consumers and optimisation of efficiency and service delivery.

Revamped Distribution Sector Scheme

Revamped Distribution Sector Scheme (RDSS) is a major flagship initiative launched by the Government of India to strengthen the Distribution Sector. The scheme outlay is about ₹3.03 lakh crore with the main objectives of bringing down the pan-India AT&C losses to 12-15% and narrowing the ACS-ARR gap to zero, both extremely important milestones for the holistic growth of the power sector. RDSS is aimed to improve the quality, reliability and affordability of power supply to consumers, through a financially sustainable and operationally efficient distribution sector.

REC is proud to be associated with the RDSS as the Nodal Agency in 19 States. Loss Reduction (LR) works and Smart Metering (SM) works are the two major components of RDSS. Further, the scheme also lays special emphasis on leveraging the advanced technologies like Artificial Intelligence (AI) and Machine Learning (ML) using Smart Meter data. As on March 31, 2026, the projects worth ₹1,60,369 crore (including PMA charges) has been sanctioned for the States, where REC is the nodal agency with ₹73,758 crore towards Smart Metering works and ₹86,611 crore towards Loss Reduction works. Under Smart Metering works, REC States have been sanctioned for the installation of about 11.10 crore Prepaid Smart Consumer Meters, 34.35 lakhs DT Meters and 1.02 lakh Feeder Meters. REC is also playing lead role for the other initiative of Government i.e. Powerthon which is a national hackathon and innovation competition in India designed to find technology-driven solutions for complex challenges in the power distribution sector.

PM Surya Ghar: Muft Bijli Yojana

The Government of India has approved the PM Surya Ghar: Muft Bijli Yojana to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. 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 years lifespan of these rooftop solar projects.

As of March 31, 2026, a total of 68.81 lakh applications were received under the PM Surya Ghar Muft Bijli Yojana. Out of these, 33.64 lakh installations were completed (including RWA households covering 6.51 lakh houses). The total installed capacity reached 9.92 GW and Central Financial Assistance (CFA) amounting to ₹19,454.17 crore has been disbursed to 24.75 lakh beneficiaries.

Under the guidance of the Ministry of Power, REC has developed a framework for 'DISCOM Consumer Service Rating', wherein DISCOMs are rated based on operational parameters, with the aim to promote healthy competition and improve performance in deficient areas. REC is also publishing periodic reports on key regulatory parameters, which provide a guiding light to the power sector, through compilation, benchmarking and comparative assessment of various utilities and highlighting corrective measures wherever required.



Shri Jitendra Srivastava, CMD, REC along with the Hon'ble Union Minister (Power and Housing & Urban Affairs), Shri Manohar Lal, at AI Impact Summit 2026.

Beyond traditional infrastructure, the year under review reaffirmed REC's leadership in catalyzing technology-driven transformation across the distribution sector. The Powerthon 2.0 initiative, launched in November 2024, has garnered 331 applications and deployed ~28 pilot projects leveraging artificial intelligence, IoT, blockchain and digital twins to address persistent challenges in demand forecasting, renewable integration and asset management.

India Energy Stack

One of the most important shifts taking place in India's power sector is the transition from energy access to energy agency - where consumers are not merely recipients of electricity, but active participants in the energy ecosystem. With the growth of rooftop solar, smart meters, storage, electric mobility and flexible demand, households, farmers, MSMEs and communities can increasingly participate in energy markets, optimise their consumption and even monetise their distributed energy resources.

In this context, the India Energy Stack (IES), a flagship initiative of the Ministry of Power, is being developed as the Digital Public Infrastructure for the power sector. Much like UPI revolutionised digital payments and ONDC is transforming digital commerce, IES aims to create a common digital foundation that enables seamless, secure and trusted exchange of energy data across the electricity ecosystem.

IES follows a Register–Discover–Exchange framework, enabling stakeholders to register, discover and securely exchange data through open protocols and consent-based mechanisms. This creates a common digital foundation for interoperable, consumer-centric and innovative energy services.

The transformative potential of IES was demonstrated through two landmark initiatives. The first was the live demonstration of India's first Peer-to-Peer (P2P) energy transaction under the IES framework at the India AI Impact Summit 2026, showcasing how households could directly participate in energy markets. The initiative received appreciation at the highest levels, including from the Hon'ble Prime Minister of India and mention in Mann Ki Baat about Arun Kumar, a farmer from Meerut who turned into an energy entrepreneur using the P2P platform; highlighting the role of digital innovation in accelerating India's energy transition.

The second milestone was the showcase of the Consumer Energy Passport at the Bharat Electricity Summit. The Consumer Energy Passport is a secure digital profile that enables consumers to access and share their energy-related information, with consent, across service providers for innovation across the power sector.

Building on these successful demonstrations, REC has adopted a pilot-first approach to validate IES in real-world utility environments. Pilot implementations are currently underway across four DISCOMs, covering key use cases such as Peer-to-Peer Energy Transactions, Distributed Energy Resource (DER) Visibility, Consumer Energy Passport & Meter Data Digest, and Energy Data Exchange. These pilots are demonstrating how interoperable digital infrastructure can improve grid visibility, accelerate renewable energy integration, empower consumers and create the trusted data foundation required for AI-driven innovation in the power sector.

Going forward, the success of IES will depend on broad ecosystem participation. Utilities, regulators, technology companies, startups, researchers, industry bodies and consumers can all contribute by helping define standards, develop schemes and APIs, provide implementation feedback and build innovative solutions on top of IES specifications. This collaborative approach can unlock new markets, improve system efficiency, support livelihoods and create opportunities for millions of small energy participants.

Through IES, REC is not only supporting India's energy transition through financing, but is also helping build the digital foundations of the future power sector - one that is more decentralised, transparent, resilient, consumer-centric and innovation-led. This brings us closer to the vibrant start-up ecosystem and offers new market making opportunities in this rapidly evolving sector.

Subsidiary Company

REC Power Development and Consultancy Limited (RECPDCL) is a wholly owned subsidiary of REC and it 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. RECPDCL has been implementing transmission projects in UTs of J&K and Ladakh.

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 MoP 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. 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 2025-26, RECPDCL recorded an income of ₹501 crore and Profit After Tax for the financial year 2025-26 was ₹79 crore.

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 2025-26, the Company has focused on introducing and amending various policies which include *inter-alia* outsourcing of Financial Services Policy and Fraud Risk Management Policy.

> *"Net Credit Impaired Assets declined to 0.12% as on March 31, 2026 from 0.38% as on March 31, 2025."*

People & Culture

At the heart of REC's continued success lies our commitment to building and nurturing a world-class workforce. We recognise that an engaged and high-performing team is fundamental to delivering sustainable value and driving our strategic initiatives forward. During the financial year 2025-26, REC has made significant strides in strengthening its professional base and creating an organisational culture that values excellence, continuous learning and inclusive growth.

The recruitment efforts during the year have been robust. Through Direct Recruitment drives, REC has appointed 36 executives drawing talent from across the country and bringing fresh perspectives to the organisation. As of March 31, 2026, the total manpower stood at 591 employees, comprising 579 executives and 12 non-executives.

Training and development remain cornerstone activities in people strategy. During the financial year, 550 employees participated in comprehensive learning and development programmes spanning leadership development, corporate governance, digital transformation, risk management, sustainability and statutory compliance. These initiatives generated 2,783 training man days, including over 150 training man days through international programmes benefiting 30 employees.

Further, active participation in sports and recreational activities have been encouraged recognising that a healthy workforce is a productive workforce. During the year, REC hosted an Inter-CPSU Carom Tournament and participated in various power sector sporting events organised under the Power Sports Control Board.

Beyond the direct workforce, REC's commitment to human capital development extends to the broader power sector through RECIPMT, a premier training and capacity-building institute established in 1979. Over the last four decades, RECIPMT has trained over 86,000 professionals, significantly strengthening technical, operational and managerial capacities across the Indian power sector. In partnership with the Ministry of External Affairs, RECIPMT till March 31, 2026, has also conducted 113 international training programmes, developing 1,936 executives from 102 countries.

CSR Leadership

At REC, we believe that sustainable growth must be accompanied by a steadfast commitment to social responsibility and inclusive development. As a responsible public sector enterprise, the Corporate Social Responsibility (CSR) initiatives are firmly aligned with national priorities and are guided by the principles of equality, sustainability and value creation for communities across the Country.

For the financial year 2025-26, the Board of Directors approved a CSR budget of ₹338.07 crore towards implementation of impactful programmes across healthcare, education, skill development, environmental sustainability, infrastructure development and support for the armed forces.

REC Foundation, the CSR arm of REC has implemented several impactful initiatives across healthcare, rural development,

environment, sports and support for armed forces. In the healthcare sector, REC has procured & deployed Mobile Medical Units to provide primary healthcare services to underprivileged people across country, Eye Care for All initiatives, enabling cataract surgeries for 8,000 beneficiaries through Sankara Eye Hospital, Chennai and provided CSR assistance for 5,000 Phacoemulsification surgeries at Bhaktivedanta Hospital, Mathura. Healthcare infrastructure was further strengthened through the procurement and installation of advanced medical equipment, including an Advanced Heart Lung Machine at AIIMS Raipur, construction of a 200 bedded Vishram Sadan for patient attendants at Sri Krishna Medical College & Hospital, Muzaffarpur and the development of a 100 bedded Vishram Sadan, multipurpose hall and incubation centre and installation of incubators at district hospitals and PHCs, Muzaffarpur. Rehabilitation of Divyangjan by distributing 8,000 nos. of artificial limbs and assistive aids also formed a key intervention.

> *REC provided CSR assistance for 5,000 Phacoemulsification surgeries at Bhaktivedanta Hospital, Mathura.*

In the area of education and skill development, REC has provided assistance for establishment of 300 solar energy operated smart classrooms in Government schools in Siddharth Nagar, Uttar Pradesh and launched the Learn and Earn initiative to impart bachelor's degrees to 300 youth in garment manufacturing and entrepreneurship. Educational infrastructure was further supported through the provision of school benches, bunk beds and rPET T-shirts made from recycled plastic waste. Promoting women empowerment, the Project Shakti initiative addressed menstrual health and hygiene awareness for over 3,000 adolescent girls in Alwar, Rajasthan.

Infrastructure and community development initiatives included the construction of auditoriums, community halls, indoor stadiums and public toilet complexes across multiple States, installation of LED streetlights and solar street lighting systems in urban and rural areas and commissioning of solar power plants in Goa and Tamil Nadu. Environmental sustainability was promoted through renewable energy projects, animal welfare and rabies eradication initiatives and eco friendly infrastructure.

These initiatives reaffirm REC's commitment to creating shared value and achieving measurable social impact.

Lighting the way to a Viksit Bharat

Over the last two decades, India has achieved what once seemed improbable, universal electrification, a unified national grid and a fourfold expansion in generation capacity. As we now move towards Viksit Bharat @2047, electricity demand will rise sharply. Per capita electricity consumption, which has grown steadily to around 1,460 kWh in 2024–25, is targeted to cross 2,000 kWh by 2030 and move beyond 4,000 kWh by 2047. This growth is not just quantitative, it reflects urbanisation, manufacturing growth, digitalisation, EV adoption and rising quality of life. The question before us is not whether demand will grow but how efficiently, sustainably and affordably the power system, especially distribution, will support this growth.

Merger of REC and PFC

The Hon'ble Finance Minister in the Union Budget 2026-27, proposed restructuring of REC and PFC to achieve scale and enhance efficiency in public sector NBFCs.

As India moves towards the ambitious goals of Viksit Bharat 2047, the power sector will require substantial capital investment. On a consolidated basis, the merged entity is expected to benefit from improved balance sheet strength, capital efficiencies and operational synergies, enabling large-scale funding and improved credit flow across the power sector value chain.

Acknowledgements

As I consider our progress and accomplishments, I am grateful to the Hon'ble Minister of Power and Hon'ble Minister of State for Power for their guidance and support. I also acknowledge the Secretary (Power) and officials at the Ministry of Power for their cooperation and vision. Power Finance Corporation Limited, our Holding Company, has been an important partner throughout this journey.

I extend my thanks to 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, Stock Exchanges and Depositories. Their support and guidance have been essential to our business sustenance and growth.

Our commitment to strong Corporate Governance is supported by the oversight of the Comptroller and Auditor General of India, our Statutory and Secretarial Auditors, Registrars and all professionals who have contributed their expertise and attention to detail in supporting REC.

Further, I want to express sincere thanks to our shareholders, debenture-holders, lenders, borrowers and customers, including State Governments, power utilities and private sector partners.

I am grateful to my colleagues on the Board for their thoughtful guidance and strategic contributions and to all members of the REC team for their hard work and commitment.

Thank You and Jai Hind.

With warm wishes,

Place: Gurugram
Date: July 29, 2026

Jitendra Srivastava
Chairman & Managing Director

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.com | **CIN:** L40101DL1969GOI005095

NOTICE

Notice is hereby given that the Fifty Seventh (57th) Annual General Meeting ("AGM") of REC Limited ("REC"/"the Company") will be held on **Tuesday, August 25, 2026 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, 2026, 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 2025-26.

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 2026-27.

SPECIAL BUSINESS:

Item No. 5: Appointment of Shri Thangarajan Subash Chandira Bosh (DIN: 02772316) as Director (Projects).

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 and Order dated October 3, 2025 issued by the Ministry of Power ("MoP"), Government of India, Shri Thangarajan Subash Chandira Bosh (DIN: 02772316), who was appointed by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, as Director (Projects) (Additional Director) of the Company, for a period, with effect from the date of assumption of charge of the post i.e. October 3, 2025 till the date of his superannuation i.e. May 31, 2029 or until further orders, whichever is earlier, in the scale of pay of ₹1,80,000-3,40,000 (IDA) and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as the Director (Projects) of the Company, subject to any further order(s) issued by the Government of India regarding the terms & conditions of his appointment and he shall be liable to retire by rotation."

Item No. 6: Appointment of Shri Rajesh Kumar (DIN:06941428) as Director (Finance).

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

"RESOLVED THAT pursuant to 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 and Order dated April 2, 2026 issued by the Ministry of Power ("MoP"), Government of India, Shri Rajesh Kumar (DIN: 06941428), who was appointed by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, as Director (Finance) (Additional Director) of the Company for a period of five years with effect from the date of assumption of charge of the post i.e. April 2, 2026 or until further orders, whichever is earlier, in the scale of pay of ₹1,80,000-3,40,000 (IDA) and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as the Director (Finance) of the Company, subject to any further order(s) issued by the Government of India regarding the terms & conditions of his appointment and he shall be liable to retire by rotation."

Item No. 7: To approve the appointment of Shri Rajesh Kumar Agarwal (DIN: 09699001) as Director ("Nominee Director of Power Finance Corporation Limited").

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 Section 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 letter dated May 6, 2026 issued by the Ministry of Power, Government of India, the appointment of Shri Rajesh Kumar Agarwal (DIN: 09699001), who was appointed by the Board of Directors on the recommendation of the Nomination & Remuneration Committee as Nominee Director of Power Finance Corporation Limited, with effect from May 1, 2026, be and is hereby approved, subject to any further order(s) issued by the Government of India regarding the terms & conditions of his appointment and he shall be liable to retire by rotation."

Item No. 8: Appointment of Dr. Anil Kumar Gupta (DIN: 00442146) 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 June 22, 2026 issued by Ministry of Power ("MoP"), Government of India, Dr. Anil Kumar Gupta (DIN: 00442146), 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 June 22, 2026 and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Part time Non-Official Independent Director of the Company for a period of three months with effect from the date of assumption of charge of the post i.e. June 22, 2026 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. 9: Appointment of Dr. Kanchiappan Ghayathri Devi (DIN: 07584524) 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 June 22, 2026 issued by Ministry of Power ("MoP"), Government of India, Dr. Kanchiappan Ghayathri Devi (DIN: 07584524), 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 June 22, 2026 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 three months with effect from the date of assumption of charge of the post i.e. June 22, 2026 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. 10: Appointment of Smt. Poonam Chauhan (DIN: 11842802) 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 July 20, 2026 issued by Ministry of Power ("MoP"), Government of India, Smt. Poonam Chauhan (DIN: 11842802), 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 July 21, 2026 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 three years with effect from the date of notification of her appointment i.e. July 20, 2026 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. 11: 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 Non-Convertable Securities) Regulations, 2021 and any amendments thereof and / or any 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 ₹1,40,000 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 ₹1,40,000 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 authorised 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."

By Order of the Board of Directors
For REC Limited

Dinesh Garg
Company Secretary & Compliance Officer

Place: Gurugram
Date: July 29, 2026

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 11 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company in its meetings held on July 24, 2026 considered that the items of Special Business at Item Nos. 5 to 11 of the Notice shall be transacted at the 57th AGM of the Company.

2. In view of the Circular dated September 22, 2025, read with other relevant circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and by the 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 57th 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 57th 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 Sections 112 and 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 57th AGM through VC/OAVM facility and for electronic voting during the AGM.

4. Attendance of the Members participating in the 57th 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 57th AGM along with Annual Report is being sent by e-mail to all those members, whose e-mail IDs are registered with the Registrar & Transfer Agent (RTA) / Depository Participants (DP). Annual Report along with notice are also available on the website of the Company at www.recindia.com 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). Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to shareholders whose e-mail addresses are not registered with RTA / Depository Participants, providing the weblink of Company's website from where the Annual Report for the financial year 2025-26 can be accessed/viewed. The Company will arrange to send physical copy of Annual Report for the financial year 2025-26 to those Members who will/have made a request for the same.

7. 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 2025-26 and other updates of Company.

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

8. 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 authorised 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 sachincs2022@gmail.com with a copy marked to evoting@nsdl.com.

9. The Company has fixed **Tuesday, August 18, 2026** as the **Cut-off** date for determining the eligibility to vote on item(s) of business to be transacted at the 57th 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.

10. 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 57th AGM, in a fair and transparent manner.

11. In compliance with provisions of MCA & SEBI Circulars referred above, Section 108 of the Act, 2013 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 the 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 57th AGM through VC/OAVM and voting during the 57th AGM through electronic voting system. The remote e-voting period begins on **Saturday, August 22, 2026 (0900 hours) and ends on Monday, August 24, 2026 (1700 hours)**. The remote e-voting module shall be disabled by NSDL for voting thereafter.

    Members may join the 57th AGM through VC/OAVM, which shall be kept open for the members on August 25, 2026 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 57th 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.

12. 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 has declared and paid interim dividend four times for the financial year 2025-26, as detailed below:-

Sl. No.	Particulars	Amount per equity share (₹)	Date of declaration	Date of Payment
1.	1st Interim Dividend	4.60	July 24, 2025	August 21, 2025
2.	2nd Interim Dividend	4.60	October 17, 2025	November 14, 2025
3.	3rd Interim Dividend	4.60	January 29, 2026	February 27, 2026
4.	4th Interim Dividend	3.20	March 16, 2026	March 30, 2026

    Further, the Board of Directors of the Company in its meeting held on April 28, 2026 had *inter-alia* recommended final dividend @ ₹1.55 per equity share for the financial year 2025-26 and the said dividend, if approved, by the members at ensuing AGM, will be paid within thirty days from the date of 57th AGM of the Company, to the members 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 **Friday, August 14, 2026 ('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 **Friday, August 14, 2026 ('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 RTA and norms for furnishing PAN, KYC (contact details, bank details and specimen signature) and nomination details. As per the SEBI 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, under the Income Tax Act, 2025 ("IT Act"), dividend income is taxable in the hands of shareholders, and the Company is required to deduct tax at source ("TDS") on dividends at the rates prescribed under the IT Act. To enable compliance with applicable TDS requirements on dividends, if any, declared by the Company, members are requested to submit the prescribed documents annually through the web-link: https://alankitassignments.com/investor-charter/ or through email at virenders@alankit.com with a copy marked to recigr@alankit.com and update their residential status, PAN, category and other relevant details. This will ensure deduction of TDS, if applicable, at the appropriate rates on future dividend payments.

    Further, it is pertinent to mention that pursuant to the recent amendments in the Listing Regulations, the dividend payment shall be made exclusively through electronic mode. The provision for remittance of dividend *via* physical instruments such as cheques or warrants has been discontinued. In view of the same, members are therefore advised to update their bank account details to enable seamless credit of dividends as follows:

    - **For shares held in Demat form:** Please contact your Depository/Depository Participant (DP) and register or update your bank details in your demat account as per the process advised by your DP.
    - **For shares held in Physical form:** Please contact the Company's RTA and register or update your KYC and Bank Account details in your folio by submitting the requisite documents.

    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 online payment in lieu of such Warrant/Demand Drafts.

13. 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.

14. 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 56th AGM of the Company held on August 27, 2025, the Board of Directors were authorised 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 2025-26. Accordingly, the Board of Directors had approved the payment of remuneration of ₹74,80,000/- (Rupees Seventy Four Lakh Eighty Thousand 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 2025-26. The Board had 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 2026-27 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 2026-27.

15. 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, it is requested to 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 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 of shares 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.com/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.com/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 DP.

16. 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.

17. Members are requested to note that pursuant to the provisions of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not encashed for 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 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.com) 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.com.

Further, the unclaimed interim dividend for the financial year 2019-20 will be due for transfer to IEPF in April, 2027, 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 interim dividend for the financial year 2019-20 and thereafter, by sending a request to RTA of the Company, Alankit Assignments Limited Unit: REC Limited, 205-208, Anarkali Complex, Jhandewalan, Extension, New Delhi -110055 or call at +91-11-42541234 or email at 'virenders@alankit.com'. Further, unpaid/unclaimed amount of dividend relating to interim dividend for the financial year 2018-19 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 issuance of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the form IEPF-5 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.com/iepf-details.

Further, during the financial year 2025-26, the IEPF Authority vide its intimation dated July 16, 2025, requested companies to launch a 100 days Campaign - "Saksham Niveshak", to reach out to shareholders whose dividend remain unpaid/unclaimed. In line with this initiative, the Company had launched 100 days Campaign from July 28, 2025, to November 6, 2025, to enable shareholders to claim their unpaid or unclaimed dividend.

The purpose of the 100 days campaign - "Saksham Niveshak" - was to create awareness among the shareholders to update their KYC & other details and to claim any unpaid or unclaimed dividends before they get transferred to the IEPF.

18. In terms of SEBI Circular dated January 30, 2026, a special window has been opened for a period of one year from February 5, 2026 till February 4, 2027, for transfer and dematerialisation ("demat") of physical securities which were sold/purchased prior to April 1, 2019. The special window shall also be available for such transfer requests which were submitted earlier and were rejected/returned/not attended due to deficiency in the documents/process/or otherwise. Further, the securities so transferred shall be mandatorily credited to the transferee only in demat mode and shall be under lock-in for a period of one year from the date of registration of transfer. Such securities shall not be transferred/ lien-marked/pledged during the said lock-in period. Further, securities which have been transferred to IEPF shall not be considered under this window for processing.

Eligible investors are requested to lodge their transfer request with complete and correct documents to the Company's RTA in compliance with the requirement of aforesaid SEBI Circular. Further the details in this regard are available on the website of the Company under Investors section.

19. 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.com/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

20. 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 25, 2026. Members desiring for inspection of said documents are requested to send an e-mail to the Company at complianceofficer@recindia.com.

21. 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.

22. 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.

23. 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.com) 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 57th AGM.

24. 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 **Saturday, August 22, 2026 (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.

25. SEBI vide its 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.com/smart-odr-portal.

26. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of 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.

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 Thangarajan Subash Chandira Bosh (DIN: 02772316) as Director (Projects).

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 October 3, 2025, has appointed Shri Thangarajan Subash Chandira Bosh, (DIN: 02772316), who was earlier serving as Executive Director (Engineering) in the Company, as Director (Projects) of REC in the scale of pay of ₹1,80,000- ₹3,40,000 (IDA), with effect from the date of his assumption of charge of the post till the date of his superannuation i.e. May 31, 2029 or until further orders, whichever is earlier. Shri Thangarajan Subash Chandira Bosh has assumed the charge of Director (Projects) w.e.f. October 3, 2025.

Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Shri Thangarajan Subash Chandira Bosh as Director (Projects) (Additional Director) of the Company, with effect from October 3, 2025, subject to approval of the shareholders. A brief profile of Shri Thangarajan Subash Chandira Bosh, in terms of Listing Regulations and Secretarial Standard-2, is annexed to this Notice.

Pursuant to the Articles of Association of the Company, Shri Thangarajan Subash Chandira Bosh shall be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated October 3, 2025 and/or any further other Order as may be issued by the Government of India.

Shri Thangarajan Subash Chandira Bosh fulfills the conditions as specified in the Act and Rules made thereunder and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority; and that he is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. 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 has approved the proposal of appointment of Shri Thangarajan Subash Chandira Bosh as Director (Projects) effective from October 3, 2025 and recommended the passing of the Ordinary Resolution at Item No. 5 of this notice, by Shareholders of the Company.

Except Shri Thangarajan Subash Chandira Bosh, 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, other than the extent of their shareholding in the Company, if any.

In view of the above, it is proposed to obtain approval of shareholders for appointment of Shri Thangarajan Subash Chandira Bosh as Director (Projects) of the Company, by passing Ordinary Resolution set out at Item No 5. of this Notice.

Item No. 6: Appointment of Shri Rajesh Kumar (DIN: 06941428) as Director (Finance).

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 2, 2026, has appointed Shri Rajesh Kumar, (DIN: 06941428), who was earlier serving as Executive Director (Finance) in the Company, as Director (Finance) of REC in the scale of pay of ₹1,80,000- ₹3,40,000 (IDA), for a period of five years w.e.f. the date of his assumption of charge of the post or until further orders, whichever is earlier. Shri Rajesh Kumar has assumed the charge of Director (Finance) w.e.f. April 2, 2026.

Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Shri Rajesh Kumar as Director (Finance) (Additional Director) of the Company, with effect from April 2, 2026, subject to approval of the shareholders. A brief profile of Shri Rajesh Kumar, in terms of Listing Regulations and Secretarial Standard-2, is annexed to this Notice.

Pursuant to the Articles of Association of the Company, Shri Rajesh Kumar shall be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated April 2, 2026 and/or any other further Order as may be issued by the Government of India.

Shri Rajesh Kumar fulfills the conditions as specified in the Act and Rules made thereunder and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority; and that he is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. 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 has approved the proposal of appointment of Shri Rajesh Kumar as Director (Finance) effective from April 2, 2026 and recommended the passing of the Ordinary Resolution at Item No. 6 of this notice, by Shareholders of the Company.

Except Shri Rajesh Kumar, 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, other than the extent of their shareholding in the Company, if any.

In view of the above, it is proposed to obtain approval of shareholders for appointment of Shri Rajesh Kumar as Director (Finance) of the Company, by passing Ordinary Resolution set out at Item No. 6 of this Notice.

Item No. 7: To approve the appointment of Shri Rajesh Kumar Agarwal (DIN: 09699001) as Director ("Nominee Director of PFC").

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 letter dated May 6, 2026, has appointed Shri Rajesh Kumar Agarwal (DIN: 09699001), as Nominee Director of PFC on the Board of REC, with effect from May 1, 2026.

Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Shri Rajesh Kumar Agarwal as Nominee Director of PFC on the Board of the Company, with effect from May 1, 2026, subject to approval of the shareholders. A brief profile of Shri Rajesh Kumar Agarwal, in terms of Listing Regulations and Secretarial Standard-2, is annexed to this Notice.

Pursuant to the Articles of Association of the Company, Shri Rajesh Kumar Agarwal shall be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated May 6, 2026 and/or any other Order as may be issued by the Government of India.

Shri Rajesh Kumar Agarwal fulfills the conditions as specified in the Act and Rules made thereunder and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority; and that he is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company.

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 has approved the proposal of appointment of Shri Rajesh Kumar Agarwal as Nominee Director of PFC on the Board of REC effective from May 1, 2026 and recommended the passing of the Ordinary Resolution at Item No. 7 of this notice, by Shareholders of the Company.

Except Shri Rajesh Kumar Agarwal, 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, other than the extent of their shareholding in the Company, if any.

In view of the above, it is proposed to obtain approval of shareholders for appointment of Shri Rajesh Kumar Agarwal as Nominee Director of PFC on the Board of the Company, by passing Ordinary Resolution set out at Item No. 7 of this Notice.

Item No. 8: Appointment of Dr. Anil Kumar Gupta (DIN: 00442146) 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 June 22, 2026, has appointed Dr. Anil Kumar Gupta as Part-time Non-official Independent Director of REC, for a period of three months with effect from assumption of charge of the post, 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. Anil Kumar Gupta as Part-time Non-official Independent Director (Additional Director) of the Company, with effect from June 22, 2026, subject to approval of the shareholders. Further, his tenure will be upto three months with effect from assumption of charge of the post i.e., June 22, 2026, or until further orders, whichever is earlier.

A brief profile of Dr. Anil Kumar Gupta, 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. Anil Kumar Gupta shall not be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated June 22, 2026 and/or any other order as may be issued by the Government of India.

Dr. Anil Kumar Gupta 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 has approved the proposal of appointment of Dr. Anil Kumar Gupta as Part-time Non-Official Independent Director effective from June 22, 2026 and recommended the passing of the Special Resolution at Item No. 8 of this notice, by Shareholders of the Company.

Except Dr. Anil Kumar Gupta, 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. Anil Kumar Gupta as Part-time Non-official Independent Director of the Company, by passing Special Resolution set out at Item No. 8 of this Notice.

Item No. 9: Appointment of Dr. Kanchiappan Ghayathri Devi (DIN: 07584524) 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 June 22, 2026, has appointed Dr. K. Ghayathri Devi as Part-time Non-official Independent Director of REC, for a period of three months with effect from assumption of charge of the post, 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. K. Ghayathri Devi as Part-time Non-official Independent Director (Additional Director) of the Company, with effect from June 22, 2026, subject to approval of the shareholders. Further, her tenure will be upto three months with effect from assumption of charge of the post i.e., June 22, 2026, or until further orders, whichever is earlier.

A brief profile of Dr. K. Ghayathri Devi, 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. K. Ghayathri Devi shall not be liable to retire by rotation. Further, the terms & conditions of her appointment will be governed by MoP Order dated June 22, 2026 and/or any other order as may be issued by the Government of India.

Dr. K. Ghayathri Devi 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 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 has approved the proposal of appointment of Dr. K. Ghayathri Devi as Part-time Non-official Independent Director effective from June 22, 2026 and recommended the passing of the Special Resolution at Item No. 9 of this notice, by Shareholders of the Company.

Except Dr. K. Ghayathri Devi, 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. K. Ghayathri Devi as Part-time Non-official Independent Director of the Company, by passing Special Resolution set out at Item No. 9 of this Notice.

Item No. 10: Appointment of Smt. Poonam Chauhan (DIN: 11842802) 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 July 20, 2026, has appointed Smt. Poonam Chauhan as Part-time Non-official Independent Director of REC, for a period of three years with effect 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 Smt. Poonam Chauhan as Part-time Non-official Independent Director (Additional Director) of the Company, with effect from July 21, 2026, subject to approval of the shareholders. Further, her tenure will be upto three years with effect from the date of notification of her appointment, or until further orders, whichever is earlier.

A brief profile of Smt. Poonam Chauhan, 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, Smt. Poonam Chauhan shall not be liable to retire by rotation. Further, the terms & conditions of her appointment will be governed by MoP Order dated July 20, 2026 and/or any other order as may be issued by the Government of India.

Smt. Poonam Chauhan 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 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 has approved the proposal of appointment of Smt. Poonam Chauhan as Part-time Non-official Independent Director effective from July 21, 2026 and recommended the passing of the Special Resolution at Item No. 10 of this notice, by Shareholders of the Company.

Except Smt. Poonam Chauhan, 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 Smt. Poonam Chauhan as Part-time Non-official Independent Director of the Company, by passing Special Resolution set out at Item No. 10 of this Notice.

Item No. 11: 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 ₹1,40,000 crore, during a period of one year from the date of passing of this resolution, i.e. upto August 24, 2027, 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 ₹1,40,000 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 authorised 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.

The Board of Directors of the Company has approved the above proposal and recommended the passing of the Special Resolution at Item No. 11 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, other than the extent of their holding in the securities of the Company, if any.

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. 11 of this Notice.

By Order of the Board of Directors
For REC Limited

Dinesh Garg
Company Secretary & Compliance Officer

Place: Gurugram
Date: July 29, 2026

Brief Profile of the Directors 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 Thangarajan Subash Chandira Bosh	Shri Rajesh Kumar	Dr. K. Ghayathri Devi	Smt. Poonam Chauhan
DIN	08364288	02772316	06941428	07584524	11842802
Date of Birth	March 16, 1983	May 5, 1969	May 26, 1973	December 2, 1970	September 22, 1978
Age	43 years	57 years	53 years	55 years	47 Years
Date of first appointment on the Board	August 21, 2023	October 3, 2025	April 2, 2026	June 22, 2026	July 21, 2026
Qualification(s)	IAS (MP: 2007), B. Tech (Electrical).	Bachelor's Degree in Electrical & Electronics, Post Graduate Programme in Management for Senior Executives.	Bachelor's Degree in Commerce (Honours), Chartered Accountant and Cost & Management Accountant.	MBBS, Diploma in Medical Cosmetology and MBA in Hospital Management&Health Administration.	Bachelor's Degree in Education (B.Ed.) and Master of Arts (M.A.) in English.

Name of the Director(s)	Shri Rajesh Kumar Agarwal	Dr. Anil Kumar Gupta
DIN	09699001	00442146
Date of Birth	March 8, 1972	March 12, 1966
Age	54 years	60 years
Date of first appointment on the Board	May 1, 2026	June 22, 2026
Qualification(s)	Bachelor's degree in Commerce (Honours) and Cost & Management Accountant.	M.Sc. in Environmental Science, M.B.A., M.A., LL.B. and Ph.D.

Name of the Director(s)	Shri Shashank Misra	Shri Thangarajan Subash Chandira Bosh	Shri Rajesh Kumar	Shri Rajesh Kumar Agarwal	Dr. Anil Kumar Gupta	Dr. K. Ghayathri Devi	Smt. Poonam Chauhan
Detailed profile 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 Thangarajan Subash Chandira Bosh holds over 35 years of extensive experience in Power Sector. Shri Bosh has held several key leadership positions, including serving as the Chief Executive Officer of REC Power Development and Consultancy Limited. He has also demonstrated leadership in Strategic Decision Making, Business Development & Coordination with all Stakeholders.	Shri Rajesh Kumar is a seasoned finance professional with over 30 years of experience in accounts, taxation, audit, treasury, project appraisals and regulatory compliances. Shri Gupta has also held the position of Chief Executive Officer of REC Power Development and Consultancy Limited. His career is marked by a decade long stint with a CPSE engaged in engineering and project consultancy followed by over 20 years of dedicated service at REC Limited (under the Ministry of Power) developing deep expertise in power sector financing and resource mobilisation.	Shri Rajesh Kumar Agarwal has a distinguished career spanning over 31 years in the Power and Financial sectors. He managed various cross-functional teams and earned diversified experience in the areas like Corporate Accounts, Taxation, Fund Management & Banking, Lending Policy Compliance, Restructured Assets Management, Fund Raisings and Loan Disbursement. He has been instrumental in spearheading digital reforms and worked extensively towards excellence in financial reporting. He is also a distinguished Speaker at various Professional forums.	Dr. Anil Kumar Gupta is a distinguished environmentalist, visionary philanthropist, and prominent leader in India's MSME sector. He is having decades of service experience in environmental sustainability, business, social development and governance. He currently serves on the boards of the Central Pollution Control Board and Delhi Pollution Control Committee and he is also member in Expert Appraisal Committee [EAC (Infra-2)] for Environmental Impact Assessment.	Dr. K. Ghayathri Devi is a Medical Practitioner at Suriyaa Diagnostics since 1997. Dr. Ghayathri is also actively involved in Social Service. She currently serves as Secretary & Correspondent at Sri Santhoshi Group of Educational Institutions and Director in Suriyaa Diagnostics and SSNT College, Chennai.	Smt. Poonam Chauhan brings extensive experience in the field of education and social development. As a dedicated social worker, she has been actively engaged in initiatives focused on healthcare, women's empowerment, child development and environmental conservation. She has made significant contributions towards promoting inclusive social welfare and community development through various grassroots initiatives. She is recognized for her strong commitment to community development and inclusive growth, with a particular focus on enhancing educational opportunities and improving the quality of life of underprivileged sections of society.

Name of the Director(s)	Shri Shashank Misra	Shri Thangarajan Subash Chandira Bosh	Shri Rajesh Kumar	Shri Rajesh Kumar Agarwal	Dr. Anil Kumar Gupta	Dr. K. Ghayathri Devi	Smt. Poonam Chauhan
Nature of expertise in specific functional areas	Shri 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.	Shri Bosh's strategic oversight has extended to a wide range of corporate functions, including Business Development, Human Resources, Information Technology, Corporate Social Responsibility, Project Monitoring and Corporate Communications.	Shri Kumar has been instrumental in managing diverse and complex financial portfolios, demonstrating exceptional leadership across finance and resource mobilization.	Shri Agarwal managed various cross-functional teams and earned diversified experience in the areas like Corporate Accounts, Taxation, Fund Management & Banking, Lending Policy Compliance, Restructured Assets Management, Fund Raisings and Loan Disbursement.	Dr. Gupta holds leadership roles in multiple organizations such as DMA, EDMA, ITI, and DTNBWED and has served on the JZK Committee on Waqf Property Lease Rules (2018) under the Ministry of Minority Affairs.	Dr. Ghayathri has held several notable public roles. She was a member of State Women's Commission from the year 2007 to 2010, MLA from the year 2006 to 2011 and OSD to Ministry of Environment and Forests from the year 2011 to 2014.	Smt. Chauhan's diverse experience in education, social advocacy and grassroots development initiatives enables her to contribute valuable insights on sustainability, social responsibility and stakeholder engagement.
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. 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.	Shri Thangarajan Subash Chandira Bosh has been appointed as Director (Projects) (Additional Director) of REC Limited in the scale of pay of ₹1,80,000-3,40,000 (IDA). The terms and conditions of his appointment will be governed by MoP Order dated October 3, 2025 or any further order(s) etc. issued by the Government of India.	Shri Rajesh Kumar has been appointed as Director (Finance) (Additional Director) of REC Limited in the scale of pay of ₹1,80,000-3,40,000 (IDA). The terms and conditions of his appointment will be governed by MoP order dated April 2, 2026 or any further order(s) etc. issued by the Government of India.	Nominated by the MoP vide its letter dated May 6, 2026. 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. However, he has conveyed that no sitting fee is to be paid in connection with Board or Committees meetings of REC attended by him. Further, payment/ reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc. in respect of him attending such Board or Committee meetings, would be borne by the Company. The terms and conditions of his appointment will be governed by MoP letter dated May 6, 2026 or any further order(s) etc. issued by the Government of India.	The terms & conditions of his appointment will be governed by MoP Order dated June 22, 2026 or any further order 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/ 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 her appointment will be governed by MoP Order dated June 22, 2026 or any further order 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 of TA/DA, out-of-pocket expenses etc., if any, in respect of Board or Committee meetings to be attended by her, would be borne by the Company.	The terms & conditions of her appointment will be governed by MoP Order dated July 20, 2026 or any further order 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 of TA/DA, out-of-pocket expenses etc., if any, in respect of Board or Committee meetings to be attended by her, would be borne by the Company.

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Name of the Director(s)	Shri Shashank Misra	Shri Thangarajan Subash Chandira Bosh	Shri Rajesh Kumar	Shri Poonam Chauhan	Dr. K. Ghayathri Devi	Dr. Anil Kumar Gupta	Shri Rajesh Kumar Agarwal
Shareholding in the Company including as a beneficial owner	Nil	Nil	900 Equity Shares	Nil	Nil	Nil	Nil
Number of Board meetings attended during the financial year 2025-26	Attended 10 Board meetings during the financial year 2025-26.	Attended 8 Board meetings during the financial year 2025-26.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Number of Committee meetings attended during the financial year 2025-26	Not Applicable	Attended 7 Committee meetings during the financial year 2025-26.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Directorships in other companies / listed entities	• Power Finance Corporation Limited	• REC Power Development and Consultancy Limited. • Tamil Nadu Power Distribution Corporation Limited • Bihar Grid Company Limited • U.P. Power Transmission Corporation Limited	• REC Power Development and Consultancy Limited. • Jammu and Kashmir Power Corporation Limited	Nil	• NTPC Limited	• NTPC Limited • PFC Consulting Limited. • PFC Infra Finance IFSC Limited	• Power Finance Corporation Limited • PFC Consulting Limited. • PFC Infra Finance IFSC Limited
Details of listed entities from which resigned in the past three years	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Membership/ Chairmanship of Committee across all public companies other than REC as on March 31, 2026.	Nil	Chairperson of CSR Committee in REC Power Development and Consultancy Limited.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Relationship with Directors & KMP inter-se	No *inter-se* relationship with any other Director or KMP of the Company	No *inter-se* relationship with any other Director or KMP of the Company	No *inter-se* relationship with any other Director or KMP of the Company	No *inter-se* relationship with any other Director or KMP of the Company	No relationship with any other Director or KMP of the Company	No *inter-se* relationship with any other Director or KMP of the Company	No *inter-se* relationship with any other Director or KMP of the Company

ANNEXURE TO NOTICE

Instructions for members for remote e-voting, attending the 57th AGM through VC/OAVM and electronic voting during the AGM

A. Instructions for remote e-voting system prior to the 57th AGM

The remote e-voting period begins on **Saturday, August 22, 2026 (0900 hours) and ends on Monday, August 24, 2026 (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 record date (cut-off date) i.e. August 18, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their shareholding as on the said cut-off date being August 18, 2026.

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 Individual shareholders holding securities in demat mode

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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. 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. 2. 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 Company name 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. 3. 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 4. 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 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold 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 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. 5. 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 App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting 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. 3. 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. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of Shareholders	Login Method
Individual Shareholders (holding securities 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 e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 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.

Important note: *Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.*

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 securities 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 securities 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

B) 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.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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 eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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:**
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) 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.
   c) How to retrieve your 'initial password'?
   (i) 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. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digits 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'.
   (ii) If your email ID is not registered, please follow steps 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:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) 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, your PAN, your name and your registered address etc.
   d) Members can also use the 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.

How to 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 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 57th 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.

C. Instructions for members for voting through electronic voting system during the 57th 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 sachincs2022@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), AADHAAR (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), AADHAAR (self-attested scanned copy of AADHAAR 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, AVP, 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 57th Annual Report together with the Audited Financial Statements of your Company for the financial year ended on March 31, 2026.

1. PERFORMANCE HIGHLIGHTS

1.1 Summary of performance

The performance highlights of the Company for the financial year 2025–26, along with a comparative analysis of the previous year's performance, are presented below:

(₹ in crore)

Parameter	FY 2025-26	FY 2024-25
Loans Sanctioned	**4,09,096.50**	3,37,179.37
Disbursements	**2,11,189.25**	1,91,184.67
Recoveries (including interest)	**2,46,549.61**	1,79,694.70
Total Operating Income	**59,139.96**	55,911.12
Profit Before Tax	**20,713.19**	19,859.78
Profit After Tax	**16,282.26**	15,713.21
Total Comprehensive Income	**12,115.91**	14,196.41

1.2 Financial performance

The total operating income of the Company for the financial year 2025-26 was ₹59,139.96 crore as compared to ₹55,911.12 crore during the financial year 2024-25.

The Profit After Tax and Total Comprehensive Income for the financial year 2025-26 was ₹16,282.26 crore and ₹12,115.91 crore, respectively, as compared to ₹15,713.21 crore and ₹14,196.41 crore, respectively, for the financial year 2024-25.

Earnings Per Share (EPS) for the financial year ended March 31, 2026 stood at ₹61.71 per equity share of ₹10/- each, compared to ₹59.55 per equity share in the previous year. The Company's Net Worth as on March 31, 2026 increased to ₹84,290.41 crore, representing a growth of 8.57% over ₹77,637.97 crore as on March 31, 2025.

The Company's Gross Loan Assets as on March 31, 2026 stood at ₹5,83,659.36 crore, compared to ₹5,66,883.29 crore as on March 31, 2025. Further, the outstanding borrowings as on March 31, 2026 amounted to ₹5,05,777.42 crore, as against ₹4,88,258.51 crore in the previous year.

1.3 Dividend

For the financial year 2025–26, the Board of Directors has recommended a final dividend of ₹1.55 per equity share of face value of ₹10/- each (15.50% of the paid-up share capital), subject to approval of the shareholders at the 57th Annual General Meeting scheduled to be held on August 25, 2026. This final dividend is in addition to the interim dividends already declared and paid during the financial year which are as follows:

Interim Dividend	₹ per Equity Share	Date of Payment
1st	4.60	August 21, 2025
2nd	4.60	November 14, 2025
3rd	4.60	February 27, 2026
4th	3.20	March 30, 2026

The total dividend for the financial year 2025-26, including the final dividend, amounts to ₹18.55/- per equity share of face value of ₹10/- each, which is 185.50% of the paid-up share capital. For the financial year 2024-25, the Company had paid total dividend of ₹18/- per equity share of face value of ₹10/- each, which was 180% of the paid-up share capital.

The total dividend pay-out for the financial year 2025-26, including the proposed final dividend, would work out to ₹4,884.63 crore. The dividend is paid in accordance with the Company's Dividend Distribution Policy, which is available on the website of the Company at https://recindia.com/policies.

1.4 Share capital

As on March 31, 2026, the authorised 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, 2026, 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 2025–26, the Company has focused on the introduction and revision of various policies which *inter-alia* includes Policy on Treatment of Wilful Defaulters and Large Defaulters; Outsourcing of Financial Services Policy; Fraud Risk Management Policy; POSH Policy; Internal Ceiling on Foreign Currency Borrowings; Project Appraisal Guidelines for financing Renewable Energy Projects; Compliance Policy; Code of Conduct for Regulating, Monitoring & Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure; Dividend Distribution Policy; Policy on Materiality of Related Party Transactions & dealing with Related Party Transactions and the Internal Capital Adequacy Assessment Process (ICAAP) of REC together with REC ICAAP Document.

2. FINANCIAL REVIEW

2.1 Summary of Financial Results

The summary of audited financial results of the Company for the financial year 2025-26, *vis-à-vis* the previous financial year, is given as follows:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from Operations	59,139.96	55,911.12	59,584.16	56,366.55
Other Income	47.26	68.50	44.19	67.48
Total Income	**59,187.22**	**55,979.62**	**59,628.35**	**56,434.03**
Finance Costs	36,241.29	34,134.98	36,238.12	34,131.29
Net translation / transaction exchange loss	272.60	208.15	272.60	208.15
Fees and Commission Expense	15.62	13.66	15.62	13.66
Net loss/ (gain) on fair value changes	962.46	-	962.46	-
Impairment on financial instruments	201.22	1,019.41	231.40	1,021.58
Other Expenses	780.84	743.64	1,123.54	941.88
Total Expenses	**38,474.03**	**36,119.84**	**38,843.74**	**36,316.56**
Exceptional Items	-	-	18.28	-
Profit Before Tax	**20,713.19**	**19,859.78**	**20,766.33**	**20,117.47**
Tax Expenses	4,430.93	4,146.57	4,458.16	4,233.24
Profit After Tax	**16,282.26**	**15,713.21**	**16,308.17**	**15,884.23**
Other Comprehensive Income for the period	(4,166.35)	(1,516.80)	(4,166.35)	(1,516.80)
Total Comprehensive Income	**12,115.91**	**14,196.41**	**12,141.82**	**14,367.43**
Add: Opening Balance of Retained Earnings and Other Comprehensive Income	13,655.44	13,149.12	14,335.69	13,658.35
Amount available for appropriation	**25,771.35**	**27,345.53**	**26,477.51**	**28,025.78**
Less: Appropriations				
Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961	(3,383.02)	(3,550.57)	(3,383.02)	(3,550.57)
Reserve for bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(778.61)	(841.80)	(778.61)	(841.80)
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(3,256.45)	(3,142.64)	(3,256.45)	(3,142.64)
General Reserve	(2,080.00)	(750.00)	(2,080.00)	(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	**(9,531.38)**	**(8,318.31)**	**(9,531.38)**	**(8,318.31)**
Less: Dividend payments to Owners (including related taxes)				
Dividend	(5,161.12)	(5,371.78)	(5,161.12)	(5,371.78)
Closing Balance of Retained Earnings and Other Comprehensive Income	**11,078.85**	**13,655.44**	**11,785.01**	**14,335.69**

2.2 Contribution to National Exchequer

During the financial year 2025-26, the Company had contributed an amount of ₹3,983.01 crore to the National Exchequer, which included ₹3,708.13 crore towards Direct Taxes and ₹274.88 crore towards Goods and Services Tax (GST). In the previous financial year, the total contribution to the National Exchequer was ₹4,341.42 crore.

2.3 Ratio analysis

A comparative statement of significant ratios of the Company for the financial year 2025-26 *vis-à-vis* the previous financial year, is given below:

Particulars	FY 2025-26	FY 2024-25
Earnings per Share (₹)	**61.71**	59.55
Return on Average Net Worth (%)	**20.11**	21.46
Book Value per Share (₹)	**320.11**	294.84
Debt Equity Ratio (times)*	**6.00**	6.29
Price Earnings Ratio (times)#	**4.94**	7.21
Interest Coverage Ratio (times)	**1.57**	1.58

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

#PE Ratio is calculated based on closing price of REC's Equity Share at NSE, as on March 30, 2026 and as on March 28, 2025, respectively (being last trading day).

2.4 Resource mobilization

2.4.1 Total resource mobilization during the financial year

During the financial year 2025-26, the Company has mobilized funds of ₹83,558.32 crore from the market. This included ₹9,600.60 crore from External Commercial Borrowings (long term) in different currencies i.e. USD 966.88 million and EURO 89.95 million, ₹3,082.31 crore equivalent to USD 360.05 million from FCNR (Short term) loans, long and short rupee term loans (more than 6 months) from banks and financial institutions of ₹27,697 crore and ₹4,118 crore, respectively, ₹3,000 crore from issuance of Commercial Paper, ₹5,177.91 crore (net of refund and includes pending allotment as on March 31, 2026) from Capital Gains Tax Exemption Bonds and ₹30,882.50 crore from Institutional Bonds.

2.4.2 Redemption and pre-payment

During the financial year 2025-26, the Company has repaid a sum of ₹80,442.82 crore. This includes repayment amounting to ₹19,571.70 crore towards Institutional Bonds, ₹405.92 crores towards Tax-Free Bonds and ₹5,312.07 crore towards Capital Gain Tax Exemption Bonds, ₹6,185.10 crore towards External Commercial Borrowings equivalent of USD 611.84 million and JPY 10,519.00 million, ₹39,699.03 crore of FCNR loans equivalent of USD 4,318.74 million and JPY 34,228.99 million. The Company also repaid long term loans amounting to ₹7,669 crore to various banks and financial institutions and short-term loans (more than 6 months) amounting to ₹1,600 crore.

2.4.3 Cost of borrowing

The overall annualized cost of funds during the financial year 2025-26 was 7.34%.

Further, during the financial year 2025-26, the Company had raised funds of ₹30,882.50 crore through listed bonds, at a cost of 6.80% p.a., which is 29 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 ₹17,350 crore from various banks for its day-to-day operations, out of which ₹5,369 crore was availed as on March 31, 2026.

2.4.5 Perpetual Debt Instruments

The 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, 2026, the said instruments form 6.55% 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 2025-26

REC had raised the following Green Bonds till the financial year 2025-26:

Sl. No	Fund Raised (FCY)	Month and Year	Tenor (in years)
1	USD 450 million Green Bonds	July 2017	10
2	USD 750 million Green Bonds	April 2023	5
3	JPY 61.1 billion Green Bonds		
	JPY 31.00 billion Green Bonds	January 2024	5
	JPY 27.40 billion Green Bonds	January 2024	5.25
	JPY 2.70 billion Green Bonds	January 2024	10
4	USD 500 million Green Bonds	September 2024	5

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 seven lines of Official Development Assistance (ODA) credit with KfW, Germany, out of which three lines have been fully repaid and two have been fully drawn. The sixth line of credit of USD 215.56 million is for refinancing investments in Revamped Distribution Sector Scheme (RDSS) of the Government of India, under which USD 114.63 million has been drawn till March 31, 2026. Further, the seventh line of credit of Euro 200 million is for renewable energy generation, out of which Euro 89.95 million has been drawn till March 31, 2026.

Apart from the above, REC had two lines of ODA with JICA, Japan 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, India Ratings & Research & ICRA (Credit Rating Agencies) throughout the financial year 2025-26. There was no revision in the ratings assigned to REC during the financial year 2025-26.

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

Further, details of credit ratings are also given in the Corporate Governance Report annexed to this report.

2.6 Investments made during the financial year

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 2025-26.

Further, during the financial year 2025-26, REC has made a strategic investment of ₹2.58 crore in the units of NHAI sponsored InvIT through its Initial Public Offering, in line with the Company's objective of diversifying its investment portfolio initiatives. Other details of investment made by the Company are appearing in the Notes to Accounts of the Standalone Financial Statements.

2.7 Financial status at the close of the financial year

At the end of the financial year 2025-26, the total resources of the Company stood at ₹6,39,076.31 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 ₹81,098.79 crore, financial liabilities including borrowings and other financial liabilities accounted for ₹5,53,849.53 crore and non-financial liabilities including provisions stood at ₹936.37 crore.

These funds were deployed as financial assets including long-term and short-term loans, investments etc. of ₹6,34,486.30 crore and non-financial assets including property, plant & equipment, tax assets etc. of ₹4,590 crore, besides asset classified as held for sale, amounting to ₹0.01 crore.

3. LOANS SANCTIONED

During the financial year 2025-26, the Company has sanctioned loans worth ₹4,09,096.50 crore against ₹3,37,179.37 crore in the previous financial year.

The loans sanctioned for the financial year 2025-26 includes ₹1,28,876.43 crore towards Conventional Generation projects (including coal purchase/mining), ₹85,008.57 crore towards Renewable Energy projects (including Large Hydro), ₹1,45,727.17 crore towards T&D projects including the loans under Revolving Bill Payment Facility and Late Payment Surcharge, ₹41,784.34 crore towards Infrastructure & Logistics projects and ₹7,700 crore towards Short Term & Medium Term Loans. Details of Category-wise sanctions during the financial year 2025-26 are appearing subsequently in this report.

4. DISBURSEMENTS

During the financial year 2025-26, the Company has disbursed total sum of ₹2,11,189.25 crore, as against ₹1,91,184.67 crore in the previous financial year.

The disbursements for the financial year 2025-26 includes ₹25,652.82 crore towards generation projects, ₹28,896 crore towards renewable energy projects, ₹74,319.16 crore towards T&D projects, ₹4,250.28 crore towards Power Infrastructure projects, ₹3,534.42 crore towards Infrastructure & Logistics projects, ₹72,521.37 crore towards other loans including short term and RBPF and ₹2,015.20 crore of counter-part funding under various schemes of the Government of India.

5. RECOVERIES

5.1 Recoveries during the financial year

The Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2025-26, the amount due for recovery including interest for Standard Assets (Stage I & II) was ₹2,45,428.35 crore, as compared to ₹1,80,907.83 crore during the previous financial year. The Company recovered a total sum of ₹2,44,798.94 crore (against dues during the year) towards Standard Assets (Stage I & II) during the financial year 2025-26, as against ₹1,79,694.70 crore in the previous financial year. The Company achieved recovery rate of 99.74% for the financial year 2025-26. The principal overdues from defaulting borrowers pertaining to Standard Assets (Stage I & II) as on March 31, 2026 were ₹231.12 crore. Further, an amount of ₹1,485.77 crore has been recovered from Credit Impaired Assets (Stage III) in the financial year 2025-26, as compared to ₹4,462.47 crore recovered in the previous financial year.

5.2 Credit Impaired Assets

The 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, 2026 the Gross Credit Impaired Assets (Stage III) were ₹1,384.75 crore, which is 0.24% of Gross Loan Assets and Net Credit Impaired Assets (Stage III) were ₹677 crore, which is 0.12% 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 2025-26, REC has successfully resolved four stressed power projects, as per the details given below:

Sl. No.	Name of the Borrower	REC's exposure (₹ in crore)	Remarks
1	Sinnar Thermal Power Limited	2,331.33	Resolved under IBC
2	TRN Energy Private Limited	1,504.07	Resolved through Debt Restructuring under RBI Framework
3	Bhadreshwar Vidyut Private Limited	992.96	Resolved under IBC
4	Bhavnagar Biomass Power Projects Private Limited	13.77	Resolved through Compromise Settlement with Borrower under RBI framework
	Total	**4,842.13**	

Additionally, in accordance with Company's policy on technical write off, five loan assets with total amount of ₹1,397.58 crore has been technically written off in respect of Ind-Barath Power (Madras) Limited for ₹416.21 crore, Jas Infrastructure Capital Private Limited for ₹33.24 crore, Konaseema Gas Power Limited for ₹219.10 crore, Lanco Vidarbha Thermal Power Limited for ₹479.03 crore and Shree Maheshwar Hydel Power Corporation Limited for ₹250 crore.

6. APPRAISAL SYSTEM FOR FINANCING

6.1 Appraisal system for financing private sector projects

The 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.

The 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, the 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 2025-26, the Company has completed grading in respect of 25 utilities. Further, 2 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").

6.3 Project Monitoring

Project monitoring is a key unique strength of REC's risk management and credit oversight architecture. Based on the increasing scale, technical complexity and sectoral diversity of its loan portfolio, REC deploys a comprehensive Project Monitoring Guideline methodology. This framework ensures a disciplined mechanism for supervision across the project lifecycle i.e. from the first loan drawdown to post-commissioning stability. Project Monitoring guidelines facilitates mapping of milestone wise physical progress against scheduled sanctioned timelines, early identification of bottlenecks to prevent time and cost overruns and aligning fund release with verified on-ground completion to prevent capital diversion.

All the under-construction projects, which are funded by REC mandatorily undergo for physical inspections, regularly by REC officials. The intensity and frequency of these visits are dynamically calibrated based on State/Private sector and project category, total financial loan sanctioned and disbursement status, stage of construction etc. Project monitoring activities are overseen by a dedicated team at the Corporate Office and is being carried out through Regional Offices across the Country, in close coordination with the concerned Operating Divisions. A dedicated web-based platform enables not only visibility of the project status during implementation but also early detection of emerging risks and expeditious resolution of issues thereof by way of generating suitable alerts.

To address the unique risks associated with private sector exposure, REC integrates independent third-party validation by engagement of Project Management Agencies (PMAs), which undertakes periodic site inspections and submit detailed reports on physical progress, supply chain constraints and emerging credit risks. In addition, High-value and "Critical Category" projects are escalated for periodic review by senior management. This ensures that strategic interventions and policy-level decisions are made expeditiously to resolve complex project-specific challenges. The monitoring mandate extends beyond the Commercial Operation Date (COD) by way of tracking operational performance of the project after commissioning too, to ensure long-term asset quality and timely recovery of dues.

7. FINANCING ACTIVITIES DURING THE FINANCIAL YEAR

The 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 are as follows:

7.1 Generation

During the financial year 2025-26, the Company has sanctioned 48 nos. of loans towards Generation Projects (other than Hydro Projects) including implementation of



1,400 MW Sunbreeze Renewables Plant in Bikaner, Rajasthan, financed by REC.

pollution control equipment, performance improvement, coal mining projects, procurement of coal, R&M of thermal projects etc. and sanctioned total loan assistance of ₹1,28,876.43 crore, as per details given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**45**	**1,20,797.47**
Fresh Loan	44	1,19,984.12
Additional Loan	1	813.35
Private Sector	**3**	**8,078.96**
Fresh Loan	3	8,078.96
Total	**48**	**1,28,876.43**

7.2 Renewable Energy

During the financial year 2025-26, the Company has sanctioned 58 nos. of loans to Renewable Energy Projects (including large hydro projects and pumped storage projects) with installed capacity aggregating to 13,353.62 MW, BESS, Solar Park projects with total loan assistance of ₹85,008.57 crore, as per details given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**14**	**40,897.72**
Fresh Loan	13	40,848.92
Additional Loan	1	48.80
Private Sector	**44**	**44,110.85**
Fresh Loan	44	44,110.85
Total	**58**	**85,008.57**

The above loans includes 5 Large Hydro Projects with aggregate capacity of 2,240 MW, 27 Solar Energy Projects with aggregate capacity of 4,348.62 MW, 9 Wind Energy Projects with aggregate capacity of 500.90 MW, 12 Solar+Wind+BESS Hybrid Projects with aggregate capacity of 5,314.10 MW, 1 Pumped Storage Project with aggregate capacity of 950 MW, 3 Battery Energy Storage System and 1 Solar Park Infra Project.

7.3 Transmission & Distribution

During the financial year 2025-26, the Company has sanctioned 364 nos. of loans to Transmission & Distribution (T&D) schemes/projects involving a total loan assistance of ₹1,45,727.17 crore including RBPF, RDSS schemes of Government of India.

Details of loans sanctioned under T&D category during the financial year 2025-26 are given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**359**	**1,37,874.21**
Transmission Loan(s)	128	16,243.20
Distribution Loan(s)	226	1,17,531.01
Loan under LPS	1	500.00
RBPF	4	3,600.00
Private Sector	**5**	**7,852.96**
Transmission Loan(s)	5	7,852.96
Total	**364**	**1,45,727.17**

7.4 Infrastructure & Logistics

During the financial year 2025-26, the Company has sanctioned 7 nos. of loans to Infrastructure & Logistics projects involving total loan assistance of ₹41,784.34 crore in several Infrastructure projects in areas such as development of Roads, Metro, Airport, City Gas Distribution etc.

Details of Sector wise Infrastructure & Logistics loans sanctioned during the financial year 2025-26 are given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**5**	**40,284.34**
Highway / Roads	2	35,800.00
Metro	1	2,593.47
City Gas Distribution	1	1,440.87
Others	1	450.00
Private Sector	**2**	**1,500.00**
Airport	2	1,500.00
Total	**7**	**41,784.34**



Upper Reservoir 4X125 MW Kundah PSP Tamil Nadu, financed by REC.

7.5 Short / Medium Term Loans and other loan assistance

The Company has also sanctioned 11 nos. of Short Term & Medium Loans aggregating to ₹7,700 crore to various power sector borrowers during the financial year 2025-26 for their short term, medium-term and working capital requirements.

7.6 Financing activities in North Eastern States

During the financial year 2025-26, the total financial assistance sanctioned by the Company in the North Eastern States includes a sum of ₹16,011.06 crore towards 12 projects.

8. PRESENT T&D SCENARIO AND OTHER REFORMS

As the Country's installed generation capacity is at a high of 533 GW (as on March 31, 2026) 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 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.

The 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. The 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 the Distribution Companies (DISCOMs). The policy framework of the Government to support the 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 RDSS was launched in year 2021, for supporting DISCOMs to undertake reforms and improve performance in a time-bound manner.

For ensuring electrification of remaining un-electrified households, the concerned proposals are also being sanctioned under RDSS. The Government of India has launched Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyaan (PM JANMAN) scheme on November 15, 2023, which aims at the targeted development of 75 particularly Vulnerable Tribal Groups (PVTG) residing in 18 States and the Union Territory of Andaman and Nicobar Islands. MoP utilizes the RDSS framework to electrify PVTG households, aligning with the objectives of PM-JANMAN. 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.



9 MMTPA HPCL Rajasthan Refinery Project, financed by REC.

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

a. Electricity (Amendment) Rules, 2022; prescribed implementation of formula and procedure for automatic pass-through of Fuel and Power Procurement Adjustment Surcharge.

b. Electricity (Amendment) Rules, 2023; covered aspects like establishment of Consumer Grievance Redressal Forum under section 42 of the Electricity Act, 2003, appointment of Ombudsman by State Commission etc.

c. Electricity (2nd Amendment) Rules, 2023; covered subsidy accounting & payment, framework for financial sustainability guiding States on AT&C loss trajectories, Promoting Renewable Energy Through Green Energy Open Access etc.

d. Electricity (Amendment) Rules, 2024; covered charging of additional surcharge on Open Access consumers, cost reflective tariff etc.

e. Electricity (Amendment) Rules, 2026; notified amendments to Rule 3 of the Electricity Rules, 2005 relating to Captive Generating Plants to clarify ownership provisions, simplify rules for group captive arrangements and establish a clear verification mechanism.

2) Amendments to Electricity (Rights of Consumers) Rules, 2020

a. Electricity (Rights of Consumers) Amendment Rules, 2021; defined gross metering, allowed net metering for loads up to 500 kW and gross metering for prosumers etc.

b. Electricity (Rights of Consumers) Amendment Rules, 2022; mandates 24x7 power supply in metro cities to reduce use of DG sets, defines reliability indices and provisions for online monitoring of reliability indices.

c. Electricity (Rights of Consumers) Amendment Rules, 2023; covered provisions for reading of smart meters, implementation of Time-of-Day Tariff for consumers, timely intimation to consumers on change in tariff etc.

d. Electricity (Rights of Consumers) Amendment Rules, 2024; revised timelines for new connections & testing of meter, set rules for connections to RWA/societies and amended the roof top solar installation requirements and timelines.

3) Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 ("Rules") and its amendments

The Rules has been notified facilitating easier access to renewable energy, lowering the open access transaction limit from 1 MW to 100 kW. These rules allow consumers to buy green power *via* a national portal, encourage captive consumption, provide a unified framework for RPO compliance and green tariffs, allowed banking on monthly basis with compensation to DISCOM, provide structure of open access charges, provisions related to limit on increasing of cross-subsidy surcharge and the removal of additional surcharge etc.

8.2 Revamped Distribution Sector Scheme

8.2.1 Overview

REC and PFC are the nodal agencies for the reforms-based and results-linked Revamped Distribution Sector Scheme (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. However, the time period for implementation of the scheme has been extended upto March'2028 (extended from the earlier sunset of March 2026). REC, as nodal agency, 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.

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 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. Further, the schemes of IPDS, DDUGJY, PMDP-2015 for the UTs of Jammu & Kashmir have been also subsumed under RDSS.

8.2.2 Objectives

The objectives of the scheme are:

1. Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
2. Reduce the AT&C losses to Pan-India levels of 12-15%.
3. Reduce the ACS-ARR gap to zero.

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 part, Prepaid smart meters for consumers & system metering at feeder and transformer levels, supported by AMI, will be implemented under PPP (TOTEX mode) to reduce losses and enable automated energy measurement, accounting & auditing.

Component-II: Distribution Infrastructure Works

Under this component,

- DISCOMs may undertake loss reduction and system strengthening works up to 66 kV. In areas without a 33 kV system, 110 kV works may be allowed with proper justification and approval.
- EV charging infrastructure connectivity may be executed by the consumer or DISCOM as per regulations. DISCOMs can avail RDSS funding for their scope and for upstream network augmentation.
- Disaster management and resilient works, as specified by relevant authorities, are eligible for funding and may be included as separate DPR components for approval.

Component-III: Project Management

- DISCOMs shall appoint one or more PMAs for project formulation and management. PMAs may handle planning, DPR preparation, tendering, monitoring, quality assurance, inspection and evaluation activities.

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

- Focuses on skill development, process improvement, awareness and supporting activities, including communication, consumer outreach, evaluations, Smart Grid Knowledge Centre augmentation and recognition initiatives.

8.2.4 Funding Pattern

The funding pattern under RDSS is linked to achievement of reforms and performance milestones. Under Part A, prepaid smart metering is supported through GBS with fixed per-meter assistance or a percentage of project cost (whichever is lower), with higher support for special category States and additional incentives for timely implementation. Distribution infrastructure works receive up to 60% funding (90% for special category States). Under Part B, training, capacity building and related enabling activities are fully funded, with 100% of the approved project cost eligible for support.

8.2.5 Promoting use of advanced technologies in power distribution sector:

The Government of India is focused on promoting the adoption of advanced technology-based solutions in the power distribution sector, with special emphasis on encouraging Technology Solution Providers (TSPs), including startups and entrepreneurs. The Government is promoting advanced technology adoption in power distribution, with focus on IT/OT systems, data-driven operations and support to technology providers. Initiatives such as Powerthon and the India Energy Stack (IES) aim to accelerate innovation and digital transformation across the sector.

8.2.5.1 Powerthon

Powerthon promotes adoption of emerging technologies by identifying, piloting and scaling innovative solutions for DISCOMs. Phase I shortlisted select solutions, with leading projects already scaled across utilities. Phase II (Powerthon 2.0) expands support to startups with funding, mentorship and pilot implementation across key areas, enhancing efficiency, renewable integration and loss reduction.

8.2.5.2 India Energy Stack: Driving Digital Innovation in the Power Sector

India Energy Stack (IES) is a national digital infrastructure initiative to enable secure, interoperable and data-driven integration across the power sector. It aims to improve transparency, efficiency and innovation while supporting renewable energy, EVs and distributed energy systems. Progress includes development of architecture, stakeholder engagement and pilot implementation through standardized frameworks and accelerator programmes.

IES use cases and Focus:

Use Case	Focus
Inter-DISCOM P2P Transactions	Enables prosumers to sell surplus rooftop solar to other consumers on the DISCOM grid through TSP-operated platforms; extends PM Surya Ghar to a livelihood model.
Energy Credentials	Tamper-evident, DigiLocker-issued credentials for consumer profile and connection data; enables address proof, P2P eligibility and scheme enrolment without repeated KYC.
Energy Data Exchange	Two-track data layer: public tariff data published as machine-readable signed JSON (Energy Data Directory) and consent-based restricted data exchange for authorised third parties.
DER Visibility	Near-real-time visibility of distributed generation where generation meters are absent, addressing a critical gap in DISCOM grid operations.
Consumer Side Flexibility	Protocols for demand flexibility participation by end consumers, laying the groundwork for price-responsive loads and ancillary services.
Digital Consumer Lifecycle Management	Standardised digital workflows across connection, servicing and exit — reducing manual processing across the consumer journey.
EV Charging	Interoperable data and transaction protocols to integrate public and private EV charging infrastructure with the energy stack.

Demonstration of IES Use Case

As part of the IES Accelerator, high-impact, citizen-centric use cases were demonstrated to validate the applicability of IES protocols in real operating environments:

Peer-to-Peer (P2P) Energy Exchange

At the India AI Impact Summit, an inter-DISCOM P2P energy exchange was demonstrated, showcasing how IES protocols enable rooftop solar prosumers to securely sell surplus power to other consumers. This extends PM Surya Ghar from a self-consumption model to a livelihood-oriented framework, promoting market participation.

Energy Credentials Integrated with DigiLocker

A live demonstration at the Bharat Electricity Summit showcased IES-enabled digital energy credentials integrated with DigiLocker, enabling secure, paperless verification for address proof and scheme eligibility.

Stakeholder Outreach and Ecosystem Building

REC has undertaken extensive outreach and awareness initiatives across key national and international forums to promote IES adoption. These efforts support the development of a future-ready, digitally enabled power sector, enhancing efficiency, innovation and inclusive access to energy services.

8.3 National Electricity Fund

REC is the nodal agency for operationalization of National Electricity Fund (NEF), an interest subsidy scheme having



Hon'ble Prime Minister Shri Narendra Modi being apprised of the India Energy Stack, launched by the Ministry of Power, by Shri Shashank Misra, Joint Secretary (Distribution), Ministry of Power and Government Nominee Director, REC and Shri Prince Dhawan, Executive Director, REC.



Dr. Ram Sewak Sharma, Chairman, India Energy Stack (IES) Taskforce, Shri Jitendra Srivastava, CMD, REC, Shri Shashank Misra, Joint Secretary (Distribution), Ministry of Power & Government Nominee Director, REC along with other officials and dignitaries, during India Energy Stack Taskforce meeting.

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 year *viz*. 2012-13 and 2013-14. 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 ₹2,864.48 crore released till March 31, 2026.

8.4 Prime Minister Development Package

Prime Minister Development Package (PMDP-2015) was launched to strengthen distribution infrastructure in Jammu & Kashmir and Ladakh with 90% Central grant support. The scheme covers system strengthening, household electrification, metering and infrastructure development. REC has released ₹2,559.31 crore till March 2026 and projects under the scheme have been subsumed under RDSS and remain eligible for funding.

8.5 Consumer Service Rating of DISCOMS

It is an annual exercise conducted by REC under the initiative of the MoP for grading of DISCOMs across the country in terms of consumer-centric service and operational parameters. Scoring is spread across four broad parameters- Operational reliability, Connections and other services, Metering, Billing & Collection and Fault Rectification & Grievance Redressal. Grades are determined based on the scores achieved by DISCOMs across 23 sub-parameters under these four broad parameters. The 5th Edition of the Consumer Service Rating of DISCOMS report for financial year 2024-25 has been published on March 20, 2026 by Hon'ble Union Minister (Power and Housing & Urban Affairs) and Hon'ble Minister of State for Power, witnessed participation from 66 DISCOMs nationwide.

8.6 Distribution Utilities Ranking

It is an annual exercise undertaken by REC under the initiative of the MoP. The Distribution Utilities Ranking (DUR) provides a multi-faceted assessment of DISCOM's performance and brings out an all-inclusive ranking of DISCOMs. It assesses DISCOM's performance across six critical parameters - Annual Integrated Rating & Ranking of DISCOMs, Consumer Service Ratings of DISCOMs, Renewable Purchase Obligations, Communicable System Metering, Demand Side Response and Resource Adequacy. DISCOMs are ranked based on the combined score achieved by each DISCOM, computed as a weighted average of scores across six parameters.

Further, to ensure fair comparison, the distribution utilities are classified across three categories *viz* 'Urban Utilities', 'Special Category State Utilities' and 'Distribution utilities (except Urban & Special Category State utilities)'. The 2nd Edition, covering financial year 2024-25, witnessed participation from 66 DISCOMs nationwide.

REC published the first edition of DUR report for financial year 2023–24 in February 2025 and the second edition for financial year 2024–25 has been published on March 20, 2026 by Hon'ble Union Minister (Power and Housing & Urban Affairs) and Hon'ble Minister of State (Power & Ministry of New and Renewable Energy).

8.7 Key Regulatory Parameters of Power Utilities

REC publishes Key Regulatory Parameters (KRP) report quarterly to provide insights that support policymaking, improve utility performance and enhance sector efficiency. The report enables comparison across DISCOMs, TRANSCOs and GENCOs using key metrics from recent years. It covers analysis across States on parameters such as tariffs, open access charges, Return on Equity, regulatory compliance and rooftop solar implementation, with quarterly updates since its launch in July 2021.

8.8 National Feeder Monitoring System

National Feeder Monitoring System (NFMS) is a groundbreaking initiative of the Government of India, led by REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC for monitoring Reliability of Power at National Level for 11kV and above outgoing distribution feeders. This is achieved by mechanism of integration with Feeder Monitoring Systems (FMSs) of State DISCOMs. With a target of 2.5 lakh feeders, as of March 31, 2026, 2.33 lakh feeders have been integrated into NFMS. This major milestone has been achieved through collaborative efforts of 73 DISCOMs across 33 States/UTs of India.

8.9 Implementation of Transmission projects:

REC's wholly-owned subsidiary, *viz.* REC Power Development and Consultancy Limited (RECPDCL) is acting as Project Implementation Agency (PIA) and Project Management Agency (PMA) for various Transmission utilities across country. RECPDCL is currently implementing 220 kV Extra high voltage (EHV) Transmission lines (TL) as well as modern Gas Insulated Substation in Nubra & Zanskar valley of Ladakh under PMDP-15 on behalf of Ladakh Power Development Department (LPDD). The said Transmission projects being executed in U.T. Ladakh are strategic and prestigious in nature which will be helpful in overall socio-economic development of Ladakh region. The completion of these projects shall connect the remotest regions of the country with the regional & national grid which will also help in reducing dependency over DG set and accordingly decrease the overall Carbon footprint in Ladakh region.

8.10 Smart Prepaid Metering

RECPDCL, wholly-owned subsidiary of REC, is implementing Advanced Metering Infrastructure (AMI) projects in multiple states across the country in its capacity as the Project Implementation Agency (PIA). Up to financial year 2025-26, RECPDCL installed 3.53 lakh smart meters in Jammu Region against the total scope of 7.63 lakh meters and 3.54 lakh smart meters in Kashmir Region against the total scope of 7.28 lakh meters in the UT of J&K under RDSS. In the State of Gujarat, RECPDCL is acting as the PIA for four AMI projects across two distribution utilities i.e. DGVCL & PGVCL under the RDSS scheme with total scope of 98.56 lakh smart meters. Up to financial year 2025-26, RECPDCL installed 11.25 lakh smart meters (in DGVCL Ph-I&II Project) and 6.07 lakh smart meters (in PGVCL Ph-I&II Project).

8.11 Renewable Energy and Sustainability Initiatives

During the financial year 2025-26, RECPDCL, wholly-owned subsidiary of REC, strengthened its renewable energy portfolio through key initiatives including empanelment by Ministry of New and Renewable Energy (MNRE) as a Scheme Implementation Partner (SIP) for rooftop solarisation of government buildings under the PM Surya Ghar: Muft Bijli Yojana. The Company also initiated process of empanelment as an Accredited Carbon Verification Agency with the Bureau of Energy Efficiency (BEE) also engaging with State Governments and Union Territories to support the development solar, floating solar, Battery Energy Storage etc. These efforts reflect continued commitment to supporting India's clean energy transition and sustainability goals.

8.12 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 years 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 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 2kWp 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, 2026**

As of March 31, 2026, a total of 68.81 lakh applications were received under the PM Surya Ghar Muft Bijli Yojana. Out of these, 33.64 lakh installations were completed (including RWA households covering 6.51 lakh houses). The total installed capacity reached 9.92 GW and Central Financial Assistance (CFA) amounting to ₹19,454.17 crore has been disbursed to 24.75 lakh beneficiaries.

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

9. PERFORMANCE & ACHIEVEMENTS UNDER GOVERNMENT PROGRAMMES

The performance and achievements under various Government programmes during the financial year 2025-26 and cumulatively till March 31, 2026, are given below:

9.1 Performance & achievement during financial year 2025-26 under RDSS and PMDP 2015:

a. Sanction and release: During financial year 2025-26, an amount of ₹872.55 crore (excluding PMA) was sanctioned under RDSS against smart metering and loss reduction works, including PMA charges in States assigned to REC (nodal agency).

The subsidy of the Government of India is channelized through REC and the matching contribution is infused by the respective State Government or implementing agencies, through loans from any financial institution or from their own sources. During financial year 2025-26, aggregate GBS funds amounting to ₹8,448.98 crore have been released to States/UTs and utilized by them. Further ₹323.22 crore have been released to implementing agencies towards PMDP 2015.



Shri Jitendra Srivastava, CMD, REC accepted an award from Union Minister Shri Pralhad Joshi, honoring REC's key role as NPIA in the PM Surya Ghar: Muft Bijli Yojana.

b. Physical progress achieved during financial year 2025-26:

- Number of Smart Consumer Metering installed under RDSS in financial year 2025-26: 1,58,02,026.
- Physical Progress of Loss Reduction Works under RDSS till financial year 2025-26: 38.61%

9.2 Cumulative performance up to March 31, 2026

a. Sanction and release: Under RDSS, an amount of ₹1,60,369.51 crore 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, ₹21,634.14 crore of Government of India grant funds have been disbursed by REC as nodal agency to the implementing agencies under RDSS and ₹2,559.31 crore under PMDP-2015 up to March 31, 2026.

b. Physical progress under RDSS:

The following works have been completed cumulatively upto March 31, 2026, under RDSS scheme (REC States) since inception:

- Number of Smart Consumer Metering installed under RDSS: 2,45,07,111
- Physical Progress of Loss Reduction Works under RDSS till financial year 2025-26: 38.61%

10. STANDARDIZATION, QUALITY CONTROL & MONITORING

REC provides comprehensive technical and operational support to State power utilities through standardized specifications, design parameters and construction practices for distribution systems. As the nodal agency for RDSS in 19 States, REC plays a key role in ensuring quality and consistency in project implementation.

Quality assurance is maintained through a robust monitoring framework that includes third-party quality inspection by TPQMAs, along with internal quality checks by DISCOMs. These inspections cover pre-dispatch verification of critical equipment, laboratory testing of material samples and field inspections of works at different stages of execution.

Field Works Quality Inspections (FWQI) are conducted at 30%, 80% and 100% stages of project progress to ensure adherence to standards and timely corrective actions. Material clearance or rejection certifications are issued based on inspection results. This structured approach ensures reliability, efficiency & compliance across RDSS projects.

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, a more granular project risk categorisation framework has been developed wherein individual project level risk assessment is being carried out and projects under 'High' or 'Moderate' risk category are deliberated in Risk Management Sub-committee (RMSC) and Risk Management Committee (RMC) 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 all 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.

(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, the 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.

11.1 Information and Cyber Security Initiatives

The financial year 2025–26 marked a year of continued focus on cybersecurity maturity, risk reduction and resilience. REC's Data Centre and Disaster Recovery Centre were upgraded and re-certified to latest standard ISO/IEC 27001:2022 (ISMS). The certification reaffirms the resilience and security of REC's critical business operations and systems.

REC has a well-established Business Continuity Plan (BCP) and Disaster Recovery (DR) Plan for all critical business operations, aligned with RBI and Government of India guidelines.

In line with CERT-In and MeitY guidelines, REC has observed National Cyber Security Awareness Month (NCSAM) in October 2025. Initiatives under the theme "Cyber Jagrit Bharat" strengthened organization-wide awareness and cyber hygiene practices.

REC adheres to RBI's Information Technology Governance, Risk, Controls and Assurance Practices, ensuring robust cybersecurity framework. REC has also implemented a proactive threat intelligence framework.

In compliance to RBI Master Directions, Vulnerability Assessment and Penetration Testing (VAPT) 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 Business Continuity, that the operations can be restored promptly.

REC's leadership in Cyber and Information Security was also recognized by the following national awards:

- Shri K. Venugopal awarded CISO of the Year by Insight CXO Award 2025.
- Cyber Defense & Resilience in Action – Silver Award 2025 under Cyber Security Leadership.

11.2 Risk Management Committee and Asset Liability Management Committee

The Company has Risk Management Committee and Asset Liability Management Committee in place. The composition of these Committees and other related details as on March 31, 2026 are given in Corporate Governance Report at Annexure-II of the Report.

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 RECIPMT, Hyderabad.

During the financial year 2025-26, under the Preferred Customer Policy Framework, a capacity-building initiative was undertaken for State Utility borrowers as part of the customer engagement strategy. Five domestic in-house training programmes were conducted at premier national institutions, namely IIM Bangalore, IIT Bombay, IIT Madras, IIT Kharagpur and REC Institute of Power Management & Training (RECIPMT).

A total of 101 officials were trained over 303 man-days, covering participants across all levels-including junior, middle, senior and Board-level executives-from 13 States and 28 borrowing entities.

14. INFORMATION TECHNOLOGY INITIATIVES

REC has witnessed notable advancements across multiple areas through the adoption of innovative information technology initiatives, contributing to enhanced efficiency, security, and digital transformation, during the financial year 2025-26. The Oracle ERP (E-Business Suite R12) was enhanced with AI-enabled invoice processing and automated bank book reconciliation, improving financial efficiency and accuracy. The NIC e-Office platform, implemented in 2021 for paperless workflow and document management, was upgraded to its latest version with enhanced security features. Both the Primary Data Centre and Disaster Recovery Centre were re-certified under ISO/IEC 27001:2022, reinforcing REC's Information Security Management System, with periodic live DR drills conducted successfully during the financial year. On the digital transformation front, several in-house IT systems were deployed, covering digitization of employee administrative requests and digital CSR project monitoring. REC's cybersecurity framework, backed by real-time log monitoring and incident response mechanisms, remained robust-with no cybersecurity incidents reported during the financial year 2025-26. The IT Division also continued conducting physical and virtual IT awareness and training programmes to strengthen digital literacy and secure computing practices across the organisation.

15. REC INSTITUTE OF POWER MANAGEMENT AND TRAINING

REC Institute of Power Management and Training (RECIPMT) established in the year 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 86,427 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 2025-26, 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

During the financial year 2025-26, under the 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. Participants from Punjab State Transmission Corporation Limited (PSTCL), Karnataka Power Transmission Corporation Limited (KPTCL), Jodhpur Vidyut Vitran Nigam Limited (JdVVNL), Maharashtra State Electricity Distribution Company Limited (MSEDCL), Bengaluru Electricity Supply Company Limited (BESCOM), Northern Power Distribution Company of Telangana Limited (TGNPDCL), Power Distribution Training Centre (PDTC), Brihanmumbai Electricity Supply and Transport Undertaking (BEST), Kerala State Electricity Board Limited (KSEBL) and Odisha Power Transmission Corporation Limited (OPTCL) were trained through these programmes in topics such as "Design Construction and Quality Control of EHV Substations and Lines", "Power Transformer: Testing, Commissioning, Protection and Maintenance", "Distribution Loss Reduction, Electricity Theft -Issues, Challenges and Remedial Measures", "Energy Transmission Promotion of Green Energy and Best Practices", "Underground cables selection, sizing, laying, monitoring & fault detection" & "Protection Systems for EHV Sub–Stations & Lines".

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 2025-26, a total of 5,649 participants were trained through these REC sponsored initiatives. Among these, the Electrical Safety programme, which trained 1,895 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 1,875 professionals from various GENCOs, TRANSCOs 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 1,879 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 financial year 2025-26, RECIPMT conducted the training programme on "Enterprise Resource Planning (ERP)" & "Advanced MS Excel and PowerPoint skills". 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 2025-26, multiple customized classroom-based programmes were conducted for 520 man-days 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 includes Earthing "Practices and Safety measures in EHV Substation and Lines", "33/11 kV Substation Operation, Safety & Audit", "Best Practices in Power Transmission Utilities", & "Personality Development, Communication & Negotiation Skills", all customized to suit the operational needs of the respective organizations.



Heritage walk at Qutub Minar was conducted for employees & their family by REC Sports & Wellness Club.



The Khasdar Industrial Festival featured a special PM Surya Ghar Training Camp on rooftop solar implementation.

15.5 Summary of Training Achievements

During the financial year 2025-26, RECIPMT successfully trained 5,888 participants through its various training programmes, achieving a cumulative total of 17,876 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 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 2025-26, the Company strengthened its professional base by appointing 36 executives through Direct Recruitment drives drawing talent across the Country. As of March 31, 2026, the total manpower of the Company stood at 591 employees, comprising 579 executives and 12 non-executives. In alignment with evolving employment dynamics, the Human Resource Department continues to play a strategic role in proactive manpower planning, workforce development and organizational growth. REC's Human Resource Department 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.

REC has institutionalized its Succession Planning and Leadership Development framework through implementation of the Succession Planning Policy which is duly approved by the Board of Directors and the same is being duly followed.

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, 2026 are given below:

Number of Employees				
Category	**Group A**	**Group B**	**Group C**	**Total**
SC	68	1	0	69
ST	32	0	0	32
OBC	150	1	3	154
General/Others	329	3	4	336
Total employees	**579**	**5**	**7**	**591**
Overall Women employees	84	0	3	87
PwBD (Divyang) employees	12	1	1	14

16.2 Training & Human Resource Development

The Human Resource Department plays a pivotal role in motivating employees to perform at the highest possible level and in nurturing an organisational culture characterised by high morale and engagement. One of the primary ways in which HR adds value to the Company is by encouraging and enabling continuous training and development of employees across all levels.

With this objective, structured training programmes were imparted throughout the financial year to employees at every level in the organisation. The Company's Training Policy is designed to address present functional requirements as well as future expectations of various departments, resource needs and emerging opportunities and challenges faced by the organisation. The policy focuses on forecasting training requirements and building competencies aligned with the Company's long term strategic goals.

To enhance business skills and professional competencies, comprehensive learning and development opportunities were provided to employees through a mix of domain specific, managerial, behavioural and functional training programmes. These initiatives aimed not only at improving individual performance but also at fostering a deeper understanding of professional responsibilities and sensitising employees to the



International Women's Day celebrated at REC in the presence of Shri Jitendra Srivastava, CMD REC, Shri Thangarajan Subash Chandira Bosh, Director (Projects) along with other officials and dignitaries.

socio economic environment in which the Company operates. In addition, training programmes focusing on spiritual growth, health, wellness and attitudinal development were conducted to support holistic employee development.

During the financial year 2025-26, a total of 550 employees participated in various training programmes covering a wide spectrum of topics, including Leadership, Management & Behavioural Development, Corporate Governance, Women Empowerment, Technology & Digital Transformation, Banking, Finance, Risk & Audit, IT & Cyber Security, Energy, Infrastructure & Power Sector, ESG, Sustainability & Climate Action, Legal, Vigilance, Ethics & Statutory Compliance, Human Resource Management, Administrative Effectiveness & Health, Wellness & Lifestyle Management. These initiatives resulted in the achievement of 2,783 training man days during the financial year, including over 150 training man days through foreign training programmes, benefitting 30 employees.

Further, all employees of the REC have been registered on the iGOT Karmayogi portal. Employees successfully completed mandatory and developmental courses on topics such as Work Ethics, Code of Conduct, ESG Awareness, Preventive Vigilance and Cyber Security, among others. Through active participation on the portal, REC achieved over 4,000 training man days, significantly strengthening the culture of continuous learning and self development across the organisation.

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 Carom Tournament at Hyderabad, Telangana during the financial year 2025-26. Further, the Company has also participated in various Inter CPSU sports tournaments such as Chess, Cricket, Volleyball etc., organized by various power sector CPSUs under the aegis of Power Sports Control Board (PSCB). Further, all the employees enthusiastically participated in various quizzes, paper presentations and simulation competitions conducted by reputed institutions during the financial year 2025-26.

16.5 Representation of Women Employees

Women empowerment is often talked about a lot and at REC 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, 2026, the Company had 87 permanent women employees, which represent 14.70% 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 all 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 2025-26. 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.

16.8 Chintan Shivir - Strategic Meeting

REC conducted a Chintan Shivir (Strategic Meeting) on January 15, 2026 with the objective of strengthening organisational alignment, driving future-ready initiatives and fostering meaningful employee engagement to support REC's growth trajectory. The event served as a platform for structured dialogue across all levels of the organisation, encouraging collaborative deliberations on emerging challenges and opportunities in the power sector. Participants were discussed avenues for improving internal processes, enhancing operational efficiency and identifying strategic priorities that would further reinforce REC's position as a leading Power Sector Services Enterprise. Chintan Shivir was designed to ensure inclusive participation and the free exchange of ideas. Further, the Shivir successfully harnessed the collective expertise of employees and leadership, contributing valuable inputs towards shaping REC's strategic roadmap for the future.

17. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) initiatives of the Company are aimed at supporting socially beneficial projects 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 2025-26, CSR initiatives have been taken up in the fields of sanitation and hygiene, promotion of healthcare facilities, education, skill development, art & culture, 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 ("the Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, as amended; and is available at https://recindia.com/our-csr-initiatives.

In line with the applicable provisions of the Act and Rules made thereunder, the Board approved CSR budget of ₹338.07 crore for the financial year 2025-26. Against the same, the Company has spent ₹174.36 crore during the financial year and transferred ₹163.71 crore in Unspent CSR account under the Ongoing Projects as per Section 135(6) of the Act.

The detailed Annual Report on CSR Activities for the financial year 2025–26, 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 were 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 2025" from October 27, 2025 to November 2, 2025 with theme **"Vigilance: Our Shared Responsibility (सतर्कताः हमारी साझा जिम्मेदारी)"** in line with CVC Circular No. 04/08/2025 dated August 1, 2025. 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 Waste to Treasure (Collage Making) competition, Author a Book competition, Quiz, Craft / Painting Competition and Nukkad Natak, Rally / 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 27, 2025. Banners and Standees were displayed at different locations at REC's Offices across India. The message of **"Vigilance: Our Shared Responsibility (सतर्कताः हमारी साझा जिम्मेदारी)"** 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.

Author a Book Competition – Employees wrote insightful pieces reflecting on the importance of Vigilance: Our shared Responsibility. This activity encouraged deep introspection, allowing participants to articulate their personal and professional commitment to ethical conduct.

Waste to Treasure (Collage making) Competition – Participants transformed waste materials into meaningful collages, symbolizing how vigilance can turn challenges into opportunities. The creativity displayed highlighted the idea that integrity adds value even in unexpected ways.

Quiz Competition – The Quiz Competition featured an engaging format that encouraged quick thinking and



As part of the Vigilance Awareness Campaign, a special workshop on 'Financial Frauds - Prevention & Post Fraud Measures' was organised in the presence of Ms. Vinita Narera, CVO, REC and Shri Thangarajan Subash Chandira Bosh, Director (Projects), REC.

teamwork. Participants, organized into dynamic teams, competed in a spirited environment, displaying their extensive knowledge of vigilance and the principles of ethical conduct. The lively atmosphere added to the excitement, making it a memorable event.

Craft Competition for Family Members – Family members, including children were participated enthusiastically. Their artworks ranged from vibrant landscapes symbolizing purity to illustrations depicting honesty in everyday life, reinforcing that vigilance is a value to be nurtured across generations.

Nukkad Natak – REC organised Nukkad Natak at Iffco Chowk metro station, Gurugram and VSSUT College, Sambalpur (Odisha) which featured powerful street plays that effectively raised public awareness about Vigilance. The performances, characterized by emotive dialogues and compelling narratives, left a lasting impression on the audience, inspiring them to embrace ethical values and shared responsibility in their own lives.

Seminar/ Workshop – The Seminar/Workshop for Employees covered a broad spectrum of topics, including Ethics & Integrity, Investigation & Report, Conduct Rules & Framing of Chargesheet, Financial Frauds - Prevention & Post Fraud Measures, Conducting CTE type Intensive Examinations & Suggested Checklist for Tender Process, Cyber Hygiene led by in-house experts along with external faculties, these sessions featured participative lectures and practical examples that provided insightful discussions. Interactive elements allowed employees to engage deeply with the content, ask pertinent questions and gain a comprehensive understanding of the subject matter.

Rally & Walkathon – Rally & Walkathons were conducted with students and REC employees, DISCOM officials at Jaipur (Rajasthan), Ranchi (Jharkhand) to create an awareness. The energy and enthusiasm of the participants created a strong visual message about collective responsibility in fighting corruption.

The week concluded with an Award Distribution Ceremony where CVO, REC recognized and honored the outstanding contributions from participants across competitions. The ceremony celebrated creativity, knowledge and commitment, reinforcing the importance of vigilance in both professional and personal spheres. This closing event highlighted the culture of shared responsibility within the organization.

As on April 1, 2025, there was 1 complaint under process in Vigilance Division. 13 more complaints were received during the financial year 2025-26. Out of the total 14 complaints, 11 of complaints were resolved during the financial year and the remaining 3 complaints are under review.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

To promote the use of Hindi language in official work, continuous efforts have been made by the Company as per the Annual Program 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. Periodic 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.

In compliance with the statutory requirements of the Official Language Policy, REC has been actively advancing the use of Hindi in its working.

The Second Sub-Committee of Committee of Parliament on Official Language conducted inspections of Chennai, Panchkula, Mumbai, Kolkata, Hyderabad (Regional Office) & RECIPMT - Hyderabad and Raipur office of REC. These inspections created awareness among the employees, driving greater integration of Hindi in their official work. Further, a team of officials of MoP reviewed the status of Official Language implementation at REC Corporate Office and Regional Offices of Guwahati, Bhopal, Bangalore, Chennai, Jammu and Panchkula from time to time.

In observance of Hindi Diwas 2025, Hindi Pakhwada was organized at the REC Corporate Office from September 14, 2025 to September 28, 2025 wherein various competitions like Hindi Noting-Drafting, Nibandh Lekhan, Rajbhasha Quiz, Kavita path/ Geet Gayan, Antyakshari and Ashu Bhashan were organized to motivate employees. More than 350 participants took part in the competitions, showcasing remarkable enthusiasm towards Hindi. To encourage them further, prizes were awarded to winners in different categories. Hindi Pakhwada was also organized in all Regional/State Offices of the Company. A Hindi Kavi Sammelan was organized on October 9, 2025 at Corporate Office, promoting the spirit of awareness towards the use of Rajbhasha Hindi among the employees of REC.

REC Corporate Office was conferred with the **'Rajbhasha Gaurav Samman'** in the meeting of Town Official Language Implementation Committee (TOLIC), Ministry of Home Affairs, Gurugram, held on January 27, 2026. Additionally, 'Urjayan' in house Hindi magazine of REC, was conferred with the third prize in this meeting.

'Thought of the Day' message in Hindi have been displayed through digital scrollers placed across the Office premises. During the financial year 2025-26, 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 the 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 using energy efficient equipment in order to conserve energy. Efficient Double Glass Unit (DGU) façade has been used as building envelope to lower HVAC load requirement in the building. Further, LED lights along with Light Management System has been implemented to enhance the energy conservation. REC commitment towards energy conservation & sustainable building design has been acknowledged by GRIHA Council by conferring highest green rating i.e. GRIHA-5 Star rating to REC Office building Gurugram.

In order to utilize alternate source of energy, 979 kWp solar plant has been installed at top of the building (supported on solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy. The solar plant has generated 12.95 lakh units of electricity during the financial year 2025-26. Further, Roof Top Solar of total capacity 54kWp has been installed in three Regional Offices at Panchkula, Vadodara and Lucknow and ₹9.41 lakh has been invested for installation of Variable Frequency Drive (VFD) on Cooling tower fans for energy conservation during the financial year 2025-26.



Transmission line in the Union Territory of Ladakh, being implemented by RECPDCL, the wholly owned subsidiary of REC.

20.2 Foreign Exchange Earnings & Outgo

During the financial year 2025-26, the Company had no foreign exchange earnings. Further, foreign exchange outgo aggregating to ₹52,708.54 crore was made during the financial year 2025-26, on account of interest, principal repayment, finance charges and other incidental expenses.

21. SUBSIDIARY COMPANIES

REC's wholly-owned subsidiary, *viz*. REC Power Development and Consultancy Limited (RECPDCL) [CIN U40101DL2007GOI165779], 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. 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 MoP 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 2025-26, RECPDCL has transferred 9 project-specific SPVs to the successful bidders, as detailed below:

Sl. No.	Name of the SPV(s)	Date of transfer of SPV(s)
1	WRNES Talegaon Power Transmission Limited	May 30, 2025
2	Davanagere Power Transmission Limited	September 24, 2025
3	Rajgarh Neemuch Power Transmission Limited	September 29, 2025
4	Ananthapuram II Power Transmission Limited	October 17, 2025
5	SR WR Power Transmission Limited	October 17, 2025
6	Jejuri Hinjewadi Power Transmission Limited	January 9, 2026
7	Velgaon Power Transmission Limited	January 9, 2026
8	Bellary Davanagere Power Transmission Limited	February 12, 2026
9	Umred Power Transmission Limited	February 26, 2026

As on March 31, 2026, RECPDCL had the following project-specific SPVs for various inter-state / intra-state transmission projects:

Sl. No.	Name of the SPV(s)	CIN
1.	Chandil Transmission Limited	U40108DL2018GOI330905
2.	Dumka Transmission Limited	U40300DL2018GOI331490
3.	Mandar Transmission Limited	U40101DL2018GOI331526
4.	Koderma Transmission Limited	U40300DL2018GOI331192
5.	Shongtong Power Transmission Limited	U42202DL2023GOI415590
6.	Tuticorin Power Transmission Limited	U42202DL2024GOI438404
7.	Luhri Power Transmission Limited	U40109DL2022GOI406286
8.	Kankani Power Transmission Limited	U42202DL2023GOI424011
9.	Robertsganj Power Transmission Limited	U42202DL2025GOI449243

Sl. No.	Name of the SPV(s)	CIN
10.	Barmer HVDC Power Transmission Limited	U42202DL2025GOI456212
11.	WR ER Part A Power Transmission Limited	U42202DL2025GOI457684
12.	WR ER Part C Power Transmission Limited	U42202DL2025GOI457685
13.	Jalna Power Transmission Limited	U42202DL2025GOI450852
14.	Sakoli Power Transmission Limited	U42202DL2025GOI451359
15.	Ambernath Power Transmission Limited	U42202DL2025GOI460058
16.	Apta Power Transmission Limited	U42202DL2025GOI460480
17.	Balsane Power Transmission Limited	U42202DL2025GOI459987
18.	Musalgaon Power Transmission Limited	U42202DL2025GOI460133
19.	Mekhali Power Transmission Limited	U42202DL2025GOI448634
20.	Hampapura Power Transmission Limited	U42202DL2025GOI448719
21.	Ryapte Power Transmission Limited	U42202DL2025GOI448817
22.	Sharavathi Power Transmission Limited	U42202DL2025GOI448722
23.	Kempegowda Power Transmission Limited	U42202DL2025GOI456203
24.	Dholpur Power Transmission Limited	U42202DL2025GOI460419
25.	Jaisalmer Power Transmission Limited	U42202DL2025GOI460420
26.	Ranipur Chunar Power Transmission Limited	U42202DL2025GOI460532
27.	Munak Power Transmission Limited	U42202DL2026GOI461101
28.	Vizag Power Transmission Limited	U42202DL2026GOI463642

Note: SPVs as referred at Sl. No. 9 to 28 were incorporated during the financial year 2025-26.

During the financial year 2025-26, Rajgarh III Power Transmission Limited, project specific SPV has been struck off on January 20, 2026 by the Registrar of Companies.

Further, after the end of financial year 2025-26 and till June 30, 2026, three new SPVs have been incorporated as wholly-owned subsidiaries of RECPDCL and REC.

During the financial year 2025-26, RECPDCL recorded an income of ₹501 crore compared to income of ₹551.57 crore in the previous financial year. The Profit After Tax for the financial year 2025-26 was ₹78.95 crore against ₹261.65 crore in the previous financial year. Further, the Net Worth of RECPDCL as on March 31, 2026 was at ₹764.10 crore, as against ₹738.19 crore as on March 31, 2025.

22. JOINT VENTURE & ASSOCIATE COMPANY

During the financial year 2025-26, 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, Energy Efficiency Services Limited ceased to be a jointly controlled entity of REC under Ind-AS framework.

23. 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 2025-26, that include its wholly owned subsidiary Company i.e. RECPDCL. The same shall also be laid before the ensuing 57th Annual General Meeting 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.com. 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.

24. 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.com/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.com/disclosures-under-regulation-46-of-sebi.

As per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of the Company has designated the Chairman & 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 financial year are brought out below:

24.1 CMD and Whole-time Directors

1. 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 & Managing Director and KMP on the Board of REC w.e.f. April 22, 2025. Consequently, Smt. Parminder Chopra, CMD, PFC, having additional charge of CMD, ceased to be CMD & KMP of REC w.e.f. April 22, 2025.
2. Shri Vijay Kumar Singh (DIN: 02772733), who has 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.
3. Pursuant to MoP Order dated June 27, 2025, Shri Jitendra Srivastava (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.
4. Pursuant to MoP Order dated October 3, 2025, Shri Thangarajan Subash Chandira Bosh (DIN: 02772316) has been appointed as Director (Projects) of REC w.e.f. October 3, 2025.
5. Shri Harsh Baweja (DIN: 09769272), who has held the post of Director (Finance) & CFO, REC, has superannuated from the services of the Company on January 31, 2026 and accordingly, ceased to be the Director and KMP of REC w.e.f. February 1, 2026.
6. Pursuant to MoP Order dated January 16, 2026, Shri Jitendra Srivastava (DIN: 06817799), CMD has been assigned additional charge of the post of Director (Finance) for the period of 3 months w.e.f. February 1, 2026 or until the appointment of a regular incumbent to the post of Director (Finance) or until further orders, whichever is earlier.
7. Pursuant to MoP Order dated April 2, 2026, Shri Rajesh Kumar (DIN: 06941428), has been appointed as Director (Finance) of REC for a period of five years w.e.f. the date of assumption of charge of the post i.e. April 2, 2026 or until further orders, whichever is earlier. Consequently, the additional charge of Director (Finance) assigned to Shri Jitendra Srivastava, has ceased to exist. Furthermore, Board of Directors has appointed Shri Rajesh Kumar, Director (Finance) as CFO & KMP w.e.f. April 2, 2026.

24.2 Independent and Nominee Directors

1. 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. Further, Dr. Gambheer Singh and Dr. Durgesh Nandini (DIN: 09398540), Part-time Non-Official Independent Directors of the Company, have completed their tenure on April 16, 2026 and accordingly, had ceased to be the Independent Directors of REC w.e.f. April 17, 2026.
2. Shri Narayanan Thirupathy (DIN: 10063245), Part-time Non-Official Independent Director of the Company has completed his three years tenure on March 2, 2026 and accordingly, has ceased to be the Independent Director of REC w.e.f. March 3, 2026.
3. Shri Manoj Sharma (DIN: 06822395), PFC Nominee Director has superannuated from services of PFC on March 31, 2026. Accordingly, he ceased to be Nominee Director of PFC on the Board of REC w.e.f. April 1, 2026.
4. Pursuant to MoP letter dated April 6, 2026, Shri Rajiv Ranjan Jha (DIN:03523954), Director (Projects), PFC, has been appointed as Nominee Director of PFC on the Board of REC w.e.f. April 6, 2026. He superannuated from services of PFC on April 30, 2026. Accordingly, ceased to be Nominee Director of PFC on the Board of REC w.e.f. May 1, 2026.
5. Pursuant to MoP letter dated May 6, 2026, Shri Rajesh Kumar Agarwal (DIN: 09699001), Director (Finance), PFC, has been appointed as Nominee Director of PFC on the Board of REC w.e.f. May 1, 2026.
6. Pursuant to MoP Order dated June 22, 2026, Dr. Anil Kumar Gupta (DIN: 00442146) and Dr. K. Ghayathri Devi (DIN: 07584524) have been appointed as Part-time Non Official Independent Directors (Additional Directors) of REC w.e.f. June 22, 2026 for a period of three months from the date of notification of their appointment, or until further orders, whichever is earlier.
7. Pursuant to MoP Order dated July 20, 2026, Smt. Poonam Chauhan (DIN: 11842802) has been appointed as Part-time Non Official Independent Director (Additional Director) of REC w.e.f. July 21, 2026 for a period of three years with effect from the date of notification of her appointment, or until further orders, whichever is earlier.

24.3 Key Managerial Personnel

Pursuant to the resolution passed by the Board of Directors at its meeting held on October 26, 2024, the Executive Director (Finance–Bonds) was designated as a Key Managerial Personnel (KMP) of the Company. During the financial year 2025–26, Shri Rajesh Kumar has held the position of Executive Director (Finance–Bonds), following his appointment as Director (Finance) of REC, Shri Mohan Lal Kumawat has assumed the role of Executive Director (Finance–Bonds) w.e.f. April 9, 2026.

Further, during the financial year 2025-26, Shri Dinesh Garg was appointed as Company Secretary & Compliance Officer in place of Shri J.S. Amitabh, who superannuated from the service of the Company and accordingly ceased to hold the position w.e.f. December 1, 2025.

24.4 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, is liable to retire by rotation at the ensuing 57th AGM of the Company and, being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Further, pursuant to Regulation 17(1C) of the Listing Regulations, the appointment(s) of Shri Thangarajan Subash Chandira Bosh as Director (Projects), Shri Rajesh Kumar as Director (Finance), Shri Rajesh Kumar Agarwal as PFC Nominee Director, Dr. Anil Kumar Gupta, Dr. K. Ghayathri Devi and Smt. Poonam Chauhan as Part-time Non-official Independent Directors are being placed before the shareholders for their approval at the ensuing 57th AGM. The Board recommends their appointment(s).

Brief resume and other particulars of Shri Shashank Misra, Shri Thangarajan Subash Chandira Bosh, Shri Rajesh Kumar, Shri Rajesh Kumar Agarwal, Dr. Anil Kumar Gupta, Dr. K. Ghayathri Devi and Smt. Poonam Chauhan are annexed to the Notice of AGM forming part of this Annual Report.

24.5 Company Secretary & Compliance Officer

Shri Dinesh Garg is Company Secretary & Compliance Officer of the Company w.e.f. December 1, 2025.

25. 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 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 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. the MoP and/or by the DPE. During the financial year 2025-26, the performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, as per their internal guidelines.

Further, the Company also enters into Memorandum of Understanding (MoU) with its holding Company, i.e. 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.

26. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 2026, the applicable Accounting Standards have been followed and no material departures have been made from the same;

(ii) 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;

(iii) 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;

(iv) the annual accounts have been prepared on a going concern basis;

(v) internal financial controls have been laid to be followed by the Company and such internal financial controls were adequate and operating effectively; and

(vi) 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.

27. ACHIEVEMENTS UNDER MEMORANDUM OF UNDERSTANDING (MOU)

The Memorandum of Understanding (MoU) serves as a key policy initiative through which the Government of India undertakes regular performance evaluations of CPSEs through DPE, fostering a culture of continuous improvement and enhancing the performance levels of the CPSEs.

The MoU guidelines applicable for the financial year 2025-26 is placed at DPE's website i.e. https://www.dpe.gov.in/static/uploads/2025/07.pdf. The below calculations have been presented on consolidated basis as per MoU guidelines of DPE. The key achievements for financial year 2025-26 are as under:

(₹ in crore)

Parameters	FY 2025-26	Parameters	FY 2025-26
Revenue from Operations	₹59,584.16	Loans disbursed to Total Funds Available (Loans Disbursed and Total funds available for disbursement during the financial year 2025–26 is ₹2,11,189 crore)	100%
EBTDA as % of Revenue	34.90%	Overdue loans to Total Loans	0.04%
Return on Net Worth	18.90%	NNPA to Total Loans	0.12%
Return on Capital Employed	11.54%	Cost of raising funds through Bonds as compared to similarly rated CPSEs/ entities	-29bps
Asset Turnover Ratio	9.51%	Total Loans (Net)	₹5,76,765.91
Current Borrowings	₹1,01,248.61	Non-current Borrowings	₹4,13,476.57

To facilitate faster realization of receivables, REC and its subsidiary i.e. RECPDCL has onboarded all operational Trade Receivables Discounting System (TReDS) platforms to facilitate timely invoice discounting for Micro and Small Enterprises (MSEs). The dates of onboarding of REC and RECPDCL are provided below:

Platform	C2 treds	DTX	Invoice Mart	M1 xchange	RXIL
REC	March 9, 2026	August 6, 2025	June 24, 2019	January 27, 2020	October 18, 2019
RECPDCL	March 30, 2026	June 10, 2025	August 6, 2024	August 14, 2024	February 14, 2020

During the financial year 2025–26, the Company on a consolidated basis has procured total own goods & services amounting to ₹76.87 crore, excluding procurement in its capacity as Program Implementing Agency (PIA) for Government programmes. Out of the total own procurement stated above, the procurement of ₹49.51 crore (64.41%) was made from Micro and Small Enterprises including MSEs owned by SC/ST and women entrepreneurs. Out of which, the procurement from SC/ST-owned MSEs amounted to ₹0.89 crore (1.16%) and procurement from women-owned MSEs amounted to ₹3.92 crore (5.10%). All the procurement data for the financial year 2025-26 has been updated on monthly basis on the Sambandh Portal. Further, REC has made all the payments of MSEs within the prescribed timeline of 45 days.

Further, on consolidated basis, the Company undertook procurement of ₹68.66 crore (95.59%) through GeM, out of total own procurement of Goods & Services worth ₹71.83 crore (excluding DGR-sponsored/security services procurement worth ₹5.04 crore).

During the financial year 2025-26, REC has strengthened employee wellness initiatives, achieving the targets set by the Administrative Ministry. REC organized 7 General Health Check-up Camps against the target of 5, conducted 5 health awareness sessions against the target of 5, facilitated visits of doctors & yoga sessions on all working days, as per the target.

REC has implemented both phases of the Prime Minister Internship Scheme in a timely and compliant manner, in accordance with the directions received from the concerned Ministries.

For the purpose of DPE MoU compliance parameters for financial year 2025-26, Company has complied with the: (a) DPE guidelines on CSR expenditure; (b) Provisions of the Companies Act, 2013 and Listing Regulations on Corporate Governance covering: (i) Composition of Board of Directors and its committees#; (ii) Holding Board and Committees' Meetings; (iii) Related Party Transactions; (iv) Disclosures and Transparency; (c) onboarding of CPSE on all operational TReDS platforms; (d) timely payments to MSE vendors as prescribed in the MSMED Act; (e) Procurement of goods and services (as a % of total procurement) from MSEs overall & Women owned MSEs; (f) steps and initiatives taken for Health & Safety improvement of Human Resources in CPSEs; (g) targets under the PM Internship Scheme of MCA; (h) Leadership Development Plan; and (i) Surplus non-core assets (land & building) monetization plan.

#Except non-availability of the requisite number of Independent Directors on the Board, Audit and Nomination & Remuneration Committee, as referred in this report. Further, it is beyond the control of the Company to appoint Independent Directors on the Board on its own.

28. 'THINK GREEN, GO GREEN' INITIATIVE

The Company, in line with the provisions of the Act, sends Notice of the AGM and Annual Reports to shareholders through electronic means at their registered email addresses. As part of MCA's 'Green Initiative', the Company has adopted electronic communication for such documents, including dividend intimations (interim/final). Further, pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provides e-voting facilities to shareholders for resolutions set out in the AGM Notice. The 57th AGM is being conducted through video conferencing or other audio-visual means and detailed instructions for e-voting and participation are provided in the Notice of AGM. Shareholders who have not registered their email addresses are requested to do so with the Company's RTA or their respective DP to participate in the Green Initiative.

Driving Sustainability with Electric Vehicles

REC has procured Electric Vehicles (EVs) as part of its commitment to promoting sustainable and clean energy solutions. This initiative aligns with the Company's vision of reducing carbon emissions and fostering a greener environment. The adoption of EVs not only contributes to environmental sustainability but also enhances operational efficiency and reduces long-term costs.

Green Practices in Everyday Operations

- Routine tree plantation drives across communities.
- Partnerships with agencies for recycling and safe waste disposal.
- Adoption of zero-plastic usage in boardrooms with glass bottles.
- Sanitary pad vending machines at Corporate Office, reinforcing our commitment to women's health and hygiene.

29. COMMITMENT TO SWACHHTA

REC has undertaken a wide range of activities to promote cleanliness and awareness under campaigns like Swachhta Pakhwada, Swachhta Action Plan and Swachhta Hi Seva:

- Donation drives of cleaning material to orphanages and centers for the specially- abled.
- Five-day plough clean-up drive at Garhibazidpur Lake, Gurugram in association with NGO Say Earth.
- Special Cleanliness drive and beautification of public places across pan India through our corporate office and regional offices, year-round maintenance.

- Employee engagement through Swachhta Quiz, "Best out of Waste" competition and drawing contests for employees' children.
- Distribution of eco-friendly kits to Free Pathshala.
- Waste-to-art installations at corporate offices and other public places by corporate office and regional offices.
- Installation of dustbins at various public places.
- Health and hygiene camps at old age homes and for Safai Mitras.
- Workshops and seminars on water rejuvenation, energy efficiency and consumption choices and Swachhta: Our Collective Responsibility.
- Organized Nukkad Nataks at various public places to spread awareness on cleanliness by corporate office and regional offices.
- Organized awareness camps on Government schemes for Safai Mitras.

30. 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, Department of Personnel & Training 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, 2025 to March 31, 2026:

Sl. No.	Particulars of RTI	Nos.
1	Applications received	452
2	Applications disposed off	441
3	First appeals received by Appellate Authority, REC	51
4	First appeals disposed off by Appellate Authority, REC	51
5	Second appeals received from Central Information Commission	0
6	Second appeals disposed off by Central Information Commission	0

Further, in compliance of the Guidelines under RTI Act, 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.

31. ADOPTION OF GOVERNMENT E-MARKETPLACE (GEM) AND E-PROCUREMENT.

REC has mandated procurement of common-use goods and services through the Government e-Marketplace (GeM) across its offices, wherever such items are available on the portal, in line with Government of India guidelines and with a view to promoting transparency, efficiency and ease of procurement. During the financial year 2025–26, on a standalone basis, the Company achieved more than 95% procurement through GeM, excluding contracts awarded in its capacity as Program Implementing Agency (PIA) for Government programmes and Security service contracts awarded in accordance with the Guidelines of the Directorate General Resettlement (DGR) for engagement of Ex-Servicemen.

Public Procurement Policy for Micro and Small Enterprises (MSEs):

Procurement at REC is undertaken in compliance with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 and subsequent amendments thereto. In accordance with the policy, the annual procurement plan is hosted on the Company's website for the benefit of MSEs. REC encourages wider participation of Micro and Small Enterprises in its procurement processes and endeavors to procure at least 25% of its annual procurement from MSEs, including the prescribed sub-targets for SC/ST-owned and women-owned MSEs. Eligible MSEs are extended policy-linked benefits such as exemption from Earnest Money Deposit, free tender documents and purchase preference wherever applicable. The Company also supports procurement of items reserved for exclusive sourcing from MSEs and promotes vendor inclusivity through Vendor Development Programmes (VDPs).

REC ensures timely release of payments to MSE vendors within the stipulated contractual period of not more than 45 days. To facilitate faster realization of receivables, the Company is registered on all five RBI-approved TReDS platforms, namely M1xchange, InvoiceMart, Receivables Exchange of India Limited (RXIL), DTX TReDS Platform and C2FO Factoring Solutions Pvt. Ltd. (C2TReDS). Payments are processed through TReDS wherever invoices are routed through the online bill discounting mechanism. As per the MSME Samadhaan Portal, no case relating to MSE payments were pending against REC during the financial year 2025–26.

REC has continued to strengthen vendor outreach and capacity-building initiatives during the financial year. The Company has conducted two VDPs through online sessions with participation from stakeholders including NSIC (SC/ST Hub), GeM, TReDS platforms and ESG experts. The programmes were well received by participating vendors.

During the financial year 2025–26, on a standalone basis, the Company has awarded contracts amounting to ₹75.53 crore excluding contracts amounting to ₹35.60 crore awarded in its capacity as Program Implementing Agency (PIA) for Government programmes. Out of the eligible procurement stated above, the contracts amounting to ₹48.19 crore were awarded to Micro and Small Enterprises including MSEs owned by SC/ST and women entrepreneurs, thereby exceeding the prescribed target of 25%. Out of which the procurement from SC/ST-owned MSEs amounted to ₹0.73 crore and procurement from women-owned MSEs was amounted to ₹3.68 crore. Approximately 447 MSEs including SC/ST-owned and women-owned enterprises were benefited during the financial year.

32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH Act") .

In line with the provisions of 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 provides 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 POSH Act, the disclosure regarding complaints under the said Act during the financial year 2025-26, is as follows:

Sl. No.	Particulars	Number of complaints
1	Number of complaints of Sexual Harassment received in the financial year 2025-26	Nil
2	Number of complaints disposed off during the financial year 2025-26	Nil
3	Number of complaints pending for more than ninety days	Nil

33. ANNUAL RETURN

The Annual Return of the Company for the financial year 2024-25 filed with the MCA and the draft Annual Return for the financial year 2025-26, are available on the website of the Company at https://www.recindia.com/annual-returns.

After filing of the Annual Return for the financial year 2025-26 with MCA, the same will be uploaded on the website of the Company on the same weblink.

34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of Related Party Transactions required to be disclosed in Form AOC-2 for the financial year 2025-26 is annexed to this report.

35. AUDITORS

35.1 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 2025-26 by the Comptroller & Auditor General (C&AG) of India. The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2026.

Further, the appointment of the Statutory Auditors for the financial year 2026-27 is yet to be made by the C&AG of India. Approval of the shareholders of the Company will be obtained in 57th AGM, to authorize the Board of Directors of the Company, to fix the remuneration of Statutory Auditors for the financial year 2026-27, as may be appointed by C&AG of India.

35.2 Secretarial Auditors

M/s. Agarwal S. & Associates, Company Secretaries were appointed as Secretarial Auditors for carrying out Secretarial Audit of the Company for a term of five years starting from financial year 2025-26. In terms of Section 204 of the Act and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2025-26 and the same is annexed to this Report.

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

The Statutory Auditors have audited the standalone and consolidated Financial Statements of the Company for financial year 2025-26 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 follows:

Sl. No.	Observation of Secretarial Auditors	Management's Reply
1.	Non-compliance with Regulation 17(1) of the Listing Regulations, Section 149 of the Act and Clause 3.1.4 of DPE Guidelines due to non-availability of the requisite number of Independent Directors during the financial year 2025-26, including non-availability of a Woman Independent Director on the Board of the Company during the period from April 1, 2025 to April 16, 2025.	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 said period. 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.
2.	Non-compliance with Regulation 18 & 19 of the Listing Regulations, Section 177 & 178 of the Act and Clause 4.1.1 of the DPE Guidelines, as the composition of the Audit Committee and the Nomination & Remuneration Committee did not comprise the requisite number of Independent Directors during the period from April 1, 2025 to April 16, 2025.	

36. COMMENTS OF C&AG OF INDIA

The C&AG vide letter(s) dated July 3, 2026 have given 'Nil' comments on the Audited Financial Statements of the Company for the financial year ended March 31, 2026 under Section 143(6) of the Act.

The comments of C&AG for the financial year 2025-26 have been annexed along with the report of Statutory Auditors of the Company in this Annual Report.

37. 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.

38. RESTRUCTURING OF REC LIMITED (REC) AND POWER FINANCE CORPORATION LIMITED (PFC)

A proposal to restructure REC and PFC was announced in the Union Budget on February 1, 2026 with the objective of achieving scale and improving efficiency among Public Sector NBFCs. The Board of Directors of REC and PFC in their Board Meetings held on June 28, 2026 have approved the Scheme of Merger of REC (Transferor Company) into PFC (Transferee Company) and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Act.

The Scheme is conditional upon and subject to, *inter-alia* receipt of all requisite approvals and consents required under applicable law including, approvals from the respective shareholders and creditors of both the companies and all relevant regulatory and governmental authorities. As per scheme of merger, the Merged Entity would continue to qualify as a 'Government Company' under the Companies Act, 2013 and the Government of India continue to retain majority voting rights and control in the merged entity (directly or indirectly). Further, merger related documents are available on the website of the Company which can be accessed at https://recindia.com/scheme-of-merger.

39. STATUTORY AND OTHERS DISCLOSURES

a) There was no change in the nature of business of the Company during the financial year 2025-26.

b) The Company has not accepted any public deposits during the financial year 2025-26 and the Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines.

c) No orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future. Further, for details relating to merger of the Company with PFC, please refer para 38 of this report.

d) The Company maintains an adequate system of Internal Control, including appropriate monitoring procedures to ensure accurate and timely financial reporting of transactions, operational efficiency and compliance with statutory laws, regulations and Company policies. For details, please refer to the 'Management Discussion & Analysis Report' annexed to this report.

e) 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.

f) 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.

g) The provisions of Section 197 of the Act and the Rules made thereunder, relating to managerial remuneration, are not applicable to Government Companies; accordingly, no disclosure is required in this regard.

h) 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, 2026 and the date of this report, except the information furnished under para 38 above.

i) The Company has not issued any stock options to the Directors or any employee 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, 2013.

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 2025-26, 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.

s) The Reserve Bank of India vide its letter dated May 3, 2024, has accorded "No-Objection Certificate" to set up Wholly Owned Subsidiary Company of REC for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City ("GIFT"), Gandhinagar, Gujarat. The Company is yet to receive the requisite approval of the MoP, Government of India to incorporate the proposed entity.

t) REC meets all mandatory requirements on Disclosures and Transparency, which are in its ambit, as prescribed under the Companies Act, 2013, Listing Regulations, DPE Guidelines on Corporate Governance and Secretarial Standards issued by the ICSI, except as detailed in this report. Further, as required under above statutory provisions, all returns, reports and disclosures were filed within the stipulated time.

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 Report	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 places on record its sincere appreciation for the valuable guidance and continued support extended by 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. The Board also expresses its deep gratitude to Power Finance Corporation Limited, the Holding Company, for its steadfast support and cooperation.

The Board of Directors expresses their heartfelt gratitude to all shareholders, investors, lenders and bondholders for their continued trust and unwavering confidence in the Company. The Board also acknowledges with deep appreciation the trust reposed by its customers and borrowers, including State Governments, State Electricity Boards, State Power Utilities and Independent Power Producers, whose support remains integral to the Company's sustained growth and success.

The Board of Directors places on record its sincere appreciation for the dedicated support and valuable contributions of the Statutory Auditors, Secretarial Auditors and other professionals associated with the Company. The Board also expresses its deepest gratitude to the employees and other staff for their unwavering commitment, relentless efforts and pursuit of excellence, which continue to drive the Company's success.

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Place: Gurugram
Date: July 29, 2026

ANNEXURE A TO BOARD'S REPORT

Annual Impact Reporting for Green Bonds - financial year 2025-26

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, 2026	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2026 (₹ in crore)
1	Anantapur, Andhra Pradesh	500	Solar Energy	24-02-2016	6,20,383.60	1,984.00	1,145.29
2	Ranga Reddy, Telangana	5	Solar Energy	27-01-2016	6,296.34	26.90	12.55
3	Medak, Telangana	7	Solar Energy	26-11-2015	11,228.44	39.90	17.95
4	Chitradurga, Karnataka	30	Solar Energy	17-04-2017	52,700.00	150.39	71.87
5	Mumbai, Maharashtra	NA	Low carbon Transport	Scheme-1: 26-05-2022 Scheme-2: 09-02-2023	Project under Construction	30,593.00	1,574.14
6	Tirupur, Tamil Nadu	270	Wind Energy	15-04-2024	Project under Construction	161.46	108.82
Total					**6,90,608.38**	**32,955.65**	**2,930.62**

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, 2026	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2026 (₹ in crore)
1	Mumbai, Maharashtra	NA	Low carbon Transport	Scheme-1: 26-05-2022 Scheme-2: 09-02-2023	Project under Construction	30,593.00	521.84
2	Tuticorin, Thoothukudi District, Tamil Nadu	540	Wind Energy	16-06-2021	13,86,180.00	2,564.73	2,561.68
3	Dharapuram, Tirupur District, Tamil Nadu	270	Wind Energy	09-08-2021	Project under Construction	647.00	647.00
4	Kutch, Gujarat	779.8	Solar & Wind	06-07-2025	Project under Construction	3,334.74	1,185.99
5	Kutch, Gujarat	1,150	Solar Energy	19-03-2025	16,37,333.40	4,758.67	1,463.19
Total					**30,23,513.40**	**41,898.14**	**6,379.70**

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, 2026	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2026 (₹ in crore)
1	Banka, Bihar	50	Generation Renewables- Solar	26-07-2023	1,01,130	197.36	17.20
2	Kutch, Gujarat	900	Generation Renewables- Solar	03-01-2024	20,28,163	4,751.50	2,137.43
3	Kutch, Gujarat	167	Generation Renewables- Solar	04-01-2024	3,92,312	845.75	217.80
4	Mumbai, Maharashtra	NA	Low carbon Transport	Scheme-1 26-05-2022 Scheme-2 09-02-2023	Project under Construction	30,593.00	607.68
5	Tawargera, Gadag, Karnataka & Karur, Tamil Nadu	1,400	Wind	09-04-2024	Project under Construction	9,061.36	1,000.00
Total					**25,21,605.00**	**45,448.97**	**3,980.11**

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, 2026	Loan Approved (₹ in crore)	Loan Outstanding on March 31, 2026 (₹ in crore)
1	Neemuch, Madhya Pradesh	1,920	Generation Renewables- Solar	15-11-2022	Project under Construction	7,910.84	5,041.50
2	Nanded, Maharashtra	285	Generation Renewables- Solar	25-06-2024	Project under Construction	802.70	465.18
Total						**8,713.54**	**5,506.68**

Note: Loan amount sanction of INR 30,593 crore towards clean transport for Mumbai, Maharashtra has been partially utilised for disbursement from proceeds of USD 450 million, USD 750 million Bond, JPY 61.10 billion Bond as detailed in table A, B & C.

ANNEXURE - I TO BOARD'S REPORT

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 2025-26.

BUSINESS ENVIRONMENT

Global Business Environment

The global economy is again at a critical juncture, facing a new series of tests that challenge its recent resilience. While the landscape through the year 2024 and 2025 showed signs of momentum supported by a technology investment boom and moderating trade tensions, the outlook has abruptly darkened following the outbreak of war in the Middle East in February 2026. This conflict, occurring less than a year after major shifts in international trade policies, has raised geopolitical tensions to historically high levels and threatened a global energy crisis on an unprecedented scale.

Major geopolitical developments are once again resetting the global economic system. The conflict in the Middle East has disrupted critical production facilities and transit routes, notably the Strait of Hormuz, triggering sharp spikes in energy and food prices and a tightening of global financial conditions. While global uncertainty had retreated from its 2025 peaks, it remains elevated as markets react to the fluidity of the war and the ongoing transition to a new international trade system. Beneath these shocks, activity in the world's two largest economies remains uneven. The United States continues to show strength despite moderating employment, while China faces structural headwinds from a cooling housing sector and a declining labour force.

IMF: World Economic Outlook Projections

	Global Growth	Projections (%)		
		2025	2026	2027
	World	**3.4**	**3.1**	**3.2**
1.	**Advanced Economies (AE)**	**1.9**	**1.8**	**1.7**
	US	2.1	2.3	2.1
	EU Area	1.4	1.1	1.2
	UK	1.3	0.8	1.3
	Japan	1.2	0.7	0.6
2.	**Emerging Market and Developing Economies**	**4.4**	**3.9**	**4.2**
	India	**7.6**	**6.5**	**6.5**
	China	5.0	4.4	4.0
	Brazil	2.3	1.9	2.0
	Sub-Saharan Africa	4.5	4.3	4.4
	Middle East and Cental Asian	3.6	1.9	4.6

Global growth is projected to slow to 3.1% in 2026, down from the 3.4% achieved in the year 2025, before settling at approximately 3.2% in 2027. For advanced economies, growth is expected to remain modest at 1.8% in the year 2026, with the United States expanding by 2.3% while the Euro area slows to 1.1% due to the lingering effects of high energy prices. Emerging market and developing economies are forecast to see growth drop to 3.9% in 2026, with lower-income commodity importers hit particularly hard by currency depreciation and rising import costs.

Global headline inflation is expected to rise temporarily to 4.4% in 2026 before falling back to 3.7% in the year 2027. This upward revision reflects the direct impact of higher energy prices and disrupted supply chains. In the United States, core inflation is not expected to return to its 2% target until 2027, as the economy continues to process the pass-through effects of both the energy shock and previous trade barriers.

The global energy landscape is undergoing a structural shift into the "Age of Electricity". Global energy demand growth slowed to 1.3% in 2025, met increasingly by modern renewables. For the first time on record, Solar PV contributed the largest share of global energy demand growth and low-emissions sources combined now meet nearly 60% of new global demand. Despite this transition, global energy-related CO_2 emissions hit a new record high of over 38 billion tonnes in 2025, even as the rate of emissions growth slowed to 0.4%.

Global economic growth is projected to remain sluggish at 3.1% in the medium term, falling short of the historical average of 3.7% recorded between the period 2000 and 2019. This Lackluster outlook is weighed down by geoeconomic fragmentation and the aging of populations in major economies. While the rapid adoption of Artificial Intelligence (AI) offers a potential upside for productivity and long-term growth, the transition remains fraught with risks related to financial market corrections and labour market disruptions.

Indian Business Environment

India remains one of the fastest growing major economies globally. The International Monetary Fund (IMF), in its April, 2026 World Economic Outlook, has reaffirmed India's leadership in global growth, revising its growth estimate for financial year 2025-26 upward to around 7.6%, reflecting stronger than anticipated domestic momentum. For the financial year 2026-27, the IMF projects growth at approximately 6.5%, maintaining India's position as the fastest growing major economy amid a challenging global environment. Supported by resilient domestic demand, sustained public and private investment and ongoing structural reforms in infrastructure, manufacturing, digitalisation and financial inclusion. India remains well placed to navigate global uncertainties and continue contributing meaningfully to global economic growth.

Economic Growth and Outlook

The Indian economy demonstrated strong resilience during the financial year 2025-26, navigating heightened global uncertainty driven by geopolitical tensions, supply-chain disruptions and volatile commodity prices. Supported by robust domestic demand, sustained investment activity and prudent macro-economic management, India emerged as one of the fastest-growing major economies. Structural reforms, GST rationalisation, expansion of digital public infrastructure and the Government's continued thrust on domestic manufacturing and infrastructure under the Union Budget 2026-27 further strengthened growth fundamentals.

According to the Provisional Estimates (PE) of Annual GDP for the financial year 2025-26 by Ministry of Statistics and Programme Implementation (MoSPI), real GDP grew by 7.7% in 2025–26, compared to 7.1% in the previous year. While the Nominal GDP or GDP at Current Prices is estimated to attain a level of ₹346.36 lakh crore in the financial year 2025-26, against ₹318.07 lakh crore in the financial year 2024-25, showing a growth rate of 8.9%. Growth was broad-based, led by private consumption and gross fixed capital formation, with the services sector remaining buoyant and manufacturing activity strengthening. Agricultural growth moderated due to weather related factors, though foodgrain availability and reservoir levels remained comfortable.

Looking ahead, the Reserve Bank of India (RBI) has projected real GDP growth at 6.9% for the financial year 2026-27, with growth expected to strengthen progressively through the year. The outlook is supported by healthy rural demand, an expected revival in urban consumption, continued public capital expenditure, high capacity utilisation in manufacturing and resilient services exports. However, downside risks persist from geopolitical developments, elevated energy prices, global financial market volatility and climate-related uncertainties.

Inflation remained largely contained during the year. Headline CPI inflation softened to low levels in early 2026, driven by easing food prices, robust rabi crop production and adequate buffer stocks. Core inflation pressures remained muted, reflecting subdued underlying demand-side price pressures. For the financial year 2026-27, CPI inflation is projected to average around 4.6%, with risks emanating from volatile global energy prices, imported inflation pressures, exchange rate movements and the possibility of El Niño conditions affecting agricultural output.

India has continued to enhance its resilience to climate and supply-side shocks. Healthy reservoir levels, strong foodgrain stocks and timely policy interventions helped mitigate weather-related risks. At the same time, the Government's focus on renewable energy expansion, energy efficiency and long-term energy security supports sustainable growth objectives.

Monetary policy remained calibrated and growth-supportive. The Monetary Policy Committee of RBI retained a neutral stance, maintaining the policy repo rate at 5.25%, while actively managing liquidity to ensure orderly financial conditions. The financial sector remained robust, marked by strong capital adequacy, improving asset quality and healthy credit growth.

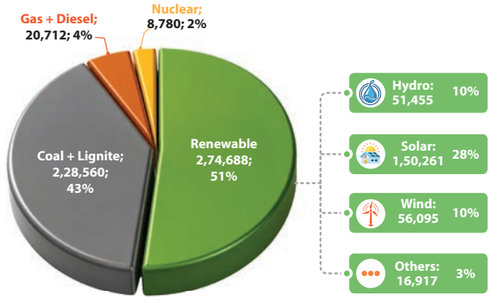
Overall, while global uncertainties and climate risks continue to pose challenges, India's strong macro-economic fundamentals, resilient domestic demand, policy buffers and reform momentum position the economy well for stable and sustainable medium-term growth.

INDUSTRY STRUCTURE AND DEVELOPMENT

Industry Overview

India's power sector is undergoing a significant transition, driven by rapid capacity addition, rising non-fossil capacity and evolving demand patterns. In financial year 2025–26, electricity demand remained moderated due to the early onset of monsoon and abundant summer rainfall, which reduced cooling-related demand and tempered growth in generation and peak demand. Total electricity generation in financial year 2025–26 increased marginally by around 1% to reach 1,847 Billion Units (BU). Non-fossil sources contributed more prominently to the generation mix, with non-fossil generation growing by 12% year-on-year and its share rising to 29% of total electricity generation. Peak electricity demand also remained moderated at around 245 GW during financial year 2025–26. On the infrastructure side, the sector continued to expand at scale, with approximately 62 GW of capacity added during the year, including a record 55 GW from renewable energy sources. As a result, India's total installed power generation capacity reached nearly 533 GW by March, 2026, while the share of non-fossil capacity increased from 48% in financial year 2024-25 to 53% in financial year 2025-26.

Installed Capacity as on 31.03.2026: 5,32,740 MW



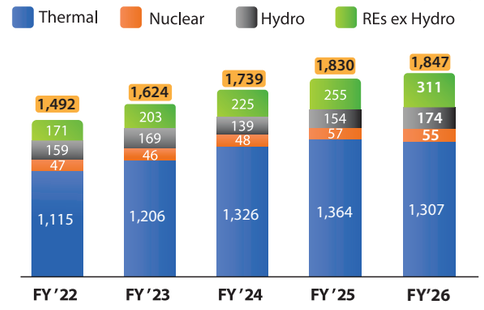
Industry-Structure

Generation

As on March 31, 2026, the total installed power generating capacity in the country stood at about 532.74 GW. The sector-wise break-up comprised ~124 GW in the Central Sector, ~130 GW in the State Sector and ~279 GW in the Private Sector. In terms of capacity mix, thermal/fossil-based capacity was ~249 GW, hydro (large) ~51 GW, nuclear ~9 GW and renewables (excluding large hydro) ~223 GW. India achieved the milestone of 50% of its cumulative electric power installed capacity from non-fossil fuel sources in June 2025, five years ahead of the year 2030 target set under its Nationally Determined Contribution (NDC) to the Paris Agreement in 2015 and subsequenty upadated in 2022. During the financial year 2025-26, capacity addition gained strong momentum, with total additions of ~62 GW, driven largely by renewables which comprised of about 89% of the total capacity addition.

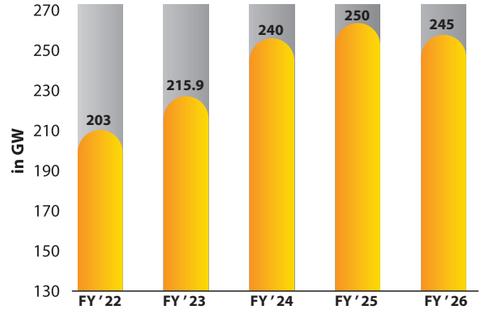
On the generation front, India has generated ~1,847 BU during the financial year 2025-26, marginally higher than ~1,830 BU in the previous year. The Non-fossil share in energy generation mix continued strengthening as the share improves to 29% during the financial year 2026 from 25% last year. The renewable generation excluding hydro has seen a healthy growth of 22% YoY whereas the Hydro generation (including Bhutan Import) has also seen a considerable increase of 13% YoY during financial year 2026.

All INDIA ENERGY GENERATION SCENARIO (In BU)



India's peak electricity demand met had climbed to all-time high of 250 GW in May, 2024. However, the peak demand got moderated to about 245 GW during the financial year 2025-26. The early arrival of monsoon, plenty of rainfall throughout the summer season contributed for this less demand. However, in April, 2026, India experienced a record peak electricity demand of 256 GW, driven by a severe heatwave that increased the use of cooling appliances. The demand was fully met without any shortages, showcasing the country's grid resilience and preparedness.

Increasing trend in All India Peak Demand Met



Coal

During the financial year 2025-26, India's domestic coal production stood at about 1,041 million tonnes (MT), broadly stable *vis-à-vis* 1,047 MT in the financial year 2024-25. Coal movement and offtake remained at the one billion tonnes scale, with total offtake/ dispatch of ~1,019 MT in the financial year 2025-26. Importantly, the power sector remained the dominant consumer, receiving ~808 MT (nearly four fifths of total dispatch), which supports fuel security for thermal generators and improves operational predictability for cashflow-linked servicing of long tenor power sector loans.

Fuel security for thermal generation remains a critical determinant of plant availability and cash-flow stability for coal-based assets. In this context, the Government of India has undertaken several coal-sector reforms and operational measures to strengthen domestic coal availability for the power sector. The Cabinet approved the Revised SHAKTI Policy (2025) for coal allocation to the power sector, simplifying linkage mechanisms into two windows, improving flexibility and access to domestic coal and enabling imported coal substitution for eligible plants, thereby supporting affordable and reliable power supply. Ministry of Power (MoP) has issued methodology for allocation/earmarking of linkages under Window I and Window II to operationalise the revised framework.

Renewable Energy Sources

India achieved historic growth in its Renewable Energy (RE) capacity during the financial year 2025-26, adding a record 55 GW. This brought the total installed RE capacity to approximately 275 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. India has surpassed Brazil to secure third position in Global Renewable Energy Rankings.

Solar energy spearheaded this expansion, contributing 45 GW of the new capacity in the financial year 2025-26, almost double of the solar capacity added of 24 GW added the previous year. This pushed total installed solar capacity to 150 GW (comprising 115 GW ground-mounted, 26 GW Roof Top Solar, 4 GW in hybrid projects and 5 GW off-grid). Highest ever addition in distributed solar in a single financial year of 16 GW, which includes 9 GW of Rooftop Solar and 7 GW of The Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM-KUSUM) projects, almost 36% of the total installed capacity in the financial year 2025-26. Cumulative rooftop installations under the PM Surya Ghar: Muft Bijli Yojana have reached 33.64 lakh as of March 31, 2026, indicating sustained growth across distributed solar segments.

Wind energy also demonstrated sustained progress, adding 6 GW of new capacity during the year (up from 4 GW previously), bringing its total cumulative installed capacity to 56 GW. Alongside these, Large Hydro capacity reached 51 GW (increasing by 4 GW), Small Hydro stood at 5 GW and Bio Power (including waste-to-energy) accounted for 12 GW.

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, 2026	HVDC			EHV AC			Total
	± 800 kV	± 500 kV	± 320 kV	765 kV	400 kV	230/220 kV	
Lines added in financial year 2025-26 (in cKM)	Nil	Nil	Nil	5,111	3,064	3,964	12,139
Total Line Length at the end of financial year 2025-26 (in cKM)	9,655	9,432	288	62,066	2,09,856	2,15,216	5,06,513
Transformation capacity added in financial year 2025-26 (in MVA)	Nil	Nil	Nil	54,000	34,860	24,153	1,13,013
Total Transformation capacity at the end of financial year 2025-26 (in MVA)	18,000	13,500	2,000	3,69,700	5,33,333	5,13,993	14,50,526

India's transmission network saw continued expansion in the financial year 2025-26. The addition of transmission lines (12,139 cKM) increased by approximately 37% compared to the previous financial year and the addition of transformation capacity also significantly increased by 31% year-on-year, reaching 1,13,013 MVA. As of March 31, 2026, the nation's cumulative transmission infrastructure comprised 5,06,513 cKM of lines and 14,50,526 MVA of transformation capacity.

Looking ahead, the Central Electricity Authority (CEA) has expanded its vision for India's energy transition. While the initial aim was to integrate 500 GW of non-fossil capacity by 2030, the updated plan now provides a comprehensive roadmap for integrating over 900 GW of non-fossil fuel capacity by the year 2035-36. This plan is designed to meet a projected peak electricity demand of 459 GW, ensuring that the country's burgeoning economic growth is supported by a world-class, carbon-conscious transmission network.

To achieve this massive scale-up, significant physical infrastructure additions are planned. For the integration of additional wind and solar capacity during the period from 2026-27 to 2035-36, the CEA has estimated a requirement of 1,37,500 cKM of transmission lines and 8,27,600 MVA of transformation capacity. This includes extensive use of Inter-State Transmission Systems (ISTS) to connect high-potential Renewable Energy (RE) zones in States like Rajasthan, Gujarat, Andhra Pradesh and Karnataka to major load centres. Furthermore, the plan envisages advanced HVDC transmission systems, particularly for evacuating abundant RE potential from Rajasthan through corridors like the Ramgarh and Bhadla complexes.

The Plan strategically integrates energy storage and emerging industrial loads. Recognizing that long-duration storage is essential for grid stability beyond the year 2030, the roadmap includes a pathway for achieving 100 GW of Hydro Pumped Storage Projects (PSPs) by the financial year 2034-35. Additionally, the Green Energy Corridor (GEC)-III scheme will support the development of 44.8 GWh of Battery Energy Storage Systems (BESS). A critical component of the new infrastructure is dedicated to supporting Green Hydrogen and Green Ammonia manufacturing hubs, with planned 1150 kV corridors specifically catering to massive new industrial demands in locations such as Paradeep and Gopalpur in Odisha.

This roadmap provides unprecedented visibility and a massive investment opportunity for global and domestic investors. With schemes currently commissioned, under construction, or in the bidding process, the total estimated cost for the transmission infrastructure required between by the financial year 2026-27 and 2035-36 stands at approximately ₹7,93,300 crore. By aligning transmission development with the shorter gestation periods of solar and wind projects, this plan ensures that the grid is ready to evacuate power as soon as new generation capacity comes online.

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 powers 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. Power distribution sector has received great attention from the Ministry 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 Ministry of Power, 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 DISCOM's 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.

The reform measures undertaken in the power distribution sector have been primarily aimed at improving the financial viability and operational efficiency of DISCOMs. The impact of these initiatives is now becoming clearly visible in the recent performance indicators.

- Operational performance has shown steady improvement, with AT&C losses declining from 15.97% in the financial year 2024 to 15.04% in the financial year 2025. This has been supported by gains in efficiency metrics, as billing efficiency improved from 86.99% to 87.59%, while collection efficiency increased from 96.60% to 97% during the same period.
- Financial performance has also witnessed a significant turnaround. At the aggregate level, the sector reported a positive Profit After Tax (PAT) on an accrual basis for the first time, with a profit of ₹2,701 crore in the financial year 2025, compared to a loss of ₹27,022 crore in the financial year 2024 for all rated distribution utilities.
- The ACS-ARR gap (cash-adjusted) has narrowed substantially by ₹0.25 per kWh, improving from ₹0.32 per kWh in the financial year 2024 to ₹0.07 per kWh in the financial year 2025, indicating enhanced cost recovery and tariff alignment.
- Liquidity indicators have also shown marginal to moderate improvement. Days Receivable improved to 112 days in the financial year 2025 from 113 days in the financial year 2024, while payment delays to generation and transmission companies reduced significantly, with days payable declining to 113 days from 132 days over the same period.

Overall, these trends point towards a gradual but sustained strengthening of the financial and operational health of the power distribution sector, reflecting the effectiveness of the reform measures implemented.

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 2030 for 71 DISCOMs nationwide.

It has estimated funds requirement of ₹4.28 lakh crore for Distribution Infrastructure upgradation during 2022-2027 period, 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.

Energy Storage

Pumped Storage Projects (PSPs): India is currently having 7.4 GW of PSPs installed capacity and another 15.9 GW is under construction, further DPR has been concurred for a total of 6.6 GW projects by CEA and yet to be taken up for construction. Going forward priority is being given to Off-Stream Closed-Loop systems, as it has Fastest Gestation, faster statutory clearances due to reduced impact on river ecology and sediment transport, higher operational flexibility & efficiency. India is currently having an estimated PSP potential of about 289 GW, out of which 232 GW is from Off-stream PSP Projects.

BESS: As of January, 2026, installed Capacity of the country BESS project stands at 275 MW (792 MWh). Further, BESS capacity of 10.7 GW are currently under construction and 22.3 GW capacity is under tendering stage.

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 reach 500 GW non-fossil energy capacity by the year 2030 and a 50% of energy requirements from renewable sources by the year 2030. The Government has also pledged to achieve net-zero emissions by the year 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.

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

- Government of India 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 Atmanirbharata, India's solar module manufacturing capacity is more than doubled from

74 GW in March, 2025 to 172 GW in March, 2026, while solar PV cell manufacturing capacity has risen to 27 GW in March, 2026.

- As per the Optimal Generation Mix Report (2023) published by the CEA, a requirement of 208 GWh of BESS has been projected by the year 2030 to enable seamless integration of the increasing share of renewable energy in the grid. To Support this transition, the Government of India has approved a Viability Gap Funding (VGF) Scheme in March, 2024 with an outlay of ₹3,760 crore for development of 13.2 GWh at VGF of ₹27 lakh/MWh. In June, 2025 the Government has approved another VGF scheme of 30 GWh, funded through ₹5,400 crore from the Power System Development Fund (PSDF) at VGF of ₹18 lakh/MWh. The Government of India has also earmarked 10 GWh capacity for Grid Scale Stationary Storage applications under the "National Programme on Advanced Chemistry Cell (ACC) Battery Storage".
- To ensure the PSP projects are on track, the Government of India has facilitated with the following major initiatives:
  - **ISTS Waiver:** Zero transmission charges for projects awarded by June, 2028.
  - **Exemption from Obligations:** These projects are exempt from Free Power Obligations and contributions to the Local Area Development Fund.
  - **Exemption of CEA Concurrence:** Exempted all Off-Stream Closed-Loop PSPs from the requirement of CEA Concurrence.
  - **DPR Timelines:** The CEA has reduced the timeline for concurrence of Detailed Project Reports (DPR) from 90 days to 50 days for all PSP types.
  - **Capex Subsidy:** Up to ₹1.50 crore/MW for "Enabling Infrastructure" (roads, bridges).
- Government of India approved VGF Scheme for the implementation of offshore wind energy projects of 1,000 MW capacity with an outlay of ₹6,853 crore.
- 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 year 2030.
- The Government of India 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 2027 for seamless renewable energy evacuation and transfer to any part of the country.
- The Government of India has initiated schemes like PM-KUSUM, Rooftop Solar Programme to boost country's decentralised generation from solar power.
- To establish India as a global hub for green hydrogen production, the Government of India has launched National Green Hydrogen Mission with an outlay of ₹19,744 crore.
- Guidelines for Virtual Power Purchase Agreements (VPPA) issued by CERC. VPPA provides an additional instrument to enable the Designated Consumers to meet their RCO targets.
- Pilot Scheme for Contract for Difference (CfD) for RE projects of 500 MW capacity issued by MNRE. The CfD mechanism, a globally proven framework, guarantees stable revenues to renewable energy developers while preserving competitive, market-based price discovery.
- The National Policy on Geothermal Energy was issued in September, 2025, providing a comprehensive strategic framework to accelerate the exploration, development and commercial utilization of geothermal resources across the country.

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

Further, India has set its sights on a significantly larger role for nuclear energy in its overall power mix. The Government has announced the Nuclear Energy Mission, outlined in the Union Budget 2025-26, with the aim of achieving 100 GW of nuclear power generation capacity by 2047. The mission also supports India's broader goal of achieving net zero carbon emissions by 2070.

Following measures have been put in place to drive this vision forward:

- **Financial Commitment:** The Nuclear Energy Mission allocates ₹20,000 crore towards the design, development and deployment of Small Modular Reactors (SMRs), signalling a serious long-term investment in indigenous nuclear technology.
- **SMR Target:** At least five indigenously designed SMRs are to be operational by 2033.
- **SHANTI Act, 2025:** To support the mission, the Government has enacted the 'The Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act, 2025.' The Act consolidates and modernises India's nuclear legal framework. It enables limited private participation in the nuclear sector under regulatory oversight, opening new avenues for collaboration and investment.

Further, to ensure long-term energy security and stability, the Government of India during Union Budget 2026-27 has announced the following:

- A Scheme to adopt Carbon Capture Utilization and Storage (CCUS) with an outlay of ₹20,000 crore.
- Exemption of Basic Customs Duty (BCD):
  - on import of sodium antimonate for use in manufacture of solar glass.
  - on import of capital goods required for the processing of critical minerals in India.
  - to capital goods used for the manufacture of Lithium-Ion Cells for batteries to be used in battery energy storage systems.
  - extension of the existing BCD exemption on imports of goods required for Nuclear Power Projects till the year 2035 and expand it for all nuclear plants irrespective of their capacity.

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.

PM Surya Ghar: Muft Bijli Yojana

The Union Cabinet, chaired by the Hon'ble Prime Minister Shri Narendra Modi, 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 offers substantial subsidies to residential consumers, covering 60% of the benchmark cost for systems up to 2 kWp and 40% for additional capacity, capped at 3 kWp. Accordingly, Central Financial Assistance (CFA) is provided at ₹30,000 per kWp for the first 2 kWp (₹33,000 per kWp for special category states) and ₹18,000 per kWp for the next 1 kWp (₹19,800 per kWp for special category states), with no additional CFA beyond 3 kWp.

Additionally, Group Housing Societies (GHS) and Resident Welfare Associations (RWA) are eligible for support at ₹18,000 per kWp (₹19,800 per kWp for special category states) for common facilities, including EV charging, up to 500 kWp (limited to 3 kWp per house).

A dedicated national portal (https://pmsuryaghar.gov.in) has been developed to facilitate the process, enabling households to apply for subsidies and select suitable vendors for rooftop solar installations. Additionally, households can access collateral-free, low-interest loan products, available at a rate of Repo + 50 basis points (presently 5.75%), for installing residential RTS systems up to 3 kW.

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 CO_2 equivalent emissions over the 25 years lifetime of rooftop systems.

The PM Surya Ghar: Muft Bijli Yojana has demonstrated significant progress, with total rooftop installations reaching 33.64 lakh (including RWA households covering 6.51 lakh homes), an installed capacity of 9.92 GW and Central Financial Assistance (CFA) amounting to ₹19,454.17 crore disbursed to 24.75 lakh beneficiaries as of March 31, 2026.

To accelerate this scheme further the following steps has been undertaken by Ministry of New and Renewable Energy:

- City accelerator program has been initiated in 41 cities to accelerate RTS in cities.
- Inter ministerial convergence with Ministry of Housing and Urban Affairs for SHG involvement, Ministry of Commerce for cooperatives and Ministry of Rural Development/Ministry of Power for involving Panchayats in RTS installations.
- Net metering agreement has been integrated into the National Portal, forming part of the online application.
- Centralized digital portal with auto feasibility improvised with reporting.
- Included RESCO/Utility-Led Aggregation (ULA) Models.
- Awareness creation has been emphasized with a focus on soft loans through banks, with 13.03 lakh loan applications sanctioned and 10.70 lakh disbursed as of March 31, 2026.

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 (NGHM) 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.

The details of projects under NGHM are given below:

- Incentives scheme for Electrolyser Manufacturing: 3000 MW per annum electrolyser manufacturing capacity has been awarded to 15 companies.
  - Incentive schemes for Green Hydrogen production: 8,62,000 Metric Tonnes per Annum (MTPA) of green hydrogen production capacity, has been awarded to 18 companies.
  - Demand aggregation for green ammonia: Prices have been discovered for the production and supply of 7,24,000 MTPA of Green Ammonia (a derivative of Green Hydrogen) to 13 fertilizer units across India.
- Demand aggregation of green hydrogen in refinery sector: 20,000 tonnes per annum of green hydrogen production and supply capacity has been awarded for supply to the refineries of various Oil Sector PSUs.
- Pilot projects: Five pilot projects have been sanctioned for the use of hydrogen in the steel sector.

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, 2026, under the PM Kusum scheme, grid-connected solar power plants of 1,053 MW capacity have been installed and 10.64 lakh stand-alone agriculture pumps have been solarized and another 14.24 lakh Pumps have been solarised under Feeder Level Solarisation.

Under the PM KUSUM scheme, the number of pumps installed/ solarised in the financial year 2025-26 reached 13.94 lakh pumps, with 7,672.35 MW capacity added during the year and a cumulative installed capacity of 13,111.87 MW. The scheme has contributed to estimated savings of 12.59 million tonnes of CO_2 emissions and 734.52 million litres of diesel.

Carbon Credit Trading Scheme

Towards India's commitment on emission intensity reduction, the Government of India has already notified The Carbon Credit Trading Scheme, 2023 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.

The Bureau of Energy Efficiency (BEE) under the Ministry of Power 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 Government of India 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.

Infrastructure Sector

The infrastructure sector plays a pivotal role in driving India's economic growth and overall development. As the country continues on its path towards becoming a global economic powerhouse, the need for robust infrastructure becomes increasingly apparent. The recent Union Budget 2026-27 helps carry forward the momentum in the energy transition of the country by pushing the nuclear sector forward by announcing the:

- Setting up Infrastructure Risk Guarantee Fund to provide prudently calibrated partial credit guarantees to lenders.
- Recycling of real estate assets of CPSEs through the setting up of dedicated REITs.
- Establishment of new Dedicated Freight Corridors connecting Dankuni in the East, to Surat in the West.
- Operationalising 20 new National Waterways connecting mineral rich areas, industrial centres and ports.
- Setting up of ship repair ecosystem catering to inland waterways.
- Launch a Coastal Cargo Promotion Scheme to increase the share of inland waterways and coastal shipping from 6% to 12% by 2047.
- Launching a Seaplane VGF Scheme to indigenise manufacturing.
- Purvodaya: Development of Integrated East Coast Industrial Corridor.

India's infrastructure strategy continues to be a central pillar of growth, with the Government emphasising scale, integration and quality of execution through institutional mechanisms and mission mode programmes. A defining feature of this approach is the 'whole of government' planning architecture enabled through PM Gati-Shakti, which promotes integrated planning, multimodality, inter modality, synchronisation of efforts and last mile connectivity around project catchment areas. Recent Government updates indicate that the Network Planning Group (NPG) mechanism under PM Gati-Shakti has evaluated 352 infrastructure projects with an estimated outlay of ₹16.10 lakh crore, of which 201 projects have been sanctioned and 167 are under implementation, reinforcing a strong forward pipeline and a structured monitoring and issue resolution ecosystem.

Within transport infrastructure, the road network has expanded materially alongside sustained public investment and reforms aimed at improving logistics efficiency and travel reliability. The Economic Survey 2025-26 (as disseminated by PIB) highlights the National Highway network at 1,46,572 km (financial year 2026 up to December) and operational High-Speed Corridors at 5,364 km (financial year 2026 up to December), reflecting continued creation of access controlled capacity and improved corridor connectivity. Bharatmala Pariyojana remains a key highway development programme, with Parliamentary disclosures indicating 26,425 km awarded and 21,783 km constructed as on December 2025 and further progress to 22,223 km constructed up to February, 2026, supporting faster freight movement, connectivity to economic nodes and improved regional access.

In the maritime sector, Sagarmala continues to advance port led development through port modernisation, connectivity enhancement, coastal community development and increased use of coastal shipping and inland waterways. As per recent Government of India documentation, 845 projects worth ₹6.06 lakh crore have been taken up under Sagarmala, with 315 projects worth ₹1.57 lakh crore completed as on March 24, 2026. India's major ports handled a record 915 million tonnes of cargo in the financial year 2025-26, underlining rising throughput and the role of maritime infrastructure in trade logistics.

Urban and rail mobility are also witnessing rapid modernisation. The operational metro/RRTS network is reported at about 1,095 km across 26 cities, reflecting expansion of clean mass transit and improved urban accessibility. Indian Railways has continued to expand modern semi high speed services, with 164 Vande Bharat services operational till December, 2025, signalling rising demand for faster, safer and more passenger centric intercity travel. In civil aviation, continued capacity additions and policy reforms have supported network growth; the Economic Survey 2025–26 indicates that the number of airports increased from 74 (2014) to 164 (2025), reflecting broadening connectivity.

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 Government of India 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 the financial year 2026-27 is projected to be 610 GW requiring investments of ₹14.54 lakh crore during the period 2022-27. 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.
- Ministry of Power 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 Government of India.
- 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.
- Global geopolitical tensions, leading to supply chain disruptions and currency volatility, may pose potential risks to both the execution of REC-funded projects and REC's borrowing operations.

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 2025-26, the Company sanctioned total loan assistance of ₹4,09,096.50 crore towards various projects and schemes. The same includes ₹1,28,876.43 crore towards conventional generation projects, ₹85,008.57 crore towards Renewable Energy Projects (including Large Hydro), ₹1,45,727.17 crore towards T&D projects including the loans under revolving Bill Payment Facility (RBPF) and Late Payment Surcharge, ₹41,784.34 crore towards Infrastructure & Logistics projects and ₹7,700 crore towards other short-term & medium-term loans.

During the financial year 2025-26, the Company disbursed total sum of ₹2,11,189.25 crore, which included ₹25,652.82 crore towards generation projects, ₹28,896 crore towards renewable energy projects, ₹74,319.16 crore towards T&D projects, ₹4,250.28 crore towards Power Infrastructure projects, ₹3,534.42 crore towards Infrastructure & Logistics projects, ₹72,521.37 crore towards other loans including short term and RBPF and ₹2,015.20 crore of counter-part funding under various schemes of the Government of India.

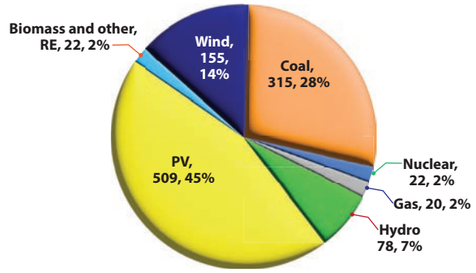
OUTLOOK

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

CEA has undertaken Long term National Resource Adequacy Plan for 2026-27 to 2035-36 period, whereby the total installed generation capacity required in 2035-36 has been assessed as 1,121 GW. The report highlights the need to expand capacity across multiple energy sources to reliably meet the future electricity demand. Specifically, it estimates the following capacity requirement in 2035-36:

Likely Installed Capacity (GW) in 2035-36



i. Approximately 315 GW of coal-based generation capacity, which will continue to serve as the backbone of the power system for baseload supply. Expansion of gas-based capacity has not been considered due to the limited availability of domestic gas. The existing gas-based capacity of 20 GW would provide flexibility and peaking support. The plan also estimates 22 GW of nuclear power, contributing to low-carbon, reliable baseload generation.

ii. On the renewable front, the report envisages significant capacity expansions to accelerate the clean energy transition. This includes 78 GW of hydroelectric power, which offers both renewable energy and grid balancing capabilities, 509 GW of solar photovoltaic (PV) capacity and 155 GW of wind power. These renewable sources will substantially reduce the carbon footprint of the power sector while meeting growing electricity demand.

iii. The Government of India under the Union Budget for 2025-26, launched a Nuclear Energy Mission setting a target of 100 GW of nuclear power installed capacity by the year 2047, a increase from the current 8.8 GW. The Nuclear capacity is likely reach 22 GW by the financial year 2035-36.

iv. The need for energy storage systems to shift the energy generated in high RE generation periods for use during low/no RE generation and high demand periods. Specifically, 94 GW of Pumped Storage Plants (PSPs) and 80 GW of Battery Energy Storage Systems (BESS) are projected to be added.

The broad visibility of capacity addition till 2035-36 is given below:

- Coal-based capacity of about 41 GW is under construction, about 22.4 GW coal based capacity is to be shortly taken up for construction and about 16 GW coal-based capacity is under various stages of planning.
- 12.7 GW hydro projects are under construction and about 17 GW of hydro projects are under different stages of planning.
- 6.6 GW of nuclear projects are under construction and 7 GW of nuclear projects are under various stages of planning and approval.
- 155 GW of RE Capacity (solar, wind, hybrid, etc.) is under construction and 48 GW of RE capacity are under tendering. 134 GW RE Capacity is planned to be added under the Green Energy Corridor (Phase III) Scheme. Additional RE Capacity is being planned and to be implemented by the States.
- 10.7 GW of BESS capacity is under construction and about 22 GW is under tendering.

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 2022-27 period. 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 2022-2027 period.

For the integration of additional wind and solar capacity during the period from 2026-27 to 2035-36, the CEA has estimated a requirement of 1,37,500 cKM of transmission lines and 8,27,600 MVA of transformation capacity with a total estimated cost for the transmission infrastructure required between 2026-27 and 2035-36 stands at approximately ₹7,93,300 crore.

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. The BESS sector is growing very fast. The country had about 10.7 GW of BESS capacity is under construction and about 22 GW is under tendering, by the financial year 2035-36 about 80 GW of BESS capacity is being projected.

As India targets 500 GW of non-fossil fuel capacity by the year 2030, the grid requires massive Long-Duration Energy Storage (LDES) to manage the intermittency of solar and wind. The CEA's "Roadmap to 100 GW of Pumped Storage Projects (PSPs) by the financial year 2035-36 identifies PSPs as the most cost-effective and technically superior solution for 6–8 hours storage. To achieve this PSP capacity the Central Electricity Authority (CEA) estimates a massive cumulative investment of approximately ₹5.8 trillion (approx. $70 billion), based on an average capital cost of ₹6 crore per MW. All these indicates huge financial requirement in the Power sector.

MoU RATING AND AWARDS

The Memorandum of Understanding (MoU) serves as a key policy instrument through which the Government of India undertakes regular performance evaluations 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), Government of India for the financial year 2024-25 has been rated as "Excellent" maintaining its excellent financial and operational performances. For the financial year 2025-26, MoU evaluation will be initiated as per DPE Guidelines in due course of time.

During the financial year 2025-26, REC received several prestigious awards and recognitions across business performance, digital and technology initiatives, sustainability and CSR, reaffirming its commitment to excellence in governance, stakeholder value creation and responsible growth.

ENVIRONMENT SOCIAL AND GOVERNANCE

REC's Environmental, Social and Governance (ESG) principles are not just compliance metrics-they are core pillars embedded within our value-creation roadmap and enterprise risk architecture. Governed by a comprehensive Board-approved ESG Policy Framework, REC drives disciplined execution through a phased, data-driven approach. By combining meticulous gap analysis and global benchmarking with science-based target setting, REC ensures that sustainability commitments translate into measurable, long-term outcomes. This rigorous process is anchored by quarterly oversight from the Board's Risk Management Committee, ensuring transparency and continuous progress.

Environment

REC is actively advancing India's Panchamrit commitments and Nationally Determined Contributions (NDCs) by rapidly decarbonizing its operations and expanding its green financing footprint.

In alignment with REC commitment to achieve Net Zero by the year 2035, REC achieved an impressive 69% reduction in Scope 1 and Scope 2 emissions in the financial year 2025–26. This was driven by sourcing 100% green power (3,154 MWh) for REC Corporate Office through the Green Tariff facility of DISCOM and a 979 kWp roof-top solar system, marking a significant step toward reducing grid-related carbon emissions. Additionally, a combined Roof-Top Solar capacity of 54 kWp was installed across three regional offices (i.e. Panchkula, Lucknow and Vadodara) during the financial year 2025–26. Also, REC has taken various Energy efficiency improvements including the deployment of automated lighting and building energy management system that optimize consumption based on occupancy. These efforts are further complemented by a 100% EV/hybrid office fleet supported by on-site charging stations.

Regarding core business operations, REC's renewable energy loan portfolio expanded 30% year-on-year to ₹75,347 crore, increasing its share of the total loan book from 10% to 13%. In the financial year 2025–26, these funded operational projects avoided 7.6 million tonnes of CO_2 emissions (attributed to REC loan portion) - a 24.6% increase over the previous year, evaluated on the basis of globally recognized PCAF methodology. These achievements position REC as a leader in India's clean energy transition and highlight its strategic role in decarbonizing the nation's energy sector.

The details of technological conservation are disclosed in the Board's Report.

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.

REC social initiatives include the implementation of a comprehensive Occupational Health and Safety (OHS) Policy. Through the REC Institute of Power Management and Training (RECIPMT), IITs and IIMs, REC delivered 18,155 man-days of training on Electrical Safety, ESG and New Power Sector Reforms to customers. Additionally, REC achieved 6,783 man-days of employee training in the financial year 2025–26, marking a 189% increase over the previous year.

Driven by a commitment to workplace excellence, REC has expanded its comprehensive wellness infrastructure, providing employees with an on-site gym, structured yoga sessions, professional dietary guidance and routine access to medical practitioners. We actively cultivate transparent stakeholder relationships through an institutionalized, multi-channel feedback framework that continually refines our service delivery. This robust governance is further reflected in our consumer operations, which recorded zero unresolved grievances and zero data breaches during the year-solidifying REC's standing as a highly trusted, responsible financial enterprise.

Governance

Driven by a firm commitment to ethical standards and robust risk management, governance excellence remains central to REC's operational philosophy. REC diligently focuses on accurate, transparent and timely disclosure of all material information to key stakeholders.

Starting from January, 2025 REC has started ESG assessment of all Private Sector sanctions and Onboarded vendors. Building on this momentum, in April, 2026, REC began incentivizing ESG-compliant renewable energy borrowers, ensuring that environmental and social impacts are weighed at every level of decision-making.

To strengthen enterprise resilience, REC has received the upgraded ISO 27001:2022 certification, ensuring the highest benchmarks for data privacy. Additionally, REC achieved ISO 31000:2018 certification-a historic milestone marking REC as the first Indian public sector NBFC to receive this global accreditation for its Enterprise Risk Management (ERM) framework

REC ESG advancements have been recognized externally, with REC receiving the prestigious "SKOCH ESG Award 2025 for Corporate Net Zero Transition", "Sustainability Icons Award 2025 for Excellence in ESG Initiatives", "5th PSU Transformation Award 2025 for ESG Leadership & Net-Zero Operations" and "Net Green Earth Awards 2026 for excellence in ESG and Responsible Business". Together, these accolades validate REC's unwavering dedication to transparency, integrity and long-term 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. REC is also in the process of implementing climate change transition measures in line with the draft RBI framework on climate-related financial disclosures and the TCFD (Task Force on Climate-related Financial Disclosures). On the social front, REC will leverage its well-established practices to further strengthen and achieve inclusive development through targeted CSR initiatives. 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

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 firms. Additionally, review audits of Regional and State Offices are carried out by the in-house Internal Audit Team in the year following the review 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 has achieved impressive performance during the financial year 2025-26. The operating income of the Company on a standalone basis was ₹59,139.96 crore, which was 5.77% higher than last year (i.e. ₹55,911.12 crore). The Profit Before Tax for the financial year 2025-26 was ₹20,713.19 crore, which was 4.30% higher than last year (i.e. ₹19,859.78 crore). Net Profit for the financial year 2025-26 stood at ₹16,282.26 crore, which was 3.62% higher than last year (i.e. ₹15,713.21 crore). The Net Worth as on March 31, 2026, stood at ₹84,290.41 crore, which was 8.57% higher than last year (i.e. ₹77,637.97 crore).

The Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2025-26, the Company recovered ₹2,44,798.94 crore, against the total sum of ₹2,45,428.35 crore due for recovery, including interest for Standard Assets (Stage I & II), thereby achieving a recovery rate of 99.74%.

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.

The details of forex conservation are disclosed in the Board's Report.

KEY FINANCIAL RATIOS:

The details of changes in key financial ratios applicable and specific to the Company, are given herein below:

Particulars	FY 2025-26	FY 2024-25
Interest Coverage ratio (times)	**1.57**	1.58
Debt Equity ratio (times)	**6.00**	6.29
Operating Profit Margin (%)	**34.94**	35.40
Net Profit Margin (%)	**27.51**	28.07
Gross Credit Impaired Assets (Stage-III) (%)	**0.24**	1.35
Net Credit Impaired Assets (Stage-III) (%)	**0.12**	0.38
Return on Net Worth (PAT/ Average Net Worth) (%)	**20.11**	21.46

There was no significant change in the key financial ratios for the financial year 2025-26 *vis-à-vis* the last financial year 2024-25.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on March 31, 2026, total manpower of the Company was 591 employees, which includes 579 executives and 12 non-executives. The industrial relations scenario continued to be on a cordial and harmonious note. During the financial year 2025-26, 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 2025-26, total 550 employees of the Company attended various training programmes, workshops, webinars etc., achieving over 2,783 training man-days in total.

In order to equip the employees professionally, 30 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.

In line with the applicable provisions of the Companies Act, 2013 and Rules made thereunder, the Board approved CSR budget of ₹338.07 crore for the financial year 2025-26 towards various new CSR initiatives in the fields of health care, 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 defined objectives, baseline survey, implementation plan, specific timelines, identified milestones, monitoring of progress and impact assessment.

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 in place 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. Further, to mitigate liquidity and market risk, the Company has an Asset Liability Management Committee (ALCO) with CMD, Whole-Time Directors and senior officials as its members, which meets regularly for review. 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 (IRM) 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 generation, transmission, distribution, renewables generation, energy strigae technologies and other new and clean technologies.

With India's increasing economic growth and infrastructure spending and the necessary approvals in place, 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, city gas distribution, tourism, ports and healthcare infrastructure.

REC will continue to seek cost-effective funding from domestic and international sources to provide competitive financing products. REC continue to maintain loan asset quality as it grows its loan portfolio.

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Place: Gurugram
Date: July 29, 2026

REPORT ON CORPORATE GOVERNANCE

Good Governance is the core foundation upon which REC Limited's ("REC/the Company") credibility, resilience and long-term value have been built. As a Maharatna Central Public Sector Enterprise ("CPSE") under the agies of Ministry of Power ("MoP") and one of India's leading Non-Banking Financial Company ("NBFC"), REC serves as a key enabling force in achieving India's ambitious course towards a net-zero future by financing Renewable Energy, Green Infrastructure, Energy Efficiency Projects and Emerging Sustainable Technologies that are fundamentally reshaping the Country's infrastructure and power landscape. This breadth of mandate makes sound governance not just desirable, but indispensable. At REC, Corporate Governance is practised as a living discipline, one that goes beyond tick-box compliance to embed transparency, accountability, ethical conduct and stakeholder centricity into everyday decision-making.

In furtherance of this commitment, REC has adopted a robust Governance framework that is fully aligned with the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises ("DPE Guidelines on Corporate Governance"), Secretarial Standards issued by the Institute of Company Secretaries of India ("Secretarial Standards") and the Reserve Bank of India ("RBI") Master Directions, along with all other applicable Directives and Guidelines issued by the Government of India from time to time. Additionally, REC goes beyond these minimum requirements and meets most of the non-mandatory Guidelines set forth by SEBI.

REC strives to create lasting value for all its stakeholders through responsible Resource Utilisation, Environmental Sustainability and Active Community Engagement. During the financial year 2025-26, REC's unwavering focus on Governance and Sustainability was recognised through several prestigious awards, including the Gold Award for ESG Leadership & Net-Zero Operations and the Risk Management Leader Award for implementation of ISO 31000 Risk Management Guidelines at the 5th PSU Transformation Awards 2025 and the Silver Award in the 'Corporate Net Zero Transition' category at the SKOCH Awards 2025. These recognitions affirm that REC's Governance practices are not only compliant, but exemplary.

A report regarding compliance of conditions of Corporate Governance during the financial year 2025-26 is provided below, followed by a Certificate on Compliance with conditions of Corporate Governance issued by Secretarial Auditors of the Company.

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



REC's Board of Directors/KMPs from left to right, Shri Rajesh Kumar, Director (Finance) & CFO, Shri T.S.C. Bosh, Director (Projects), Dr. K. Ghayathri Devi, Independent Director, Shri Jitendra Srivastava, CMD, Dr. Anil Kumar Gupta, Independent Director, Smt. Poonam Chauhan, Independent Director, Shri Rajesh Kumar Agarwal, PFC Nominee Director, Shri Shashank Misra, Government Nominee Director, Shri Dinesh Garg, Company Secretary.

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;
- 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 NBFC, REC has established its own "Internal Guidelines on Corporate Governance" in accordance with the norms set by the 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.com/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, 2026, the Board of Directors of REC comprised of 6 (Six) Directors, including the Chairman & Managing Director ("CMD") and Director (Finance) (Additional Charge); Director (Projects); a Government Nominee Director from the administrative ministry i.e. MoP, Government of India; a Nominee Director of Power Finance Corporation Limited ("PFC"), which holds majority equity stake in the Company; and 2 (Two) Part-time Non-Official Independent Directors, including a Woman Independent Director.

Further, as on July 24, 2026, the Board of Directors of REC comprised of 8 Directors, including the Chairman & Managing Director ("CMD"), Director (Projects), Director (Finance), a Government Nominee Director; a Nominee Director of PFC and 3 (Three) Part-time Non-Official Independent Directors, including two Woman Independent Directors.

REC being a 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.

The Directors of REC are 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 and 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 for 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.com/policies.

(a) Composition of Board

The composition of the Board as on July 24, 2026 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
2	Shri Thangarajan Subash Chandira Bosh	02772316	Director (Projects)
3	Shri Rajesh Kumar	06941428	Director (Finance) & Chief Financial Officer
Nominee Directors (Non-Executive Directors)			
4	Shri Shashank Misra	08364288	Government Nominee Director
5	Shri Rajesh Kumar Agarwal	09699001	PFC Nominee Director
Independent Directors (Non-Executive Directors)			
6	Dr. Anil Kumar Gupta	00442146	Independent Director
7	Dr. K. Ghayathri Devi	07584524	Independent Director
8	Smt. Poonam Chauhan	11842802	Independent Director

The composition of the Board as on March 31, 2026 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
Executive Directors (Whole-time Directors)							
1	Shri Jitendra Srivastava	06817799	Chairman & Managing Director and Director (Finance) (Additional Charge)	1	-	-	-
2	Shri Thangarajan Subash Chandira Bosh	02772316	Director (Projects)	4	-	-	-
Non-Executive Directors (Nominee Directors)							
3	Shri Shashank Misra	08364288	Government Nominee Director	1	PFC (Government Nominee Director)	-	-
4	Shri Manoj Sharma	06822395	PFC Nominee Director	7	PFC (Whole-time Director)	-	1
Non-Executive Directors (Independent Directors)							
5	Dr. Gambheer Singh	02003319	Independent Director	1	-	-	-
6	Dr. Durgesh Nandini	09398540	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, neither of the Directors is a member of more than 10 such committees nor a Chairperson of more than 5 such committees.

(b) Changes in composition of the Board during the financial year 2025-26

1. 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.
2. 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 & Managing Director and KMP on the Board of REC w.e.f. April 22, 2025. Consequently, Smt. Parminder Chopra, CMD, PFC, having additional charge of CMD, ceased to be CMD & KMP of REC w.e.f. April 22, 2025.
3. Shri Vijay Kumar Singh (DIN: 02772733), who has held the post of Director (Projects), REC, has superannuated from the services of the Company on June 30, 2025 and accordingly, he 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 (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.
5. Pursuant to MoP Order dated October 3, 2025, Shri Thangarajan Subash Chandira Bosh (DIN: 02772316) has been appointed as Director (Projects) of REC w.e.f. October 3, 2025.
6. Shri Harsh Baweja (DIN: 09769272), who has held the post of Director (Finance) & CFO, REC, has superannuated from the services of the Company on January 31, 2026 and accordingly, ceased to be the Director, CFO and KMP of REC w.e.f. February 1, 2026.
7. Pursuant to MoP Order dated January 16, 2026, Shri Jitendra Srivastava (DIN: 06817799), CMD has been assigned additional charge of the post of Director (Finance) for the period of 3 months w.e.f. February 1, 2026 or until the appointment of a regular incumbent to the post of Director (Finance) or until further orders, whichever is earlier.
8. Shri Narayanan Thirupathy (DIN: 10063245), Part-time Non-Official Independent Director of the Company has completed his three years tenure on March 2, 2026 and accordingly, he ceased to be the Independent Director of REC w.e.f. March 3, 2026.

(c) Changes in the composition of the Board after March 31, 2026

1. Shri Manoj Sharma (DIN: 06822395), PFC Nominee Director has superannuated from services of PFC on March 31, 2026. Accordingly, he ceased to be Nominee Director of PFC on the Board of REC w.e.f. April 1, 2026.
2. Pursuant to MoP Order dated April 2, 2026, Shri Rajesh Kumar (DIN: 06941428), has been appointed

as Director (Finance), REC for a period of five years w.e.f. the date of assumption of charge of the post i.e. April 2, 2026 or until further orders, whichever is earlier. Consequently, the additional charge of Director (Finance) assigned to Shri Jitendra Srivastava, ceased to exist.

Furthermore, Board of Directors has appointed Shri Rajesh Kumar, Director (Finance) as CFO & KMP w.e.f. April 2, 2026.

3. Pursuant to MoP letter dated April 6, 2026, Shri Rajiv Ranjan Jha (DIN:03523954), Director (Projects), PFC, has been appointed as Nominee Director of PFC on the Board of REC w.e.f. April 6, 2026. He superannuated from services of PFC on April 30, 2026. Accordingly, ceased to be Nominee Director of PFC on the Board of REC w.e.f. May 1, 2026.

4. Dr. Gambheer Singh (DIN: 02003319) and Dr. Durgesh Nandini (DIN: 09398540), Part-time Non-Official Independent Directors of the Company, have completed their tenure on April 16, 2026 and accordingly, were ceased to be the Independent Directors of REC w.e.f. April 17, 2026.

5. Pursuant to MoP letter dated May 6, 2026, Shri Rajesh Kumar Agarwal (DIN: 09699001), Director (Finance), PFC, has been appointed as Nominee Director of PFC on the Board of REC w.e.f. May 1, 2026.

6. Pursuant to MoP Order dated June 22, 2026, Dr. Anil Kumar Gupta (DIN: 00442146) and Dr. K. Ghayathri Devi (DIN: 07584524) have been appointed as Part-time Non Official Independent Directors (Additional Directors) of REC w.e.f. June 22, 2026 for a period of three months from the date of notification of their appointment or until further orders, whichever is earlier.

7. Pursuant to MoP Order dated July 20, 2026, Smt. Poonam Chauhan (DIN: 11842802) has been appointed as Part-time Non Official Independent Director (Additional Director) of REC w.e.f. July 21, 2026 for a period of three years with effect from the date of notification of her appointment, or until further orders, whichever is earlier.

(d) Other provisions as to Board and its Committees

(i) Board procedures

The Company adopts a well-defined and systematic approach for organising Board and Committee meetings, aimed at ensuring maximum participation, encouraging a paperless work culture and maintaining full compliance with the applicable statutory requirements. To facilitate the presence and participation of all Directors, meeting dates are scheduled well ahead of time through a consultative process involving all the Directors. Agenda notes are dispatched to the Directors within the statutorily prescribed timelines, through electronic or physical mode, as per the preference indicated by each Director. A secure digital platform is utilised for the sharing of agenda notes, in furtherance of the Company's commitment to a paperless environment. To safeguard confidentiality, Unpublished Price Sensitive Information (UPSI) is shared only through password-protected PDF files/documents, ensuring that sensitive information is communicated through secure and restricted channels.

Where business exigencies so demand, resolutions may be passed by circulation and are subsequently noted and recorded at the next Board meeting, in conformity with the provisions of the Act. In situations requiring immediate attention, meetings may be convened at shorter notice, strictly in accordance with the prescribed procedures.

For the management and dissemination of UPSI-related approvals, the Company makes use of the e-Office application developed by the National Informatics Centre (NIC), Ministry of Electronics and Information Technology, Government of India. All approvals relating to UPSI are shared with the concerned persons through this platform and complete records are maintained with audit trails and timestamps. The e-Office system is accessible only to authorised users and is equipped with a two-factor authentication mechanism, ensuring robust information security.

The decision to include any item on the agenda of a Board or Committee meeting is governed by a well-established internal process, with the final determination resting with the CMD. Agenda notes are structured in a standardised format, incorporating an executive summary alongside comprehensive details of the proposal, including the draft resolution(s) put forth for consideration and approval. Also, UPSI entry(ies) is made in SDD portal as required in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Board and Committee meetings are ordinarily convened at the Corporate Office/Registered Office of the Company during regular business hours and additionally be held through video conferencing mode, wherever required to enable broader participation. Senior Management Personnel were invited, as deemed necessary, to present before or provide additional clarity to the Board or Committee on specific agenda items. To ensure effective follow-up on decisions taken, a structured Action Taken Report (ATR) mechanism is maintained after every meeting, capturing the steps undertaken in pursuance of the Board's or Committees' earlier directions and deliberations. The Company remains firmly committed to adherence to the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

(ii) Details of Board meetings held during the financial year 2025-26

During the financial year 2025-26, meeting of the Board of Directors were held 14 (Fourteen) times, on the following dates:

Q1	Q2	Q3	Q4
8-May-2025	24-Jul-2025	17-Oct-2025	29-Jan-2026
4-Jun-2025	27-Aug-2025	21-Nov-2025	6-Feb-2026
25-Jun-2025	28-Sep-2025	31-Dec-2025	27-Feb-2026
			16-Mar-2026
			25-Mar-2026
			27-Mar-2026*

**The adjourned Board meeting held on March 27, 2026, was part of original meeting held on March 25, 2026 and the same is not counted for gap between the meetings.*

All the Committee meetings were held within permissible gap under the Act and Listing Regulations. Further, the minimum and maximum gap between any two Board meetings held during the financial year was 7 (Seven) day and 39 (Thirty-Nine) days, respectively. Further, gap between the first Board meeting of the financial year 2025-26 from the last Board meeting of the financial year 2024-25, was 42 (Forty-Two) days.

(iii) Information placed before the Board of Directors

The Board of Directors has complete and unrestricted access to Company's comprehensive 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, Senior Management Appointments, Changes in Key Managerial Personnel and other disclosures.

Additionally, it covers information relating to legal notices, defaults, liability claims, joint ventures, significant transactions, 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 audit report, 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 etc.

Other pertinent information is also presented to the Board from time to time.



REC Bags ESG and Responsible Business Award at Net Green Foundation Earth Awards 2026.

(iv) Details of Directors' attendance at Board meetings and Annual General Meeting (AGM) held during the financial year 2025-26.

Sl. No.	Name	Designation	Date of Board meeting and attendance thereat													Total number of meetings			Attendance at 56th AGM held on 27-Aug-2025
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	Held during tenure	Attended by Director	% of attendance	
			8-May-2025	4-Jun-2025	25-Jun-2025	24-Jul-2025	27-Aug-2025	28-Sep-2025	17-Oct-2025	21-Nov-2025	31-Dec-2025	29-Jan-2026	6-Feb-2026	27-Feb-2026	16-Mar-2026	25-Mar-2026 / 27-Mar-2026#				
1	**Shri Jitendra Srivastava**	Chairman & Managing Director (w.e.f. April 22, 2025)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	📹	📹 / 👤	14	14	100	👤
2	**Shri Thangarajan Subash Chandira Bosh**	Director (Projects) (w.e.f. October 3, 2025)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	📹	👤	👤	👤	👤	👤	👤 / 👤	8	8	100	N.A.
3	**Shri Vijay Kumar Singh**	Director (Projects) (upto June 30, 2025)	👤	👤	👤	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A. / N.A.	3	3	100	N.A.
4	**Shri Harsh Baweja**	Director (Finance) (upto January 31, 2026)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	N.A.	N.A.	N.A.	N.A. / N.A.	10	10	100	👤
5	**Shri Shashank Misra**	Government Nominee Director	👤	👤	LoA	👤	👤	👤	LoA	📹	👤	LoA	📹	LoA	📹	📹 / 👤	14	10	71.43	👤
6	**Shri Manoj Sharma**	PFC Nominee Director (upto March 31, 2026)	👤	📹	👤	👤	👤	👤	👤	👤	👤	👤	📹	📹	📹	📹 / 👤	14	14	100	👤
7	**Dr. Gambheer Singh**	Independent Director (w.e.f. April17, 2025 upto April 16, 2026)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	📹	📹 / 👤	14	14	100	👤
8	**Dr. Durgesh Nandini**	Independent Director (w.e.f. April17, 2025 upto April 16, 2026)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	📹	📹 / 👤	14	14	100	👤
9	**Shri Narayanan Thirupathy**	Independent Director (upto March 2, 2026)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤.	N.A.	N.A. / N.A.	12	12	100	👤

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable LoA Leave of Absence

#The adjourned Board meeting held on March 27, 2026, was part of original meeting held on March 25, 2026.

Note: Smt. Parminder Chopra has held additional charge of CMD, REC w.e.f. March 21, 2025 upto April 21, 2025, however, no meeting was held during her tenure in financial year 2025-26.

(v) Retirement by rotation at the ensuing 57th 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 57th Annual General Meeting (AGM) of the Company and being eligible, offers himself for re-appointment. The brief resume of Shri Shashank Misra, including his expertise in various functional areas and other relevant information, is appearing in the Notice of the 57th 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, 2026, 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 2025-26, 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 and 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 February 16, 2026, 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 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, 2026 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, 2026											
Shri Jitendra Srivastava	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Thangarajan Subash Chandira Bosh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Gambheer Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Dr. Durgesh Nandini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Board members appointed after March 31, 2026											
Shri Rajesh Kumar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajiv Ranjan Jha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajesh Kumar Agarwal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Anil Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. K. Ghayathri Devi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Poonam Chauhan	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓

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 following committees and composition as on July 25, 2026:

1. Audit Committee	2. Nomination and Remuneration Committee	3. Stakeholder Relationship Committee
Dr. Anil Kumar Gupta, Independent Director (C)	Dr. K. Ghayathri Devi, Independent Director (C)	Smt. Poonam Chauhan, Independent Director (C)
Dr. K. Ghayathri Devi, Independent Director (M)	Dr. Anil Kumar Gupta, Independent Director (M)	Director (Projects) (M)
PFC Nominee Director (M)	Smt. Poonam Chauhan, Independent Director (M)	Director (Finance) (M)

4. Risk Management Committee	5. CSR Committee	6. IT Strategy Committee
Dr. K. Ghayathri Devi, Independent Director (C)	Smt. Poonam Chauhan, Independent Director (C)	Smt. Poonam Chauhan, Independent Director (C)
Dr. Anil Kumar Gupta, Independent Director (M)	Director (Projects) (M)	Director (Projects) (M)
Director (Projects) (M)	Director (Finance) (M)	Director (Finance) (M)
Director (Finance) (M)		

7. Review Committee on Wilful Defaulter	8. Asset Liability Management Committee	9. Sub-committee to ensure compliance of GoI directives on 'Make in India'
CMD (C)	CMD (C)	Government Nominee Director (C)
Dr. Anil Kumar Gupta, Independent Director (M)	Director (Projects) (M)	Director (Finance) (M)
Dr. K. Ghayathri Devi, Independent Director (M)	Director (Finance) (M)	PFC Nominee Director (M)

C: Chairperson M: Member

Note: Some of the above Committees also 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:

a) To comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;

b) To comply with the requirements relating to Audit Committee as envisaged in Listing Regulations, as amended from time to time;

c) 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

d) 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 financial year under review, the Audit Committee met 7 (Seven) times. The composition of Audit Committee and details of attendance at its meetings held during the financial year 2025-26, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat							Total number of meetings		
			8-May-2025	4-Jun-2025	24-Jul-2025	28-Sep-2025	17-Oct-2025	29-Jan-2026	27-Mar-2026	Held during tenure	Attendance	% of attendance
1	**Dr. Durgesh Nandini** Independent Director	Member (w.e.f. April 17, 2025 to March 2, 2026) Chairperson (w.e.f. March 3, 2026 to April 16, 2026)	👤	👤	👤	👤	👤	👤	👤	7	7	100
2	**Shri Narayanan Thirupathy** Independent Director	Chairperson (upto March 2, 2026)	👤	👤	👤	👤	👤	👤	N.A.	6	6	100
3	**Shri Manoj Sharma** PFC Nominee Director	Member (upto March 31, 2026)	👤	📹	👤	👤	👤	👤	👤	7	7	100
4	**Dr. Gambheer Singh** Independent Director	Member (w.e.f. March 3, 2026 to April 16, 2026)	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

During the financial year 2025-26, Shri Shashank Misra was a member of the Committee upto April 16, 2025, however, no meeting was held during his tenure.

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 then Chairperson of Audit Committee was present at the last AGM held on August 27, 2025, 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:

a) 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;

b) To comply with the requirements relating to Nomination and Remuneration Committee as envisaged in Listing Regulations, as amended from time to time;

c) 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; and

d) To comply with any other applicable laws/provisions, as amended from time to time, relating to the Nomination and Remuneration Committee.

During the financial year under review, the NRC met 3 (three) times. The composition of NRC and details of attendance at its meetings held during the financial year 2025-26, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat			Total number of meetings		
			8-May-2025	4-Jun-2025	17-Oct-2025	Held during tenure	Attendance	% of attendance
1	**Dr. Gambheer Singh** Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	👤	👤	👤	3	3	100

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat			Total number of meetings		
			8-May-2025	4-Jun-2025	17-Oct-2025	Held during tenure	Attendance	% of attendance
2	**Dr. Durgesh Nandini** Independent Director	Member (w.e.f. April 17, 2025 upto April 16, 2026)	👤	👤	👤	3	3	100
3	**Shri Narayanan Thirupathy** Independent Director	Chairperson (upto April 16, 2025) Member (w.e.f. April 17, 2025 upto March 2, 2026)	👤	👤	👤	3	3	100

👤 Present in person

1. *During the financial year 2025-26, Shri Shashank Misra was a member of the Committee upto April 16, 2025, however, no meeting was held during his tenure.*
2. *During the financial year 2025-26, Shri Manoj Sharma, PFC Nominee Director, was a member of the Committee upto April 16, 2025 and again appointed as member of the comittee w.e.f. March 3, 2026 upto March 31, 2026, however, no meeting was held during his tenure.*

The quorum for meetings of NRC is two members or one third of the total number of members, whichever is greater, with at least one Independent Director present. 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 then Chairperson of the Committee was present at the last AGM of the Company held on August 27, 2025, to answer the queries of shareholders and others.

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 2025-26 with its Holding Company, PFC, 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.com/uploads/files.pdf.

Details regarding remuneration paid to Executive Directors of the Company during the financial year 2025-26, 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 Jitendra Srivastava** Chairman & Managing Director	37,35,869	-	-	13,666	-	-	-	**37,49,535**
2	**Shri Thangarajan Subash Chandira Bosh** Director (Projects)	28,57,576	3,41,982	-	3,759	-	2,32,480	1,71,106	**36,06,903**
3	**Shri Harsh Baweja** Director (Finance)	46,65,077	25,20,623	12,360	68,367	54,12,795	3,96,116	3,48,968	**1,34,24,306**
4	**Shri Vijay Kumar Singh** Director (Projects)	16,05,306	23,52,993	8,100	-	22,70,125	1,36,587	1,36,587	**65,09,698**

Notes:

1. *Shri Jitendra Srivastava, CMD, has been appointed w.e.f. April 22, 2025. Accordingly, his salary details are from April 22, 2025 to March 31, 2026.*
2. *Shri Thangarajan Subash Chandira Bosh, Director (Projects), has been appointed w.e.f. October 3, 2025. Accordingly, his salary details are from October 3, 2025 upto March 31, 2026.*
3. *Shri Harsh Baweja, former Director (Finance) has been associated with the Company upto January 31, 2026. Accordingly, his salary details are upto January 31, 2026.*
4. *Shri Vijay Kumar Singh, former Director (Projects) has been associated with the Company upto June 30, 2025. Accordingly, his salary details are upto June 30, 2025.*
5. *Performance Linked Incentive is paid in line with the guidelines issued in this regard by the DPE.*
6. *Other benefits included in Form 16 exclude the reimbursement(s) towards uniform, entertainment, electricity, water and attendant charges and exempt medical expenses/reimbursement.*
7. *In the financial year 2025-26, 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.*
8. *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.*
9. *The Company has not given any stock options. Further, the appointment of Directors and their terms of appointment including remuneration are decided by the President of India acting through administrative ministry, MoP.*

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 2025-26, 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*** PFC Nominee Director	5,60,000	2,10,000	**7,70,000**
2	**Dr. Gambheer Singh** Independent Director	5,60,000	5,70,000	**11,30,000**
3	**Dr. Durgesh Nandini** Independent Director	5,60,000	4,20,000	**9,80,000**
4	**Shri Narayanan Thirupathy** Independent Director	4,80,000	5,10,000	**9,90,000**
	Total	**21,60,000**	**17,10,000**	**38,70,000**

**The PFC Nominee Director 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:

(a) The details of Senior Management as on March 31, 2026, are as follows:

Sl. No.	Name	Sl. No.	Name
Chief Vigilance Officer		10.	Shri Pradeep Fellows
1.	Smt. Vinita Narera	11.	Shri D. B. Londhe
Executive Directors		12.	Shri M. L. Kumawat
2.	Smt. Valli Natarajan	13.	Shri Subrata Aich (Chief Risk Officer)
3.	Shri Rajesh Kumar	14.	Smt. Saraswathi
4.	Shri N. Venkatesan	15.	Shri Ajay Kumar
5.	Shri Arun Kumar Tyagi	16.	Shri Hemant Kumar (Chief Compliance Officer)
6.	Shri Kuldeep Rai	17.	Shri V. Lakshmana Charyulu
7.	Shri Saurabh Rastogi	18.	Shri Prince Dhawan
8.	Shri Prabhat Kumar Singh	**Company Secretary & Compliance Officer**	
9.	Shri J. K. Nayak	19.	Shri Dinesh Garg

(b) Changes during financial year 2025-26:

Sl. No.	Name	Designation	Date of Change	Reason of Change
1.	Smt. Vinita Narera	Chief Vigilance Officer	April 16, 2025	Appointment
2.	Smt. Rashmita Jha	Chief Vigilance Officer	April 16, 2025	Cessation
3.	Shri R. P. Vaishnaw	Executive Director	July 1, 2025	Superannuation
4.	Shri Rahul Dwivedi	Executive Director	July 1, 2025	Cessation
5.	Shri V. Lakshmana Charyulu	Executive Director	July 1, 2025	Promotion
6.	Shri Prince Dhawan	Executive Director	September 23, 2025	Appointment
7.	Shri Thangarajan Subash Chandira Bosh	Executive Director	October 3, 2025	Appointment as Director (Projects)
8.	Shri Ajay Kumar	Executive Director	October 7, 2025	Promotion
9.	Shri J. S. Amitabh	Executive Director	December 1, 2025	Superannuation
10.	Shri Dinesh Garg	Company Secretary & Compliance Officer	December 1, 2025	Appointment as Company Secretary & Compliance Officer
11.	Shri Hemant Kumar	Executive Director	December 2, 2025	Promotion
12.	Shri Narendra Kumar Maurya	Executive Director	January 1, 2026	Superannuation
13.	Shri Chandra Sekhar Sakhamuri	Executive Director	February 11, 2026	Repatriation (Cessation)
14.	Shri Dharmendra Nagpal	Executive Director	March 1, 2026	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 credit / warrants, non-receipt of interest on debentures/Annual Report of the Company etc. The terms of reference of SRC, to the extent applicable to REC, is to look specifically into the redressal of requests, complaints or grievances from various security holders including shareholders and debenture-holders.

During the financial 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 2025-26, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			8-May-2025	21-Nov-2025	Held during tenure	Attendance	% of attendance
1	**Dr. Durgesh Nandini** Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	👤	👤	2	2	100
2	**Shri Harsh Baweja** Director (Finance)	Member (upto January 31, 2026)	👤	👤	2	2	100
3	**Shri Vijay Kumar Singh** Director (Projects)	Member (upto June 30, 2025)	👤	N.A.	1	1	100
4	**Shri Thangarajan Subash Chandira Bosh** Director (Projects)	Member (w.e.f. October 3, 2025)	N.A.	📹	1	1	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

1. *During the financial year 2025-26, Shri Manoj Sharma, PFC Nominee Director was Chairperson of the SRC committee upto April 16, 2025, however, no meeting was held during his tenure.*
2. *During the financial year 2025-26, Shri Narayanan Thirupathy, Independent Director was member of SRC upto April 16, 2025, however, no meeting was held during his tenure.*
3. *Shri Jitendra Srivastava, CMD, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier and no meeting was held during his tenure.*

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 (RTA) appointed by the Company for various securities including shares, debentures, bonds etc., are invitees to the meetings of the SRC, as and when required. The then Chairperson of the Committee was present at the last AGM of the Company held on August 27, 2025, 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 RTA, 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, supplemented 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 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 and other applicable circulars, 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.com/smart-odr-portal.

The Company and its RTA attends to 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 2025-26 was as under:

Particulars of grievances	Equity Shares	Debt Securities	Total
Pending as on April 1, 2025	0	0	**0**
Received during the financial year	14	456	**470**
Disposed off during the financial year	14	456	**470**
Remaining unresolved as on March 31, 2026	**0**	**0**	**0**

Apart from these complaints, the Company has received 1,053 requests/clarifications/queries from equity shareholders which were resolved/ responded during the financial year 2025-26, except three requests/clarifications/queries which were resolved post March 31, 2026, within the statutory timelines.

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 follows:

a. To manage the integrated risk;
b. 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;
c. To oversee the mitigation of various risks and to perform all other risk management functions, which shall also cover cyber security; and
d. 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 2 (two) times. The composition of RMC and details of attendance at its meetings held during the financial year 2025-26, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			11-Aug-2025	20-Jan-2026	Held during tenure	Attendance	% of attendance
1	**Dr. Gambheer Singh** Independent Director	Chairperson (w.e.f. June 25, 2025 upto April 16, 2026)	👤	📹	2	2	100
2	**Shri Jitendra Srivastava** Chairman & Managing Director	Member	👤	N.A.	1	1	100
3	**Shri Thangarajan Subash Chandira Bosh** Director (Projects)	Member (w.e.f. October 3, 2025)	N.A.	👤	1	1	100
4	**Shri Harsh Baweja** Director (Finance)	Member (upto January 31, 2026)	👤	📹	2	2	100
5	**Shri Narayanan Thirupathy** Independent Director	Member (upto March 2, 2026)	👤	👤	2	2	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

Notes:

1. *During the financial year 2025-26, Smt. Parminder Chopra was the chairperson of the committee w.e.f. March 21, 2025 to April 21, 2025, however, no meeting was held during her tenure.*
2. *Shri Jitendra Srivastava, CMD was the chairperson of the committee w.e.f. April 22, 2025 to June 24, 2025. Further, Shri Jitendra Srivastava, CMD, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier and no meeting was held during his tenure.*
3. *During the financial year 2025-26, Shri Vijay Kumar Singh, former Director (Projects) was the member of the committee upto June 30, 2025, however, no meeting was held during his tenure.*
4. *During the financial year 2025-26, Smt. Durgesh Nandini was a member of the committee w.e.f. March 3, 2026 upto April 16, 2026, however, no meeting was held during her tenure.*
5. *During the financial year 2025-26, Shri Manoj Sharma, former Nominee Director of PFC was member of the committee w.e.f. November 26, 2024 to June 25, 2025. However , no meeting was held during his tenure.*

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 RMC is three members, including the Chairperson of the Committee. Further, the Executive Director(s)/Heads of key finance and operational functions, including ALM, Internal Audit, Compliance and CISO, attend the meetings of the Risk Management Committee as standing invitees to the meetings of Risk Management Committee.

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;
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.

During the financial 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 2025-26, were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat										Total number of meetings		
			8-May-2025	4-Jun-2025	25-Jun-2025	24-Jul-2025	27-Aug-2025	28-Sep-2025	17-Oct-2025	21-Nov-2025	31-Dec-2025	29-Jan-2026	27-Feb-2026	27-Mar-2026	Held during tenure	Attendance	% of attendance
1	**Dr. Gambheer Singh** Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	12	12	100
2	**Shri Vijay Kumar Singh** Director (Projects)	Member (upto June 30, 2025)	👤	👤	👤	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3	3	100
3	**Shri Jitendra Srivastava** Chairman & Managing Director	Member	N.A.	N.A.	N.A.	👤	👤	👤	N.A.	N.A.	N.A.	N.A.	👤	👤	5	5	100
4	**Shri Harsh Baweja** Director (Finance)	Member (upto January 31, 2026)	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	👤	N.A.	10	10	100
5	**Shri Thangarajan Subash Chandira Bosh** Director (Projects)	Member (w.ef. October 17, 2025)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	📹	👤	👤	👤	👤	6	6	100
👤	Present in person	📹 Present through video conferencing	N.A.	Not Applicable													

1. *During financial year 2025-26, Shri Narayanan Thirupathy was a member of the committee upto April 16, 2026, however no meeting was held during his tenure.*
2. *Shri Jitendra Srivastava, Chairman & Managing Director, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier.*

The quorum for meetings of CSR Committee is two members, including the Chairperson of the Committee. The Corporate Social Responsibility & Sustainability Policy of the Company is available at https://recindia.com/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 7 meetings were held on April 30, 2025, July 1, 2025, August 6, 2025, September 1, 2025, September 3, 2025, September 25, 2025 and November 24, 2025 and was attended by Directors as per quorum, during the financial year 2025-26.

3.7 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). 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 4 (four) times. The composition and details of attendance of Directors at its meetings held during the financial year 2025-26, were as follows:

Name and Designation	Position in the Committee	Date of meeting and attendance thereat				Total number of meetings		
		20-Jun-2025	30-Sep-2025	4-Dec-2025	18-Mar-2026	Held during tenure	Attendance	% of attendance
Shri Jitendra Srivastava Chairman & Managing Director	Chairperson (w.e.f. April 22, 2025)	👤	👤	👤	👤	4	4	100
Shri Vijay Kumar Singh Director (Projects)	Member (Upto June 30, 2025)	📹	N.A.	N.A.	N.A.	1	1	100
Shri Harsh Baweja Director (Finances)	Member (upto January 31, 2026)	👤	👤	👤	N.A.	3	3	100
Shri Thangarajan Subash Chandira Bosh Director (Projects)	Member (w.e.f. October 3, 2025)	N.A.	N.A.	👤	👤	2	2	100

👤 Present in person N.A. Not applicable

1. *Shri Jitendra Srivastava, Chairman & Managing Director, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier.*
2. *Further, various Executive Directors and CRO are also the members of the Committee and have attended 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.

3.8 IT Strategy Committee

The Board of REC has an IT Strategy Committee (ITSC) comprising of an Independent Director and other Senior Officials of the Company, in compliance of the Reserve Bank of India's Master Direction related to information technology (IT) governance, risk, controls and assurance practices for banks and NBFCs.

During the financial year under review, the ITSC met 6 (six) times. The composition of ITSC and details of attendance at its meetings held during the year 2025-26 were as follows:

Sl. No.	Name and Designation	Position in the Committee	Date of meeting and attendance thereat						Total number of meetings		
			7-Apr-2025	2-Jun-2025	30-Jul-2025	19-Aug-2025	30-Dec-2025	30-Mar-2026	Held during tenure	Attendance	% of attendance
1	**Shri Narayanan Thirupathy** Independent Director	Chairperson (upto March 2, 2026)	👤	👤	👤	👤	👤	N.A.	5	5	100
2	**Dr. Durgesh Nandini** Independent Director	Chairperson (w.e.f. March 3, 2026 upto April 16, 2026)	N.A.	N.A.	N.A.	N.A.	N.A.	👤	1	1	100
3	**Shri Vijay Kumar Singh** Director (Projects)	Member (upto June 30, 2025)	👤	👤	N.A.	N.A.	N.A.	N.A.	2	2	100
4	**Shri Harsh Baweja** Director (Finance)	Member (upto January 31, 2026)	👤	👤	👤	👤	👤	N.A.	5	5	100
5	**Shri Thangarajan Subash Chandira Bosh** Director (Projects)	Member (w.e.f. October 3, 2025)	N.A.	N.A.	N.A.	N.A.	👤	👤	2	2	100

👤 Present in person N.A. Not Applicable

3.9 Sub-committee to ensure compliance of GoI directives on 'Make in India'

The Board of REC has constituted Sub-committee to ensure compliance of GoI 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 2025-26.

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.

Further, no meeting of Review committee on Wilful Defaulter was held during the financial year 2025-26.

4. OTHER COMMITTEES

In addition to the above-mentioned 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 (Finance) and Director (Projects) 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 2025-26, One (1) meeting of the Perpetual Debt Instrument Committee was held on January 2, 2026, 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, 2026, the Share Transfer Committee comprised of Senior Officials of the Company, namely, Company Secretary and General Manager (Resources), as members. However, no meeting of the said Committee was held during the financial year 2025-26.

5. SUBSIDIARY COMPANIES

REC's wholly owned subsidiary, viz, REC Power Development and Consultancy Limited ("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 independent inter-state / intra-state transmission 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.com/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.com/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
2022-23	6-Sep-2023	11:00 A.M	Through VC/ OAVM
2023-24	20-Aug-2024	11:00 A.M	
2024-25	27-Aug-2025	11:00 A.M	

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
54th	1. Appointment of Shri Narayanan Thirupathy (DIN: 10063245) as Non-Executive Independent Director. 2. To increase the overall Borrowing Limit of the Company. 3. To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. 4. Approval for private placement of securities.
55th	1. To increase the overall Borrowing Limit of the Company. 2. To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. 3. Approval for private placement of securities.
56th	1. Appointment of Dr. Gambheer Singh (DIN: 02003319) as Part-time Non-official Independent Director. 2. Appointment of Dr. Durgesh Nandini (DIN: 09398540) as Part-time Non-official Independent Director. 3. Approval for private placement of securities.

MCA vide General Circular No. 03/2025 dated September 22, 2025, has permitted companies to conduct their AGMs and EGMs through VC or OAVM, until further orders. SEBI vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, notified on December 12, 2024, has permanently amended Regulation 44(4) of the Listing Regulations, dispensing with the requirement to send proxy forms in case the AGM is held through VC/OAVM mode. Further, Regulation 36(1)(b) of the Listing Regulations has been amended with the requirement of sending a letter to shareholders whose email addresses are not registered with RTA/Depository Participants providing the weblink of the Company's website from where the Annual Report for the financial year 2025-26 can be accessed.

Further, in light of the above, the Annual Report of the Company for the financial year 2025-26 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. For those shareholders whose email addresses are not registered with the Company, a physical letter containing the link to access the Annual Report will be dispatched.

Extra-Ordinary General Meeting (EGM)

No EGM was held during the financial year 2025-26.

7. Postal Ballot

No postal ballot was conducted during the financial year 2025-26.

Further, no special resolution is presently proposed to be passed through postal ballot during the financial year 2026-27.

8. SECRETARIAL AUDIT

M/s. Agarwal S. & Associates, Company Secretaries, have conducted the Secretarial Audit of the Company for the financial year 2025-26 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.com/policies.

Further, the particulars of Related Party Transactions 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 financial 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.com/disclosures-under-regulation-46-of-sebi.

4. The Company adheres to a Board-approved Integrated Risk Management 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 for the financial year 2025-26.

10. During the financial year 2025-26, 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 2025-26 was ₹ 172.86 crore as compared to ₹185.97 crore during the previous financial year, which is a minor variation in line with business activities of the Company. Administrative and office expenses as a percentage of total expenses for the financial year 2025-26 were 0.45% (previous year 0.51%).

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 2025-26 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind-AS) notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India.

14. There are no audit qualifications by the Statutory Auditors in their report pertaining to the financial year 2025-26. 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 2025-26.

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 2025-26, were as follows:

Report for Quarter ended	Date of submission of the report
June 30, 2025	July 7, 2025
September 30, 2025	October 7, 2025
December 31, 2025	January 5, 2026
March 31, 2026	April 8, 2026

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 the financial year 2025-26 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 2025-26, 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 2025-26 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 Directors about the nature of business & operations, strategy and performance of the Company, their roles & responsibilities as Independent Directors and other relevant topics from time to time. During the financial year 2025-26, 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.com/uploads/files/co-cs-famlriztn-prgrme-indpndt-dirctrs-dt210126.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:

    a) The Board: The Company is headed by an Executive Chairman;

    b) 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;

    c) Modified opinion in audit report: There are no audit qualifications / modified opinion pertaining to financial year 2025-26. It is always the Company's endeavour to maintain unqualified Financial Statements;

    d) Separate posts of Chairman and MD or CEO: There are no separate posts of Chairman and CEO.

    e) 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, as and when required.

21. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) and Regulation 52(7) of the Listing Regulations was not applicable during the year under review. Further, there was no variation in use of issue proceeds of private placement of bonds during the financial year 2025-26.

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, MCA 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 2025-26, 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 ensuring compliances in line with the directions of RBI and supervising the activities of compliance function independently with reporting to the CMD/Board.

The Company has a comprehensive Board approved Compliance Policy, clearly defining the roles and responsibilities of the Compliance Division and CCO. The Policy provides 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 statutory 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 has been onboarded on RBI portals such as DAKSH- Reserve Bank Supervisory Advance Monitoring System, Centralised Information Management System (CIMS) for submitting various compliances/ returns and PRAVAAH portal for regulatory approvals, licenses and authorizations digitally.

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.com/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 to 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.com/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 stakeholders 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 was 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 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. The said code was reviewed and revised by the Board of Directors during the financial year 2025-26.

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.com/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.com/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 financial 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 2025-26	FY 2024-25
A.	Fee paid to Statutory Auditor:		
(i)	For Audit fees	0.75	0.68
(ii)	For Taxation matters	0.16	0.16
(iii)	For Company law matters (includes limited review fees)	0.40	0.37
(iv)	For other services	0.19	0.18
(v)	For reimbursement of expenses	0.18	0.20
Sub-total		**1.68**	**1.59**
B.	Non-recoverable tax credit in respect of fees paid to auditors	0.14	0.13
Total (Auditors fee and expenses)		**1.82**	**1.72**

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 and events & exhibitions allow the Company to disseminate information widely and effectively. The Company also engages in investor meets to maintain transparency and foster trust within the investor community. Further, the Company engages with stakeholders regularly on social media enabling the Company to connect on a more personal and immediate level. The Company 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.com/disclosures-under-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), Business Standard (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.com/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 April 28, 2026, along with the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2026. 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 2025-26

The ensuing 57th Annual General Meeting 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	Tuesday, August 25, 2026
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 57th AGM of the Company forming part of this Annual Report.

ii. Financial Calendar (financial year 2025-26 *vis-à-vis* financial year 2026-27)

The financial calendar for the last / completed financial year 2025-26 *vis-à-vis* the next / ongoing financial year 2026-27, is as follows:

Financial Year	FY 2025-26		FY 2026-27	
Accounting Period	**1-Apr-2025 to 31-Mar-2026**		**1-Apr-2026 to 31-Mar-2027**	
Announcement of Financial Results	Q1	24-Jul-2025	Q1	Within 45 days from end of quarter
	Q2	17-Oct-2025	Q2	
	Q3	29-Jan-2026	Q3	
	Q4 & Annual	28-Apr-2026	Q4 & Annual	Within 60 days from end of financial year
Date of AGM	August 25, 2026			August, 2027

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.com/policies.

(b) Dividend for the financial year 2025-26

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 2025-26, as detailed hereunder:

(Amount in ₹)

Particulars	Date of Dividend Payment	Dividend per Equity Share
1st Interim Dividend	21-Aug-2025	4.60/-
2nd Interim Dividend	14-Nov-2025	4.60/-
3rd Interim Dividend	27-Feb-2026	4.60/-
4th Interim Dividend	30-Mar-2026	3.20/-
Final Dividend	30 days from the date of declaration*	1.55/-
	TOTAL	**18.55/-**

**Subject to the approval of shareholders in 57th 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
2020-21	1,974.92	2,510.12	127.10	3-Dec-2020	1st Interim Dividend (₹6.00)
				30-Mar-2021	2nd Interim Dividend (₹5.00)
				21-Oct-2021	Final Dividend (₹1.71)
2021-22	1,974.92	3,021.63	153.00	2-Sep-2021	1st Interim Dividend (₹2.00)
				25-Nov-2021	2nd Interim Dividend (₹2.50)
				3-Mar-2022	3rd Interim Dividend (₹6.00)
				13-Oct-2022	Final Dividend (₹4.80)
2022-23	2,633.22	3,317.86	126.00	24-Nov-2022	1st Interim Dividend (₹5.00)
				28-Feb-2023	2nd Interim Dividend (₹3.25)
				05-Oct-2023	Final Dividend (₹4.35)
2023-24	2,633.22	4,213.16	160.00	24-Aug-2023	1st Interim Dividend (₹3.00)
				30-Nov-2023	2nd Interim Dividend (₹3.50)
				16-Apr-2024	3rd Interim Dividend (₹4.50)
				18-Sep-2024	Final Dividend (₹5.00)
2024-25	2,633.22	4,739.80	180.00	23-Aug-2024	1st Interim Dividend (₹3.50)
				22-Nov-2024	2nd Interim Dividend (₹4.00)
				6-Mar-2025	3rd Interim Dividend (₹4.30)
				16-Apr-2025	4th Interim Dividend (₹3.60)
				24-Sep-2025	Final Dividend (₹2.60)

(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 2025-26, 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 2017-18	04-Apr-2025	68,86,248
Final Dividend for the Financial Year 2017-18	22-Nov-2025	18,78,997
TOTAL		**87,65,245**

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 financial year 2025-26 w.r.t. Unclaimed Principal/Interest on Debentures:

Particulars	Date of Transfer of Shares to IEPF	Amount in (₹)
Maturity & Interest 54EC Bonds	22-Apr-25	13,60,781
Interest Infra Bonds	22-Apr-25	4,920
Maturity & Interest 54EC Bonds	26-Nov-25	2,70,055
Maturity & Interest 54EC Bonds	02-Mar-26	8,87,227
Maturity & Interest Infra Bonds	16-Mar-26	23,25,003
Maturity & Interest 54EC Bonds	25-Mar-26	19,52,590
TOTAL		**68,00,576**

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 to encash their warrants relating to dividend immediately or to write to the RTA of the Company for revalidation or issue of Demand Drafts or online payment in place of old warrants.

During the financial year 2025-26, the IEPF Authority vide its intimation dated July 16, 2025, requested companies to launch a 100 days Campaign - Saksham Niveshak, to reach out to shareholders whose dividend remain unpaid/unclaimed. In line with this initiative, the Company launched 100 days Campaign from July 28, 2025, to November 6, 2025, to enable shareholders to claim unpaid or unclaimed dividend.

The purpose of the 100 days campaign - *'Saksham Niveshak'*, was to create awareness among the shareholders to update their KYC & other details and to claim any unpaid or unclaimed dividends before they get transferred to the IEPF.

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 2025-26, 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 2017-18	04-Apr-2025	16,033
Final Dividend for the financial year 2017-18	20-Nov-2025	14,008
TOTAL		**30,041**

As on March 31, 2026, the number of equity shares of REC held in Demat account of IEPF Authority were 2,81,998.

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/Bonds.

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 Dinesh Garg Company Secretary
Deputy Nodal Officer for Debentures/Bonds	Shri M.L. Kumawat Executive Director (Finance) (w.e.f. April 27, 2026) Shri Awanish Kumar Bharati General Manager (Finance)

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.com/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.com/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.com/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	cmlist@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	+91-11-42541234
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, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062
Telephone	+91-1-800-309-4001	+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/

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.com/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.

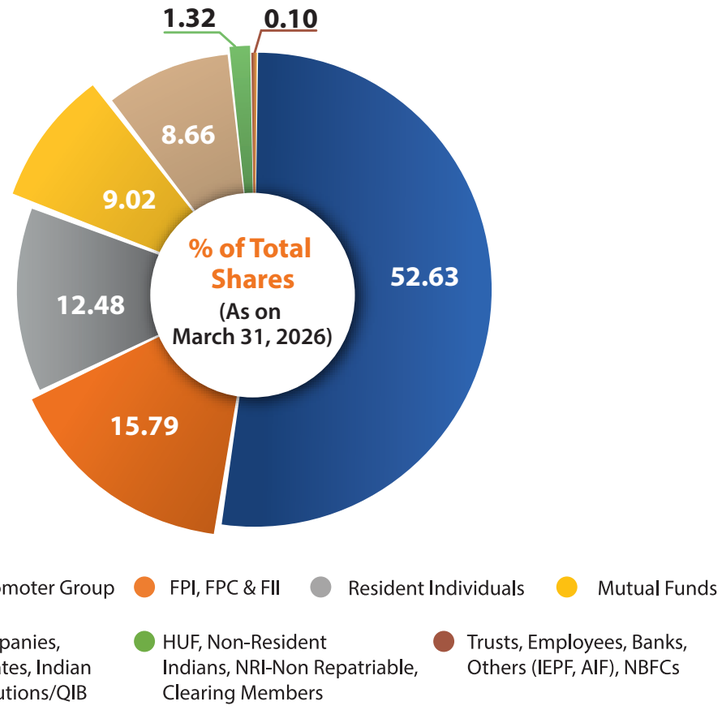
Further, in terms of SEBI circular dated March 16, 2023, the Company has sent intimations to the shareholders, who are holding the shares in physical form to furnish/update PAN, e-mail address, mobile number, bank account and nomination details and the said intimation have also been sent to Stock Exchanges 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, 2026, *vis-à-vis* last year i.e. as on March 31, 2025, were as follows:

Particulars	As on March 31, 2026		As on March 31, 2025	
	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	41,56,65,859	15.79	53,92,73,627	20.48
Resident Individuals	32,85,75,032	12.48	26,17,12,630	9.94
Mutual Funds	23,74,22,238	9.02	23,29,29,477	8.85
Insurance Companies	15,06,33,301	5.72	11,78,46,570	4.48
Bodies Corporates	3,54,34,796	1.35	2,69,31,041	1.02
Indian Financial Institutions/QIB	4,17,94,653	1.59	2,59,26,865	0.99
HUF	1,42,63,130	0.54	1,09,48,616	0.41
Non-Resident Indians	1,22,21,672	0.46	97,75,783	0.37
NRI-Non Repatriable	64,47,478	0.25	47,85,082	0.18
Clearing Members	19,46,467	0.07	22,74,626	0.09
Trusts	12,98,282	0.05	14,36,059	0.05
Employees	4,66,286	0.02	4,60,499	0.02
Banks	47,028	Negligible	22,64,068	0.09
Others (IEPF, AIF)	9,63,693	0.03	1,06,02,071	0.40
NBFCs	50,423	Negligible	63,324	Negligible
TOTAL	**2,63,32,24,000**	**100%**	**2,63,32,24,000**	**100%**



(b) Distribution of Shareholding as on March 31, 2026

The distribution of shareholding as on March 31, 2026 by number of shares held, were as follows:

Particulars	Number of Shareholders	% of Shareholders	Number of Shares held	% of Total Shares
1-5,000	12,48,871	99.27	23,68,25,114	8.99
5,001 -10,000	4,889	0.39	3,47,65,341	1.32
10,001-20,000	2,167	0.17	3,04,86,248	1.16
20,001-30,000	608	0.05	1,50,61,777	0.57
30,001-40,000	292	0.02	1,02,15,277	0.39
40,001-50,000	176	0.01	80,35,454	0.31
50,001-1,00,000	410	0.03	2,93,47,167	1.11
1,00,001 & above	695	0.06	2,26,84,87,622	86.15
TOTAL	**12,58,108**	**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 12,08,647.

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	3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051	Marathon Futurex A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra - 400 013
Telephone	+91-22- 4886 7000	+91-1-800-21-09911
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, 2026 were as follows:

Particulars	Number of Shareholders	Number of Shares held	% of Total Shares
NSDL (Demat)	3,61,345	2,43,94,58,019	92.64
CDSL (Demat)	8,87,730	19,37,48,995	7.36
Physical	9,033	16,986	Negligible
TOTAL	**12,58,108**	**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 12,08,647.

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 2025-26, after carrying out audit 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, 2025	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, 2026	32	6,644

Notes: The voting rights on the shares outstanding in the suspense account as on March 31, 2026 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 2026-27 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 2026-27 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.com

xix. Address for correspondence

The address and contact details for correspondence with the Company are:

	Registered Office	Corporate Office
Address	REC Limited 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

The name and contact details of Compliance Officer of the Company is:

Name	**Shri Dinesh Garg** Company Secretary & Compliance Officer
Address	**REC Limited** Plot no. I-4, Sector 29, Gurugram, Haryana-122001
Telephone	+91-124-444 1300
Email	complianceofficer@recindia.com

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Place: Gurugram
Date: July 29, 2026

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, Lodhi 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, Lodhi 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, 2026 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 Jitendra Srivastava	06817799	April 22, 2025	Continuing
2	Shri Thangarajan Subash Chandira Bosh	02772316	October 3, 2025	Continuing
3	Shri Shashank Misra	08364288	August 21, 2023	Continuing
4	Shri Manoj Sharma^	06822395	July 11, 2023	Continuing
5	Dr. Gambheer Singh^^	02003319	April 17, 2025	Continuing
6	Dr. (Smt.) Durgesh Nandini^^	09398540	April 17, 2025	Continuing
7	Smt. Parminder Chopra	08530587	March 21, 2025	April 22, 2025
8	Shri Vijay Kumar Singh	02772733	July 15, 2022	July 1, 2025
9	Shri Harsh Baweja	09769272	May 14, 2024	February 1, 2026
10	Shri Narayanan Thirupathy	10063245	March 6, 2023	March 3, 2026

^ ceased to be Director w.e.f. April 1, 2026. ^^ceased to be Director w.e.f. April 17, 2026.

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

Sd/-
CS Sachin Agarwal
Partner
FCS No. : 5774
C.P No. : 5910

Date: May 20, 2026
Place: New Delhi
UDIN: F005774H000415700

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, 2026.

Sd/-
Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Place: Gurugram
Date: June 16, 2026

Annexure C

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/-
(Rajesh Kumar)
Director (Finance)
DIN: 06941428
Date: April 28, 2026

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 2025-26

To
The Members,
REC Limited,
Core-4, SCOPE Complex,
7, Lodhi 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 the 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, 2026. 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, 2026 subject to the following(s):

1. Non-compliance with Regulation 17(1) of the Listing Regulations and Clause 3.1.4 of DPE Guidelines due to non-availability of the requisite number of Independent Directors during the financial year 2025-26, including non-availability of a Woman Independent Director on the Board of the Company during the period from April 1, 2025 to April 16, 2025.

2. Non-compliance with Regulation 18 & 19 of the Listing Regulations and Clause 4.1.1 of the DPE Guidelines, as the composition of the Audit Committee and the Nomination & Remuneration Committee did not comprise the requisite number of Independent Directors during the period from April 1, 2025 to April 16, 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

Place: New Delhi
Date: May 20, 2026
UDIN: F005774H000415777

ANNEXURE-IV TO BOARD'S REPORT

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	REC World Headquarters, Plot no. I-4, Sector 29, Gurugram -122001
6.	E-mail	complianceofficer@recindia.com
7.	Telephone	+91-124-444-1300
8.	Website	https://recindia.com/
9.	Financial year for which reporting is being done	April 1, 2025 to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and 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 Rajesh Kumar (DIN: 06941428) Director (Finance) & CFO +91-124-444-1319 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 are 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	99.93

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	641906	99.06

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	31	31*
International	0	0	0

**This encompasses the REC Corporate Office including our subsidiary and REC regional offices, which are situated in 22 locations throughout the Country. A detailed list of these locations is provided in the Annual Report. Additionally, we have the RECPDCL offices operating in 9 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 ("REC/the Company"), 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:

i. **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.

ii. **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.

iii. **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 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)	590*	503	85.25	87	14.75
2.	Other than Permanent (E)	623	548	87.96	75	12.04
3.	Total employees (D + E)	1,213	1,051	86.64	162	13.36
WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

**One employee who is on deputation is included in the category of other than permanent employees.*

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)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

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	4	0	00.00

**The composition of Board of Directors appears in Corporate Governance Report forming part of Annual Report*

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

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.42%	0%	2.92%	6.06%	6.21%	6.08%	6.35%	4.23%	6.03%
Permanent Workers	Not Applicable								

Note: During the financial year 2025-26, a total of 17 employees separated from the Company, out of which 15 separated due to superannuation and 2 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 (RECPDCL)	Subsidiary	100	Yes
	Subsidiaries of RECPDCL			
3	Chandil Transmission Limited	Subsidiary	100	No
4	Koderma Transmission Limited	Subsidiary	100	No
5	Dumka Transmission Limited	Subsidiary	100	No
6	Mandar Transmission Limited	Subsidiary	100	No
7	Luhri Power Transmission Limited	Subsidiary	100	No
8	Shongtong Power Transmission Limited	Subsidiary	100	No
9	Tuticorin Power Transmission Limited	Subsidiary	100	No
10	Kankani Power Transmission Limited	Subsidiary	100	No
11	Mekhali Power Transmission Limited	Subsidiary	100	No
12	Sharavathi Power Transmission Limited	Subsidiary	100	No
13	Hampapura Power Transmission Limited	Subsidiary	100	No
14	Ryapte Power Transmission Limited	Subsidiary	100	No
15	Robertsganj Power Transmission Limited	Subsidiary	100	No
16	Jalna Power Transmission Limited	Subsidiary	100	No
17	Sakoli Power Transmission Limited	Subsidiary	100	No
18	Kempegowda Power Transmission Limited	Subsidiary	100	No
19	Barmer HVDC Power Transmission Limited	Subsidiary	100	No

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)
20	WR ER Part A Power Transmission Limited	Subsidiary	100	No
21	WR ER Part C Power Transmission Limited	Subsidiary	100	No
22	Balsane Power Transmission Limited	Subsidiary	100	No
23	Ambernath Power Transmission Limited	Subsidiary	100	No
24	Musalgaon Power Transmission Limited	Subsidiary	100	No
25	Dholpur Power Transmission Limited	Subsidiary	100	No
26	Jaisalmer Power Transmission Limited	Subsidiary	100	No
27	Apta Power Transmission Limited	Subsidiary	100	No
28	Ranipur Chunar Power Transmission Limited	Subsidiary	100	No
29	Munak Power Transmission Limited	Subsidiary	100	No
30	Vizag Power Transmission Limited	Subsidiary	100	No

V. CSR Details

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

(ii) Turnover (in ₹): 59,584 crore*

(iii) Net worth (in ₹): 85,054 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 (If yes, then provide web link for grievance redress policy)	FY 2025-26			FY 2024-25		
		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.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf	80	0	All disposed by March 31, 2026.	180	4	As of May 1, 2025, no complaint is pending for resolution.
Investors (other than shareholders)	Yes https://recindia.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf	456	0	-	272	0	-
Shareholders	Yes https://recindia.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf	14	0	Apart from these complaints, the Company has received 1,053 requests/ clarifications/ queries from equity shareholders which were resolved/ responded during the financial year 2025-26, except three requests/ clarifications/ queries which were resolved post March 31, 2026.	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 request/ clarifications/ queries which were resolved post March 31, 2025.
Employees and workers	Yes https://recindia.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf	0	0	-	0	0	-
Customers	Yes https://recindia.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf	0	0	-	0	0	-
Suppliers	Yes https://recindia.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf	0	0	-	1	1	The complaint raised by the bidder had been resolved.

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.

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.
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's 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.
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, experiences & 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's 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.

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)
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.
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 Limited, 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.
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.

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)
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 oversights	Opportunity	Sustainable implementation of 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.
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 financial year 2025-26, the Company has achieved a y-o-y growth of renewable loan book by 30% which is the testimony of our commitment. Also, REC has started incentivizing ESG Complied borrowers.	Negative: 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.
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 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: 2022 ISO 31000: 2018
5.		Specific commitments, goals and targets set by the entity with defined timelines, if any.	As a CPSE, REC's operational and financial aims for financial year 2025-26 are determined by the MoU Guidelines of the Department of Public Enterprises (DPE), Government of India. The MoU framework has 11 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.com/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 classified as "Excellent" by DPE due to its excellent performance in financial year 2024-25 and for financial year 2025-26 it is under evaluation stage.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

At REC, the commitment to ESG is not a peripheral initiative; it is the core strategy driving the evolution of REC into a global leader in sustainable finance. As a Maharatna enterprise, REC recognizes its pivotal role in India's energy transition. In financial year 2025-26, REC demonstrated that financial resilience and environmental stewardship are mutually reinforcing. The approach at REC is holistic-integrating ESG into loan appraisals, decarbonizing internal operations and investing deeply in the human capital required to lead the green economy. REC ESG performance highlights for financial year 2025-26 as follow:

Environmental: Accelerating Decarbonization

REC is aggressively reducing both its operational footprint and the carbon intensity of its lending portfolio.

- *Operational Excellence:* REC expanded its solar footprint by installing a combined 54 kWp of rooftop solar across three Regional Offices (Panchkula, Lucknow and Vadodara)-complementing its flagship 979 kWp rooftop solar facility at Corporate Office and the 40 kWp rooftop solar facility at RECIPMT. Additionally, REC achieved a major milestone by sourcing 100% green power for Corporate Headquarters from DISCOM-DHBVNL. Together, these green initiatives have slashed Scope 2 emissions by 76% and reduced overall Scope 1 & 2 emissions by 69%.
- *Green Fleet:* In financial year 2025-26, REC achieved a 100% EV/Hybrid office fleet across all offices.
- *Financing the Transition:* REC renewable loan book has expanded 30% year-on-year to ₹75,347 crore, increasing its share of total loan book from 10% to 13% in financial year 2025-26. This includes support for Solar, Wind, Hybrid, E-Mobility, Battery Energy Storage Systems (BESS) and Pumped Storage.
- *Financial Impact:* In financial year 2025-26, renewable financed operational projects has avoided 12.2 million tonnes of CO_2, with 7.6 million tonnes directly attributed to REC financing using the PCAF method.

Social: Investing in Growth and Security

The social commitment at REC centres on building a future-ready workforce, maintaining the highest standards of digital trust and inclusive development.

- *Human Capital:* REC increased employee training to 6,783 man-days, a significant 189% increase, ensuring the REC team is prepared for the complexities of sustainable finance.
- *Digital Integrity:* REC maintained a record of zero data breaches, upholding the commitment to stakeholder security and ISO 31000 standards.
- *Ethical Standards:* REC maintained zero complaints regarding human rights or POSH, fostering a safe and inclusive professional environment.
- *Corporate Social Responsibility (CSR):* For financial year 2025-26, REC allocated a total CSR outlay of ₹338 crore toward national priorities. A part of this budget was deployed during the financial year and the remaining unutilized balance was moved to an escrow account for designated projects, strictly adhering to Companies Act, 2013 & Regulations. This capital drives critical initiatives in healthcare, education and rural development to support underserved communities across India.

Governance: Leadership and Accountability

Transparency and proactive board oversight are the foundations of the Maharatna status of REC.

- *Market Leadership:* The REC ESG Score has significantly improved across all rating agencies, including international rating agencies.
- *Board-Level Competency:* REC achieved 100% training for the Board of Directors and Key Managerial Personnel on the National Guidelines on Responsible Business Conduct (NGRBC).
- *Value Chain ESG Assessment:* In financial year 2025-26, 100% of Private sector Borrowers (Loan Sanctions) were assessed for ESG. Additionally, all onboarded vendors have been assessed for ESG compliance.
- *Historic Milestones:* REC reached a historic milestone by becoming the first Indian public sector NBFC to secure the global ISO 31000:2018 accreditation for its Enterprise Risk Management (ERM) framework, alongside upgrading to the ISO 27001:2022 certification for top-tier data privacy.
- *ESG Incentivization:* Starting from April 2026, REC has implemented the incentivization of ESG-compliant renewable borrowers.
- *Capacity Building:* REC achieved 18,155 training man-days for borrowers as part of capacity building through RECIPMT, IITs and IIMs.
- *ESG Excellence:* In financial year 2025-26, REC received 4 prestigious ESG Awards for its ESG excellence and responsible business practices.

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 Rajesh Kumar (DIN: 06941428) Director (Finance) & CFO +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 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 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)	Not Applicable								
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)									
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 (BoD)	5	1. NGRBC Session to all BoD and KMP by Industry ESG Expert. 2. IT & Cyber Security for Board Members of Non-Banking Financial Companies 3. Business Operations of REC 4. Expected Credit Loss (ECL) Framework 5. Annual General Meeting of the World Economic Forum	100
Key Managerial Personnel	11	1. NGRBC Session to all BoD and KMP by Industry ESG Expert. 2. National Conference on Environmental, Social & Governance and Insolvency and Bankruptcy Code 3. Financial Frauds - Prevention & Post Fraud Measures 4. Impact Leadership The Blueprint for High Performance Team 5. Corporate Governance 6. Operational Excellence for Leaders 7. Cybersecurity 8. Procurement Management & Financial Management 9. ISO 31000- Risk Management	100
Employees other than BoD and KMPs	150	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. With this objective, structured training programmes were imparted throughout the financial year to employees at every level of the organisation. The training and development initiatives of the Company are designed to address present functional requirements as well as future expectations of various departments, resource needs and emerging opportunities and challenges faced by the organisation. During the financial year, employees participated in various training programmes covering a wide spectrum of topics, as given below: **1. Procurement, Contract & GeM-related Training** Focused on strengthening public procurement practices, contract management and compliance with GFR/GeM **2. Finance, Accounting & Banking** Covering regulatory compliance, financial reporting, taxation and risk in NBFC operations **3. Leadership, Behavioural & Organisational Development** Designed to build managerial effectiveness and leadership capability **4. HR, Administrative & Legal Compliance** Focused on HR governance, labour laws and administrative procedures. **5. Vigilance, Ethics & Fraud Risk Management** Aimed at promoting integrity and robust risk frameworks- Preventive vigilance and ethics, Fraud risk management & investigation, Reporting, RBI fraud reporting, Anti-corruption and governance. **6. ESG, Sustainability & Energy Transition** Aligned with REC's core sector and global sustainability goals-ESG, BRSR, sustainability reporting, Climate change, carbon markets, net-zero pathways, Energy efficiency, green technologies, Energy policy, power market operations, Hydropower, pumped storage, distribution utilities. **7. IT, Digital Transformation & Cyber Security** Focused on digital capabilities and emerging technologies- Cyber security, cyber hygiene, data protection, Cloud computing, ERP, AI tools for business, Digital workplace, Data analytics, advanced Excel. **8. Corporate Governance & Strategic Management** Targeting Senior Management and governance frameworks- Corporate Governance programmes, Board-level succession planning, Risk strategy and organisational resilience, Related party transactions & regulatory practices.	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
		9. Sector-Specific & Technical Programmes (Power/Energy) Aligned with REC's core business domain - Power market economics and operations, Advanced Metering Infrastructure (AMI), Underground cable workshops, Energy transition and sector policy discussions. **10. Employee Well-being & Personal Development** Focused on holistic employee development- Lifestyle disease management & health programmes, Work-life balance, wellness, Personal effectiveness & communication skills. Further, all employees have successfully completed mandatory and developmental courses on topics such as Work Ethics, Code of Conduct, ESG Awareness, Preventive Vigilance and Cyber Security, among others. Through active participation on the portal, the Corporation achieved over 4,000 training man-days, significantly strengthening the culture of continuous learning and self-development across the organisation.	
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 Obligations) 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 2025-26, NSE & BSE has imposed fine of ₹44,67,480/- for non-compliance with respect to composition of Board and various Board level Committees as stipulated under Listing Regulations due to non-availability 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 on the Board of the Company as the Company has no role in the appointment of Directors.*

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 (Government of India 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 afore mentioned, REC has also adopted a Whistle blower Policy. The policy documents of REC can be found on the link https://recindia.com/policies. The following are the links for these policy documents:

https://recindia.com/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf
https://recindia.com/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf
https://recindia.com/uploads/files/Whistle_Blower_Policy.pdf

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

	FY 2025-26	FY 2024-25
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 2025-26		FY 2024-25	
	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 2025-26	FY 2024-25
Number of days of accounts payables	39*	24

** 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 ~24% 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.*

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
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/ distributers 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/ distributers as % of total sales to dealer/distributers	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 financial year 2025-26 is ₹63 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
2	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
192	Through RECIPMT, IITs, IIMs, a total of 18,155 man-days of training were achieved during financial year 2025-26 for our stakeholders. This has been offered to all clients of REC and in financial year 2025-26, 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, ESG, leadership and team building.	85*

**Approximated based on loan book ratio of state/joint sector borrowers as on March 31, 2026, 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.

Yes, 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.com/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	

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

Yes, 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 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 endeavor, 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.com/uploads/files/CO-BDM-Sustainable-Procurement-policy-060624.pdf

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

100% inputs were 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 EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No,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 an NBFC, 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 2025-26	FY 2024-25
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 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable, as REC does not manufacture any products, 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	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	503	503	100	503	100	NA	NA	503	100	503	100
Female	87	87	100	87	100	87	100	NA	NA	87	100
Total	**590**	**590**	**100**	**590**	**100**	**87**	**100**	**503**	**100**	**590**	**100**
Other than Permanent employees											
Male	548	540	99	400	73	NA	NA	53	10	0	0
Female	75	75	100	68	91	75	100	NA	NA	0	0
Total	**623**	**615**	**99**	**468**	**75**	**75**	**100**	**53**	**10**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E/ A)	Number (F)	% (F / A)
Permanent workers											
Male											
Female		Not Applicable									
Total											

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)
Other than Permanent workers											
Male											
Female		Not Applicable									
Total											

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

	FY 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the Company	0.025	0.023

2. Details of retirement benefits

Benefits	FY 2025-26			FY 2024-25		
	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.com/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.com/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.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Not Applicable	
Female	100%	100%		
Total	100%	100%		

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
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. 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.
Other than Permanent Employees	

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 2025-26*			FY 2024-25*		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	503	503	100	490	490	100
Female	87	87	100	83	83	100
Total	590	590	100	573	573	100
Total Permanent Workers						
Male						
Female	Not Applicable					
Total						

**Above data corresponds to Permanent Employees.*

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,051	1,017	97	1,030	98	996	980	98	969	97
Female	162	155	96	159	98	157	153	97	151	96
Total	**1,213**	**1,172**	**97**	**1,189**	**99**	**1,153**	**1,133**	**98**	**1,120**	**97**
Workers										
Male										
Female	Not Applicable									
Total										

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	503	503	100	490	490	100
Female	87	87	100	83	83	100
Total	**590**	**590**	**100**	**573**	**573**	**100**
Workers						
Male						
Female	Not Applicable					
Total						

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:

Yes, REC has established a robust occupational health and safety management system for its employees. While the nature of REC's operations as a NBFC 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, stress management programs, 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 2025-26	FY 2024-25
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 2025-26			FY 2024-25		
	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: Yes, 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 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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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 Department of Public Enterprises (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. In financial year 2025-26, 100% of the Private Sector Borrowers and onboarded vendors are assessed for ESG, 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 Limited 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.
Community	Yes	Surveys/Impact assessment of 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, Small and Medium Enterprises 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 Limited 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.

Yes, 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 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:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	590	585	99.15	573	565	98.60
Other than permanent	623	583	93.58	580	550	94.83
Total	1,213	1,168	96.29	1,153	1,115	96.70
Workers						
Permanent	Not Applicable					
Other than permanent						
Total						

2. Details of minimum wages paid to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	503	0	0	503	100	490	0	0	490	100
Female	87	0	0	87	100	83	0	0	83	100
Other than Permanent										
Male	548	144	26.28	404	73.72	506	124	24.51	382	75.49
Female	75	8	10.67	67	89.33	74	6	8.11	68	91.89
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

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 (INR)	Number	Median remuneration/ salary/ wages of respective category
Board of Directors* (BoD)	2	65,07,856	0	0
Key Managerial Personnel (KMP)	4	63,64,788	0	0
Employees other than BoD and KMP	501	25,80,335	87	29,38,808
Workers	Not Applicable			

**Details of Remuneration submitted include that of only Chairman and Managing Director & Whole Time Director. Since Non-Executive Directors are only paid a sitting fee, which is not considered remuneration as defined.*

b. Gross wages paid to females as % of total wages paid by the entity

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages paid by the entity	14.16	13.37

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 2025-26			FY 2024-25		
	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 2025-26	FY 2024-25
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 Whistleblower 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.com/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 ESG 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.com/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 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 this, 100% of the private sector Borrowers and onboarded vendors are assessed for ESG including declaration on mandatory compliance of human rights issues Discrimination, Child labour, fair wages, sexual harassment etc.
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 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A) (GJ)	11,401	4,964
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)	11,401	4,964
From non-renewable sources		
Total electricity consumption (D) (GJ)	2,304	9,292*
Total fuel consumption (E) (GJ)	3,114	3,146
Energy consumption through other sources (F) (GJ)	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	5,417	12,439
Total energy consumed (A+B+C+D+E+F) (GJ)	16,818	17,402
Energy intensity per crore of turnover (Total energy consumed in GJ / Revenue from operations in crore.)	0.28	0.31
Energy intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed GJ/ Revenue from operations in Crore adjusted for PPP)	5.74	6.38
Energy intensity in terms of physical output	13.87	15.09
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

**In alignment with our commitment to achieve Net Zero by 2035, REC has sourced 100% green power for its Corporate Office through green Tariff facility of DISCOM- DHBVN. Furthermore, new rooftop solar installations (54 KWp) were commissioned across three Regional Offices (Panchkula, Lucknow and Vadodara), expanding upon our existing rooftop solar infrastructure at the REC Corporate Office (979 KWp) and RECIPMT (40 KWp).*

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 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	18,542	27,565

Parameter	FY 2025-26	FY 2024-25
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	18,542	27,565
Total volume of water consumption (in kilolitres)*	12,923	20,176
Water intensity per crore of turnover| (Total water consumption in Kl / Revenue from operations in Cr.)	0.22	0.36
Water intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in Kl / Revenue from operations in crore adjusted for PPP)	4.41	7.40
Water intensity in terms of physical output (FTE)	10.65	17.50
Water intensity (optional) – the relevant metric may be se-lected 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 2025-26	FY 2024-25
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		
(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) *	5,619*	7,389*
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kiloliters)	5,619	7,389

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 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 utilize 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 2025-26	FY 2024-25
NOx	Tonnes	0.043644	0.006175
SOx	Tonnes	0.005034	0.000794
Particulate matter (PM)	Tonnes	0.007172	0.001105
Carbon Monoxide	Tonnes	0.010214	0.001547

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 2025-26		FY 2024-25*	
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO2 equivalent	219.36		306.46	
		tCO_2	206.19	tCO_2	209.74
		CH_4 - tCO_2e	0.72	CH_4 - tCO_2e	0.74
		N_2O - tCO_2e	0.37	N_2O - tCO_2e	0.38
		HFCs - tCO_2e	12.08	HFCs - tCO_2e	95.60
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO2 equivalent	454.32*		1,876.53	
		tCO_2	454.32	tCO_2	1,876.53
		CH_4 - tCO_2e	0	CH_4 - tCO_2e	0
		N_2O - tCO_2e	0	N_2O - tCO_2e	0
		HFCs - tCO_2e	0	HFCs - tCO_2e	0
Total Scope 1 and Scope 2 emission intensity per crore of turnover (Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in crore)	Metric tonnes of CO_2 equivalent/ in ₹ crore	0.0113		0.0387	
Total Scope 1 and Scope 2 emission intensity per crore of turnover adjusted for Purchasing Power Parity(PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in crore adjusted for PPP)	Metric tonnes of CO_2 equivalent/ USD	0.2300		0.800	
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent/ FTE	0.5554		1.893	
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		Not Applicable			

**Consequent to our clean energy transition strategies, Scope 2 emissions decreased significantly by approximately 76%. This reduction is attributed to securing 100% renewable power for the REC Corporate Office and expanding rooftop solar capacities at three regional offices, collectively accounting for 3,167 MWh of green energy consumption.*

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 and emission-intensive sources.

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: Alongwith rooftop solar plants installed at Corporate Office and RECIPMT, REC has also sourced 100% Green power for its Corporate Office through the Green Tariff facility of DISCOM and roof-top solar were installed across three regional offices-Panchkula, Lucknow and Vadodara with combined capacity of 54 kWp in financial year 2025-26, which cumulatively generated 3,167 MWH electricity in financial year 2025-26, avoiding 2,248 tonnes of CO_2 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 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0.88	1.50
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).	34.30	40.68
Total (A+B + C + D + E + F + G + H)	**35.18**	**42.18**
Waste intensity per crore of turnover (Total waste generated in MT / Revenue from operations in crore)	0.00059	0.00075
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)	0.01201	0.01544
Waste intensity in terms of physical output (FTE)	0.02900	0.036
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	0.88	1.50
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**0.88**	**1.50**
Category of waste - Other Non-hazardous waste generated		
(i) Recycled	18.7	19.8
(ii) Re-used	-	-
(iii) Other recovery operations – Composting	15.6	20.88
Total	**35.18**	**42.18**
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-authorised 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. 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 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 would.

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:

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 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - 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 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	5,895*	10,752*
Total Scope 3 emissions per crore of turnover	Metric tonnes of CO_2 equivalent/INR in crore	0.10	0.19
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:

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	Roof top Solar and using Green Tariff Facility of Discom	The rooftop solar plants are 979 kWp at the REC corporate office, 40 kWp at RECIPMT and new rooftop solar installations at three regional offices – Panchkula, Lucknow & Vadodara with combined capacity of 54 kWp catering to the REC office's load requirements by using clean and renewable sources of energy. Also 100% green power to REC Corporate office from Discom- DHBVN (Green Tariff Facility)	2,248 t CO_2 emissions avoided
3	Reducing paper consumption	For minimising 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 the 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 achieved conversion of entire (100%) traditional fleet of office to EV/Hybrid.	-

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 simulate 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 industry standards.

The feedback received from these audits is invaluable; 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.

REC has taken substantial steps to support environmentally responsible approach by 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 2025-26, REC has sanctioned a total of 2 Ultra Super Critical Projects, amounting to a significant ₹22,228.25 crores. 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 1,308 megawatt-hours (MWh) of clean solar power from its in-house rooftop solar installations, which have a combined capacity of 979 kWp at Corporate Office, 40 kWp at RECIPMT and 54 kWp across three Regional Offices (Panchkula, Lucknow and Vadodara). To further enhance its environmental impact, during financial year 2025-26, the Company has sourced 100% green power for REC Corporate Office through the Green Tariff facility of Discom-DHBVNL. These achievements significantly reduced the carbon emissions by avoiding 2,248 tonnes of CO_2. This reduction can be quantified as the generation of 2,248 carbon credits, emphasising REC's commitment to sustainability.

Additionally, REC has made strides in energy efficiency at its corporate office by operationalising an automatic lighting management system in the previous 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 and sales, respectively) value chain partners

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 2025-26, the top ten renewable projects that REC financed successfully avoided an impressive total of 76,31,892 tonnes of CO_2 emissions. This remarkable achievement is tantamount to generating 76,31,892 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 1,22,05,515 tonnes of CO_2, equivalent to 12.2 million tonnes. Utilising the PCAF (Partnership for Carbon Accounting Financials) methodology for more precise attribution, REC's direct contribution to these avoided emissions stands at 76,43,770 tonnes of CO_2. 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. 3 (Three)

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	Standing Conference of Public Enterprises (SCOPE)	National
2	Power Foundation of India	National
3	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: Catalysing Public Policy for Sustainable Energy and Infrastructure Development

REC, a "Maharatna" 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 30% 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 2025–26, REC facilitated over 3.3 million rooftop solar connections, contributing approximately 10 GW of distributed renewable capacity.

Public Domain: Yes (Reports are available on REC website, 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 advises the Ministry of Power on policy formulation and regulatory compliance. This includes:*
- Publishing the Consumer Service Rating of DISCOMs (CSRD) report which is based on 23 pre-identified 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 2025-26, 6 DISCOMs were A+, 21 in A category) to encourage improvements in operational reliability, connections, metering, billing and grievance redressal. (Web Link: https://recindia.com/consumer-service-rating-of-discoms)

  *The 5th Edition of CSRD report for financial year 2024-25, was successfully released on March 20, 2026 at the Bharat Electricity Summit by Hon'ble Minister of Power and Housing & Urban Affairs, Shri Manohar Lal, with 66 DISCOMs/ Power Departments participating.

- Developing frameworks like POWERTHON (Phase I launched Feb 2022), leveraging advanced technologies AI/ML for DISCOM issue resolution (e.g. AT&C losses, load forecasting). In Nov 2024, Phase II of Powerthon program was launched by 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

  - Improved Power Quality

  - RE Integration in Distribution System

  - Energy meter recycling

  - Digital Twin

  - Smart Metering

  - Distribution asset management

  (Web Link: https://recindia.com/uploads/files/co-ursi-Powerthon-2024-dt-050225.pdf)

- For the first time, REC published Distribution Utilities Ranking report on behalf of Ministry of Power, wherein inputs are combined from CSRD, 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%)

  (Web Link: https://recindia.com/uploads/files/co-usri-dur-report-fy-24-25-dt200326.pdf)

  *The 2nd Edition of DUR report for financial year 2024-25 was successfully released on March 20, 2026 at the Bharat Electricity Summit by Hon'ble Minister of Power and Housing & Urban Affairs, Shri Manohar Lal, with 66 DISCOMs/ Power Departments.

- *Spearheaded by REC as the Nodal Agency, the India Energy Stack (IES) is a landmark Digital Public Infrastructure (DPI) initiative of the Ministry of Power, Government of India, engineered to build a future-ready, interoperable and data-driven energy ecosystem. Designed to identify and connect stakeholders and assets, thereby facilitating open data exchange and interoperability in the power system through uniform specifications and standards, unlocking transparent, reliable, inclusive, efficient and affordable access to energy. (Web link: https://recindia.com/india-energy-stack)*
- *Publishing reports on "Key Regulatory Parameters of Power Utilities." (Web Link: https://recindia.com/RegulatoryParameters)*
- *Implementing Ministry of Power Initiatives: Carrying out other Ministry of Power initiatives like Energy Accounting and Auditing.*

Public Domain: Yes (Reports are available 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:

- **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 line with the Government's push for transparent and efficient grievance management, REC has integrated its Public Grievance Redressal Cell with the Centralized Public Grievance Redress and Monitoring System (CPGRAMS). This national platform, maintained by the Department of Administrative Reforms and Public Grievances (DARPG), consolidates grievances from various sectors and facilitates their resolution in a streamlined manner.

Through CPGRAMS, citizens can lodge complaints concerning public services, including those related to REC's operations. The Grievance Redressal Cell ensures that all grievances received through CPGRAMS are addressed within the framework of national standards and within the specified timelines. This integration not only simplifies the grievance redressal process but also makes it easier for the public to access the system, track progress and ensure that their concerns are acted upon.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	64.42%	44.83%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	0%	0%
Semi-urban	0%	0%
Urban	6.20%	13.84%
Metropolitan	93.80%	86.16%

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	Bihar	Banka	2,75,86,734
2	Maharashtra	Gadchiroli	6,73,909
3	Odisha	Gajapati	1,67,96,593
4	Bihar	Muzaffarpur	2,52,61,113
5	Uttar Pradesh	Siddharth Nagar	7,78,58,197
6	Uttarakhand	Udham Singh Nagar	6,60,702
7	Sikkim	West Sikkim	3,98,92,855

**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.com/uploads/files/RECPolicy-for-MSME-11022022.pdf

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

REC being a CPSU, we are 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 2025-26 hit a remarkable 64.42%, 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	Procurement, Installation & Commissioning of Medical Equipment in Surgical Department of GSVM Medical College Kanpur.	15,000	90
2	Procurement, Installation & Commissioning of Medical Equipment and non-clinical equipment for Sankara Eye Hospital, Saharsa, Bihar.	25,000	80
3	Procurement of Medtronic Cranial Robot for Robotic Surgery Wing at IISc Medical School, Bangalore.	345 nos. of surgeries performed annually	50
4	Construction of 29 nos. of Public Toilet Complex in various States i.e. Uttar Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Telangana.	54,000	40
5	Procurement, Installation & Commissioning of medical equipment for mental health lab in Bhaktivedanta University, Mathura, Uttar Pradesh.	30 researchers 300 patients	-
6	Eye care for all - an initiative to provide support to 8000 beneficiaries for Cataract surgery at Pammal, Chennai, Tamil Nadu.	8,000	90
7	Procurement, Installation & Commissioning of medical equipment in Maharshi Vishwamitra Autonomous State Medical College, Ghazipur Uttar Pradesh.	5,000	80
8	Procurement & Deployment of 7 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Krishnagiri, Tuticorin, Tirunelveli, Kanyakumari, Nilgiris, Tenkasi, Virudhunagar in Tamil Nadu.	33,162	100
9	5,000 nos. of Phacoemulsification, surgery at Bhaktivedanta Hospital, Barsana, Mathura.	5,000	90
10	Renovation and Enhancement of Auditorium at Atal Bihari Vajpayee Institute of Medical Sciences & Dr. Ram Manohar Lohia Hospital, New Delhi.	2,391	28

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
11	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 each of Banka District, Bihar.	1,500	80
12	Procurement, Installation & Commissioning of medical equipment in Madhav Prasad Tripathi Medical College, Siddharthnagar, Uttar Pradesh.	3,87,486	100
13	Procurement, Installation & Commissioning of Linear Accelerator (LINAC) machine in Trauma Centre at Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti (SSB) in Firozabad, Uttar Pradesh.	500	80
14	Procurement and deployment of 6 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in 6 Districts of Gujarat.	31,780	100
15	Rehabilitation of Divyangjan by providing 8,000 nos. of artificial limbs, calipers and other aids & appliances across India.	6,000	100
16	Procurement, Installation & Commissioning of Advanced Heart Lung Machine at AIIMS Raipur.	150	90
17	Screening of TB Patients and providing Nutritional Support to TB Patients in Gajapati District, Odisha.	50,000	70
18	Procurement & Deployment of 7 nos. of Mobile Medical Units (MMUs) for primary healthcare services and free generic medicine distribution for Indian Red Cross Society (IRCS) in PVP Manyam, ASR Paderu, Dr. BR Ambedkar Konaseema, Tirupathi, West Godavari, Nandyal & Palanadu of Andhra Pradesh	31,000	100
19	Procurement and Deployment of 3 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in 3 Districts Sivagangai, Ramanathapuram & Theni of Tamil Nadu.	22,000	100
20	Procurement and Deployment of 3 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in South District & Dhalai of Tripura.	15,100	100
21	Procurement and Deployment of 2 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Mysore & Bangaluru, Karnataka.	9,759	100
22	Procurement and Deployment of 3 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Gumla, Lohardaga & Latehar of Jharkhand.	20,000	100
23	Procurement and Deployment of 4 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Jashpur, Balrampur & Surajpur of Chhattisgarh.	19,300	100
24	Procurement and Deployment of 4 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Gurdaspur, Jalandhar, Barnala & Patiala of Punjab.	18,527	100
25	Procurement & Deployment of 2 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution for primary health care services in Gadchiroli, Maharashtra.	13,000	100
26	Procurement and Deployment of 5 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Udham Singh Nagar, Tehri Garhwal & Haridwar of Uttarakhand.	27,343	100
27	Procurement and Deployment of 5 nos. of Mobile Medical Units for primary healthcare services and free generic medicine distribution in Alwar, Khairthal-Tizara & Behror Kotputli of Rajasthan.	28,913	100
28	Procurement & Deployment of 10 nos. of Mobile Health Clinics for primary health care services and free generic medicine distribution in Sarangarh & Mohla-Manpur.	70,000	100
29	Construction & Establishment of 17 open gyms in Wangoi, Imphal West, Manipur.	5,000	70
30	Procurement, Installation & Commissioning of medical equipment in Kanchi Kamakoti CHILDS Trust Hospital, Chennai.	5,000	80
31	Construction of 500 nos. of toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Firozpur and Abohar, Districts in Punjab.	5,000	50
32	Construction of 200 bedded rest room (Vishram Sadan) for patient attendants in Sri Krishna Medical College & Hospital, Muzaffarpur, Bihar.	3,000	90
33	Construction of 100 bedded waiting hall for the attendants of patients, multipurpose hall and incubation center at Sadar Hospital and procurement & installation of 5 nos. of incubators at District hospital and PHCs, Muzaffarpur, Bihar.	2,500	90
34	Project Shakti Initiative: Clean & Confident Periods for Alwar, Rajasthan – Menstrual Health and Hygiene School Awareness Program.	3,000	90
35	Healing Little Hearts 2.0- an REC initiative to provide free of cost medical support to children with Congenital Heart Disease (CHD), Palwal, Raipur & Mumbai.	1,100	100
36	Procurement, Installation & Commissioning of Medical Equipment for various Department in Bhagyoday Hospital, Himmatnagar.	1,000	70
37	Supply and fitment of Cochlear Implants to children with hearing impairments at various locations in India.	70	100
38	Renovation of Aanganwadi Centers (AWCs), containers for storing food grains, LPG gas connection and setting up of Antenatal care corners in AWCs in Muzaffarpur, Bihar.	10,000	90
39	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people, Dadikar, Alwar, Rajasthan.	140	100
40	Revival of Millet Based Culinary Tradition to Address Nutritional Security and Livelihood Creation in Chhattisgarh.	15,000	80
41	Procurement, Installation & Commissioning of CT Scan Machine at Dr. Imkongliba Memorial District Hospital (IMDH) in Mokokchung, Nagaland.	1,000	90
42	PARAM Science, Innovation, History & Cultural Centre - Facility Enhancement and Guest Accommodation Development in Bangalore.	1,000	50
43	Contribution towards Armed Forces Flag Day Fund (AFFDF) for providing Education grant for children of Ex-Servicemen (ESM), Martyrs and their widows.	16,600	100
44	Construction of workshop and classroom building in Technical campus at Ramakrishna Mission Vidyalaya, Coimbatore, Tamil Nadu.	1,300	100
45	Transforming school education in West Sikkim, Sikkim, implemented by District Magistrate, West Sikkim.	3,000	80
46	Setting up 300 nos. of Solar Energy Operated Smart Classes with joyful learning resource lab in 300 Government schools in District Siddharthnagar, Uttar Pradesh.	6,000	100
47	Establishment of Rashtrotthana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District, Karnataka.	500	70
48	Construction of Infrastructure for Rashtrotthana Vidya Kendra, Malligar Village, Hangal Taluk, Haveri District, Karnataka.	500	80
49	Learn and Earn- A REC Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship over the period of three years.	300	100
50	REC-Rupantar Role Model Schools to align with the New Education Policy in 250 schools of 2 States and 2 Union Territories.	70,000	50
51	Construction of 13 nos. of new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidalaya, Hinganghat, Wardha, Maharashtra.	700	70
52	Expansion of School Building and Starting CBSE English Medium Classes, Jaipur, Rajasthan.	5,000	50
53	Procurement and installation of ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library)' at Arts, Science and Commerce Collage, Chikhaldara, Amravati, Maharashtra.	500	80
54	Providing 1,000 school benches, 1,250 Bunk beds, 5,000 rPET (Recycled Polyester) T-Shirts made from plastic waste.	5,000	100
55	Construction of three classrooms, dining hall and a digital classroom in Zila Parishad High School Morzampadu (V), Machavaram Mandal Palnadu, Andhra Pradesh.	1,500	90

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
56	Kishori Vikas Kendra Project: Adolescent Girl Child Empowerment Program in various Districts of Assam.	150	90
57	REC-Integrity Club under REC Corporate Social Responsibility	3,752	100
58	Installation and commissioning of 1,000 LED Solar Street Light in 5 Districts in Arunachal Pradesh.	5,000	100
59	Establishment and setting up of ground-mounted, grid connected 1MW (AC), 1.25MW (DC) solar photovoltaic power plant in Gandhigram Rural Institute, Dindigul, Tamil Nadu.	600	50
60	Installation of Solar Plants and RO Water Purification Systems in Kaziranga National Park, Assam.	500	70
61	Installation of Solar Power Plants in Goa.	1,500	50
62	Comprehensive Animal welfare and Rabies eradication initiative to vaccinate 2,750 nos. of dogs, Gurugram, Haryana.	5,000	90
63	Setting up innovative jute processing BHAGIDARI model through biomass gasifier based decentralized electricity system in Purnia Cluster, Cooch Behar, West Bengal.	150	60
64	Crop Residue Management through Surface Seeding - Sensitizing Farmers for Environmental Protection in Punjab.	10,000	50
65	Contribution to corpus of Gujarat Foundation for Entre-preneurial Excellence.	500	50
66	Construction of 25 community halls in 25 gram panchayats of Varanasi.	1,000	80
67	Setting up of 2,747 of LED light with poles on main roads in Municipal Corporation, Palwal.	8,000	50
68	Construction of Auditorium of 1000 seating capacity in District Siddharthnagar, Uttar Pradesh.	1,00,000	57
69	Setting up of 650 nos. of new LED light with poles on main roads in MC Hathin, Haryana	4,000	50
70	Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights in Lucknow, Uttar Pradesh.	3,000	70
71	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	5,000	60
72	Setting up of training Centers and providing job-oriented skill development training to 1,800 nos. of beneficiaries belonging to economically weaker section of society.	695	100
73	PM Internship Scheme	1,700	100
74	Development of Olympic size pool for THDC Water Sports High Performance Academy of Canoeing & Kayaking in Koteshwar, Tehri, Uttarakhand.	30	30 Athletes shall be selected initially for training on basis of talent to represent India at national and international Kayaking and Canoeing sports competitions
75	Construction of Multipurpose Hall cum Indoor Stadium (MPHIS) in Churachandpur, Manipur.	300	80
76	Procurement of sports kit, Boccia balls and ramps.	26	100
77	Construction of indoor badminton court in Government Nagarjuna P.G. College of Science, Raipur, Chhattisgarh.	2,797	25
RECPDCL			
78	CSR assistance to Medical Superintendent for "Enhancement of Health Infrastructure by acquiring Medical Equipment & Renovation work in Government SNM Hospital, Leh.	50,000	80
79	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
80	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
81	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
82	CSR Assistance to Bisnouli 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
83	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
84	CSR Assistance to India International Centre for Enhancement of Infrastructure through renovation of 15 nos. of Hostel rooms at India International Centre, New Delhi.	60,000	0

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.

REC, being a NBFC, has adopted a Fair Practices Code in line with the statutory requirements. The Fair Practices Code, as prescribed by the 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 2025-26, it is noteworthy that the organization 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, it can be accessed directly through the official channels of REC Limited. https://recindia.com/uploads/files/Fair-Practices-Code.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 2025-26			FY 2024-25		
	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	0	0	NA	1	1	Complaint filed in District Consumer Disputes Redressal Commission, Jaipur. 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.com/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:

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil

c. Impact, if any, of the data breaches: Nil

LEADERSHIP INDICATORS

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

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 at https://recindia.com/financial-products. Details on our business profile can be accessed at https://recindia.com/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.com/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.com/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 Limited, 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 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:

i. Workshops: For example, a workshop on Advanced Metering Infrastructure (AMI) was held in financial year 2025-26 to educate borrowers.

ii. Investor and Borrower Meets: These events are organized to provide direct information.

iii. 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 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 for review at https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-dt-250326.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
DIN: 06817799

Place: Gurugram
Date: July 29, 2026

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:

Name of the Policy	Weblink
Internal Guidelines on Corporate Governance	https://recindia.com/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf
Policy for Prevention of Fraud	https://www.recindia.com/uploads/files/Revised-Fraud-prevention-policy-of-REC-13082020.pdf
Whistle Blower Policy	https://www.recindia.com/uploads/files/Whistle_Blower_Policy.pdf
Code of Business Conduct and Ethics	https://recindia.com/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf
Fair Practices Code	https://recindia.com/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-dt-250326.pdf
Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://recindia.com/uploads/files/RPT-Policy-of-REC-dated-290126.pdf
Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://recindia.com/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf
Policy on 'fit & proper' criteria of Directors	https://recindia.com/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf
REC ESG policy	https://recindia.com/uploads/files/CO-BDM-RECESGPolicy-060624.pdf

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.

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.com/financial-products

Further, CSR Policy of the Company is available at https://recindia.com/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.com/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.com/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.com/uploads/files/CO-BDM-Stakeholder-engagement-policy-060624.pdf

https://recindia.com/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf

The Company works towards inclusive growth through its CSR Policy approved by the Board of Directors. The CSR Policy is available at https://recindia.com/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.com/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, *inter-alia*, 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.com/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.com/loan-policy-circular

Our ESG policy is available at https://recindia.com/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.com/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.com/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.com/loan-policy-circular) and also CSR policy (https://recindia.com/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.com/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-dt-250326.pdf.

Our Data privacy policy is available at https://recindia.com/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.



On International Yoga Day , REC organized a yoga session at its Corporate Office, Gurugram.

INDEPENDENT REASONABLE ASSURANCE REPORT ON THE DISCLOSURES MADE UNDER BRSR (9) CORE ATTRIBUTES IN THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2025-26 OF REC LIMITED

To,
The Board of Directors
REC Limited
Core-4, Scope Complex,
7, Lodhi 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 Circular"), for the reporting period April 1, 2025, to March 31, 2026 ("financial year 2025-26").

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 Circular, in the Company's BRSR for financial year 2025-26.

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 Circular for financial year 2025-26.

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 CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) • Total Scope 2 emissions (Break-up of the GHG (CO_2e) into CO_2, 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 measures towards the well-being of employees and workers (including permanent and other than permanent)
		Principle 3, Question 11	Details of safety-related incidents
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

i. SEBI BRSR Core Circular.

ii. 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").

iii. Greenhouse Gas Protocol methodology.

iv. Central Ground Water Board (Central) Guidelines.

v. International Standard on Assurance Engagement ("ISEA") 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:

i. 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.

ii. Reviewed the data, documents and other information basis which calculation and reporting have been made.

iii. 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.

iv. Checked the consolidation for various offices to ensure the completeness of data being reported.

v. 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.

vi. Assessed the appropriateness of various assumptions, estimations and materiality thresholds used by the Company.

vii. 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 2025-26, have been reported in accordance with the requirements outlined in the SEBI BRSR Core Circular & BRSR Industry Standards.

Statement of Independence

As per the SEBI BRSR Core 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 2025-26, 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 2025-26. 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 2025-26.

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 ±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/-
Pranav Munji
Associate Vice President- ESG & Sustainability Services

Date: July 7, 2026
Place: New Delhi

ANNEXURE-V TO BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2026

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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms & returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 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, 2025 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 industry specific laws as applicable 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(1) of the Listing Regulations, Section 149 of the Act and Clause 3.1.4 of DPE Guidelines due to non-availability of the requisite number of Independent Directors during the financial year 2025-26, including non-availability of a Woman Independent Director on the Board of the Company during the period from April 1, 2025 to April 16, 2025.

2. Non-compliance with Regulation 18 & 19 of the Listing Regulations, Section 177 & 178 of the Act and Clause 4.1.1 of the DPE Guidelines, as the composition of the Audit Committee and the Nomination & Remuneration Committee did not comprise the requisite number of Independent Directors during the period from April 1, 2025 to April 16, 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 National Stock Exchange of India Limited and BSE Limited each has imposed fine of ₹6,17,140/- for the quarter ended June 30, 2025, ₹5,42,800/- for the quarter ended September 30, 2025, ₹5,42,800/- for the quarter ended December 31, 2025 and ₹5,31,000/- for the quarter ended March 31, 2026, for non-compliance with various provisions of the Listing Regulations. In response to the same, the Company has submitted request to the stock exchanges seeking waiver of the aforesaid fines, on the grounds that 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. the Ministry of Power, Government of India and therefore, the Company has no role in the appointment of Directors on its Board. The fine imposed on the Company under Regulations 18 & 19 have been waived off, however, fine imposed under Regulation 17 are outstanding.

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 42 of the Act and rules made thereunder, the consent of the shareholders in its meeting held on August 27, 2025 was taken to raise funds through private placement of unsecured/secured non-convertible bonds/ debentures up to ₹1,55,000 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.

ii. The Company has raised long/short term funds by issue of different debt instruments as listed below, for financing various projects:

Sl. No.	Type of Debt Instruments	Amount (₹ in crore)
(A)	**Long Term Borrowings**	
1.	54 EC Capital Gains Tax Exemption bonds	5,177.91
2.	Institutional Bonds/ Subordinate Bonds	30,882.50
3.	Term Loans from Banks/ FIs	27,697.00
4.	Foreign Currency Borrowings	9,600.59
(B)	**Short term Borrowings**	
5.	Commercial paper	3,000.00
6.	FCNR (B) Loan	3,082.31
7	Loans from Banks (Tenor more than 6 months)	4,118.00
	Total Funds raised during the financial year 2025-26	**83,558.31**

iii. The Board of REC in its meeting held on February 6, 2026, took note of the announcement made by the Hon'ble Finance Minister in the Union Budget 2026-27 regarding proposed restructuring of Power Finance Corporation Limited ("PFC") and REC to achieve scale and improve efficiency in public sector NBFCs and has accorded its in-principle approval to proceed with restructuring in the form of a merger of REC and PFC and to formulate a detailed merger proposal in accordance with applicable laws and regulations, ensuring that the merged entity continues to remain as a "Government Company" under the Companies Act, 2013 and other applicable laws.

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

Place: New Delhi
Date: June 9, 2026
UDIN: F005774H000600335

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

ANNEXURE A

To
The Members
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.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

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

Place: New Delhi
Date: June 9, 2026

ANNEXURE-VI TO BOARD'S REPORT

Form No AOC - 2

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 arms length transactions under fourth proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis

	Number of contracts or arrangements or transactions not at arm's length basis	0
a.	CIN or any other registration number	NIL
b.	Name(s) of the related party	NIL
c.	Nature of relationship	NIL
d.	Nature of contracts/ arrangements/ transactions	NIL
e.	Duration of the contracts / arrangements/ transactions	NIL
f.	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	NIL
g.	Justification for entering into such contracts or arrangements or transactions	NIL
h.	Date of approval by the Board (DD/MM/YYYY)	NIL
i.	Amount paid as advances, if any	NIL
j.	Date on which the resolution was passed in general meeting as required under first proviso to Section 188 (DD/MM/YYYY)	NIL
k.	SRN of MGT-14	NIL

2. Details of materials contracts or arrangements or transactions at arm's length basis

	Number of material contracts or arrangements or transactions at arm's length basis	0
a.	CIN or any other registration number	NIL
b.	Name(s) of the related party	NIL
c.	Nature of relationship	NIL
d.	Nature of contracts/ arrangements/ transactions	NIL
e.	Duration of the contracts / arrangements/ transactions	NIL
f.	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	NIL
g.	Date of approval by the Board (DD/MM/YYYY)	NIL
h.	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Place: Gurugram
Date: July 29, 2026

ANNEXURE-VII TO BOARD'S REPORT

Annual Report on CSR Activities

1. Brief outline on CSR policy of the Company:

The Company has framed its Corporate Social Responsibility Policy (CSR 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 the amendments in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy of the Company can be accessed from the website of the Company at http://www.recindia.com/uploads/files/REC-CSR-Policy-07-12-2021.pdf 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 CSR Policy. The Company ensures that CSR projects are carried out in line with activities prescribed under Schedule VII of the said 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 2025-26, 27 numbers of CSR projects were approved with aggregate outlay of ₹155.21 crore and spent ₹174.36 crore (including excess spent of ₹5.53 crore carried forward from previous year) on CSR projects and transferred ₹163.71 crore in Unspent CSR Account for 46 Ongoing Projects.

During the financial year 2025-26, CSR assistance has broadly been channelized to the following major projects:

i. Procurement and deployment of 49 Mobile Medical Units in various States i.e. 10 in Tamil Nadu, 4 in Chhattisgarh, 7 in Andhra Pradesh, 6 in Gujarat, 5 in Uttarakhand, 5 in Rajasthan, 4 in Punjab, 3 in Tripura, 3 in Jharkhand and 2 in Karnataka.

ii. Providing Nutritional support to TB Patients and active case finding for TB disease in Gajapati District, Odisha.

iii. Transforming school education in West Sikkim which is implemented by District Magistrate Gyalshing District, West Sikkim.

iv. Project Shakti Initiative: Clean & Confident Periods for Alwar, Rajasthan – Menstrual Health and Hygiene School Awareness Program.

v. Setting up 300 nos. JIGYASA-Solar Energy Operated Smart Classes with joyful learning resource lab in 300 Government schools in District Siddharthnagar, Uttar Pradesh.

vi. Procurement, Installation and Commissioning of High End Medical Equipment in Surgical Department of GSVM Medical College, Kanpur, Uttar Pradesh.

vii. Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights in Lucknow, Uttar Pradesh.

viii. CSR assistance for 5,000 nos. of PHACO Phacoemulsification surgery at Bhaktivedanta Hospital, Barsana, Mathura, Uttar Pradesh.

ix. Eye care for all - an initiative to provide support to 8,000 beneficiaries for Cataract surgery, Chennai.

x. Installation of Solar Plants and RO Water Purification Systems in Kaziranga National Park, Assam.

xi. Procurement of sports kit, Boccia balls and ramps, PAN India.

xii. Procurement and installation of medical equipment in Madhav Prasad Tripathi Medical college, Siddharthnagar, Uttar Pradesh.



Shri Jitendra Srivastava, CMD, REC, felicitated Shri Sunil Gavaskar, Trustee of Shri Sathya Sai Health and Education Trust, under REC's CSR initiative "Healing Little Hearts 2.0".



Transforming anganwadis into vibrant play schools in Udham Singh Nagar, nurturing young minds through laughter, imagination and learning, under a REC CSR initiative.



REC Foundation, the CSR arm of REC has signed a MoA with Lala Lajpat Rai Memorial Medical College, Meerut to bring primary health services to the doorsteps of the deprived sections of society.

xiii. Construction of 29 nos. of Public Toilet Complex in the State of Uttar Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Telangana.

xiv. Construction of 200 bedded rest room (Vishram Sadan G+3) approx. build up area 242.68 square meter for patient attendants in Sri Krishna Medical College & Hospital, Muzaffarpur, Bihar.

xv. Construction of 100 bedded waiting hall for the attendant of patients, multipurpose hall and incubation center at Sadar Hospital and procurement & installation of 5 nos. of incubators at District hospital and PHCs Muzaffarpur, Bihar.

xvi. Procurement and installation of medical equipment for mental health lab in Bhaktivedanta University, Mathura, Uttar Pradesh.

xvii. Construction of classroom building and workshop in Technical campus at Ramakrishna Mission Vidyalaya, Coimbatore, Tamil Nadu.

xviii. Contribution towards Armed Forces Flag Day Fund (AFFDF) for providing Education grant for children of Ex-Servicemen (ESM), Martyrs and their widows.

xix. Establishment of Rashtrotthana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District, Karnataka.

xx. Rehabilitation of 8,000 nos. of disabled people by providing artificial limbs, calipers and other aids & appliances across India.

xxi. Setting up of new 4,465 nos. LED light with poles on main roads in MC Palwal, MC Hodal and MC Hathin in the State of Haryana.

xxii. Construction of indoor badminton court (double) in Government Nagarjuna P.G. College of Science, Raipur, Chhattisgarh.

xxiii. Procurement of Medical Equipment for various Department in Bhagyoday Hospital, Himmatnagar, Gujarat.

xxiv. Learn and Earn- A REC Foundation Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship.

xxv. Expansion of School Building and Starting CBSE English Medium Classes in Rajasthan.

xxvi. Construction of Auditorium of 1,000 seating capacity in district Siddharthnagar, Uttar Pradesh.

xxvii. Procurement and Installation of Advanced Heart Lung Machine at All India Institute of Medical Sciences, Raipur, Chhattisgarh.

xxviii. Construction of 25 community halls in 25 gram panchayats of Varanasi, Uttar Pradesh.

xxix. Procurement of medical equipment in Kanchi Kamakoti CHILDS Trust Hospital, Chennai.

xxx. Providing 1,000 school benches, 1,250 Bunk beds, 5,000 rPET (Recycled Polyester) T-Shirts made from plastic waste, in Jodhpur, Rajasthan.

xxxi. Construction of Multi-Purpose Hall cum Indoor Stadium (MPHIS) in Churachandpur, Manipur.

xxxii. Procurement of Medtronic Cranial Robot for Robotic Surgery Wing at IISc Medical School, Bangalore, Karnataka.

xxxiii. Installation and commissioning of 1,000 LED Solar Street Light in 5 Districts in Arunachal Pradesh.

xxxiv. Renovation and Enhancement of Auditorium at Atal Bihari Vajpayee Institute of Medical Sciences & Dr. Ram Manohar Lohia Hospital, New Delhi.

xxxv. Installation of 11 Solar Power Plants in Goa.

xxxvi. Construction of Additional Infrastructure for Rashtrotthana Vidya Kendra, Malligar Village, Hangal Taluk, Haveri District, Karnataka.

xxxvii. CSR project- PARAM Science, Innovation, History & Cultural Centre - Facility Enhancement and Guest Accommodation Development in Karnataka.

xxxviii. CSR project for Crop Residue Management through Surface Seeding - Sensitizing Farmers for Environmental Protection in Punjab.

xxxix. Procurement of medical equipment in Maharshi Vishwamitra Autonomous State Medical College, Ghazipur, Uttar Pradesh.

xl. Procurement & installation of medical equipment for Sankara Eye Hospital, Saharsa, Bihar.

xli. Procurement and Commissioning of CT scan at Dr. Imkongliba Memorial District Hospital (IMDH) in Mokokchung, Nagaland.

xlii. CSR project for Kishori Vikas Kendra Project -Adolescent Girl Child Empowerment Program in Assam.

xliii. Setting up of ground-mounted, grid connected 1 MW(AC), 1.25 MW(DC) solar photovoltaic power plant in Gandhigram Rural Institute, Dindigul, Tamil Nadu.

xliv. Construction of three classrooms, dining hall and a digital classroom in Zila Parishad High School Morzampadu (V), Machavaram Mandal Palnadu, Andhra Pradesh.

xlv. Comprehensive animal welfare and rabies eradication initiative to vaccinate 2,750 nos. of dogs in Gurugram, Haryana.

xlvi. Construction of 445 nos. of toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abohar Districts in Punjab.

2. Composition of CSR Committee:

In line with the Act and Rules made thereunder, CSR Committee has been constituted. Its composition and meetings details during the financial year 2025-26 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	**Dr. Gambheer Singh** Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	12	12
2	**Shri Vijay Kumar Singh** Director (Projects)	Member (upto June 30, 2025)	3	3
3	**Shri Jitendra Srivastava** Chairman & Managing Director	Member*	5	5
4	**Shri Harsh Baweja** Director (Finance)	Member (upto January 31, 2026)	10	10
5	**Shri Thangarajan Subash Chandira Bosh** Director (Projects)	Member (w.e.f. October 17, 2025)	6	6

Note: Shri Narayanan Thirupathy, Independent Director of the Company, was a member of the CSR Committee upto April 16, 2025, however, no CSR Committee meeting was held during his tenure.

** Shri Jitendra Srivastava, Chairman & Managing Director, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier.*

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 2025-26 have been made available on the website of the Company at the following link: https://www.recindia.com/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 Title	Implementing Agency	Estimated Number of Beneficiaries	Core Impact
		Healthcare		
1	Construction of 12 kms. road from Yaingangpokpi to Laikoiching in Ukhrul District, Manipur.	North Eastern Region Community Resource Management Society.	Approximately 10,000 direct beneficiaries in Ukhrul District.	• High impact. • Highly targeted intervention aiming to plug a critical infrastructure gap. • Highly relevant, coherent, effective, efficient and sustainable.
2	Upgradation of the District Hospital, Mon, by procurement of the medical equipment to strengthen health care services at District Hospital, Mon, Nagaland.	Office of the Deputy Commissioner, Mon	Approximately 5,000 people of Mon District.	• High impact. • Highly targeted intervention aiming to meet a critical healthcare gap. • Highly relevant, coherent, effective, efficient and sustainable.

Sl. No.	Project Title	Implementing Agency	Estimated Number of Beneficiaries	Core Impact
3	Procurement of 15 nos. of ambulances to be run in tribal areas of various Districts in Madhya Pradesh.	Parivaar Education Society	Approximately 10,000 people benefitted annually.	• High impact. • Highly targeted intervention aiming to meet a critical healthcare gap with regard to highly marginalized sections of the population. • Highly relevant, coherent, effective, efficient and sustainable.
4	Installation of various medical equipment at Cantonment Board Kamptee, Nagpur, Maharashtra.	Cantonment Board Kamptee	Approximately 12,000 people.	• High impact. • Highly targeted intervention aiming to meet a critical healthcare gap. • Highly relevant, coherent, effective and efficient. Strong sustainability is implied as it has been built into the project's design and implementation.
5	Procurement & installation of Medical Equipment in the District Hospital in Bilaspur, Chhattisgarh.	Civil Surgeon, Bilaspur	Approximately 25,000 beneficiaries.	• High impact. • Highly targeted intervention aiming to meet a critical healthcare gap. • Highly relevant, coherent, effective, efficient and sustainable.
		Education and Skill Development		
6	Transformation of school education by providing infrastructure development in Government school building, teacher training in Kiphire District of Nagaland.	Office of the Deputy Commissioner, Kiphire	Approximately 1,000 students benefitted through construction/ renovation of 11 dilapidated Government school buildings & 15 Anganwadi Centres.	• High impact. • Highly targeted intervention aiming to meet a critical gap in education. • Highly relevant, coherent, effective, efficient and sustainable.
7	Job oriented skill development training (residential) to 1,200 beneficiaries belonging to EWS/ SC/ST/ Women etc., from various location in Madhya Pradesh and other States.	Center for Research and Industrial Staff Performance, Bhopal	Approximately 1,200 direct beneficiaries.	• High impact. • Highly targeted intervention aiming to meet a critical gap in skill development. • Highly relevant, coherent, effective and efficient. Significantly sustainable but long-term sustainability impacted by factors including COVID-19 and societal gender norms.
8	Providing skill development training and distribution of equipment kit for self-employment to 500 nos. of women belonging to economically weaker section in Aurangabad District, Maharashtra.	Rajureshwar Ganesh Bahudeshiya Sevabhavi Sanstha.	Approximately 500 women belonging to EWS category.	• High impact. • Highly targeted intervention aiming to meet a critical gap in skill development pertaining to women. • Highly relevant, coherent, effective, efficient and sustainable.
9	Assistance for construction of residential building (G+2) for 150 tribal girls at Sehore District, Madhya Pradesh and providing support for studies, food and other basic necessities to 11 Seva Kutirs comprising approximately 1,541 children in Khandwa.	Parivaar Education Society.	Approximately 1,691 children from tribal families.	• High impact. • Highly targeted intervention aiming to meet a critical gap in education. • Highly relevant, coherent, effective, efficient and sustainable.
		Rural Development		
10	Farmer - Centric Integrated Watershed Management for Improving Rural Livelihood in Mahbubnagar District of Telangana and Anantapur District of Andhra Pradesh.	International Crop Research Institute for the semi-arid Tropics.	Thousands of farmers and women living in two Districts of Andhra Pradesh/ Telangana.	• High impact. • Targeted intervention which aimed at meeting a critical gap in rural/ agricultural infrastructure. • Highly relevant, coherent, effective, efficient and sustainable.

The detailed Impact assessment report is available at https://recindia.com/impact-assessment-reports.

5. CSR allocation for the financial year 2025-26:

			(₹ in crore)
(a)	Average net profit of the Company as per Section 135(5)	:	16,903.55
(b)	Two percent of average net profit of the Company as per Section 135(5)	:	338.07
(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	:	5.53
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	:	332.54

6. CSR expenditure during the financial year 2025-26:

			(₹ in crore)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) as detailed in Annexure-A	:	159.54
(b)	Amount spent in administrative overheads	:	9.18
(c)	Amount spent on Impact Assessment, if applicable	:	0.11
(d)	Total amount spent for the financial year [(a)+(b)+(c)]	:	168.83
(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
174.36	163.71	March 31, 2026	Not Applicable	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)	338.07
(ii)	Total amount spent for the financial year (including adjustment of carried forward surplus of ₹5.15 crore from the previous year)	338.07*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

**The amount spent includes an amount of ₹163.71 crore towards ongoing projects and the same has been deposited in Unspent CSR Account as per requirements of Section 135(6) of Companies Act, 2013.*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

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	FY 2022-23	Nil	Nil	Nil	Nil	Nil	Nil
2	FY 2023-24	Nil	Nil	Nil	Nil	Nil	Nil
3	FY 2024-25	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) :
Unspent CSR amount of ₹163.71 crore pertains to ongoing projects (multi-year) where payment is made in tranches upon achievement of milestone till completion of projects. Accordingly, the said amount has been deposited in Unspent CSR Account as per requirements of Section 135(6) of the Act.

Sd/-
Chairperson of CSR Committee

Sd/-
Director (Finance)

Place: New Delhi
Date: June 2, 2026

Annexure-A: Details of CSR expenditure during the financial year 2025-26:

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)		Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				District(s)	State(s)			Implementing / Nodal Agency	CSR Registration No.
1	2	3	4	5(a)	5(b)	6	7	8	9
1	Procurement, Installation & Commissioning of Medical Equipment in Surgical Department of GSVM Medical College	Health Care	N.A.	Kanpur	Uttar Pradesh	9.98	No	GSVM Medical College, Kanpur	CSR00062997
2	Procurement, Installation & Commissioning of Medical Equipment and non-clinical equipment for Sankara Eye Hospital	Health Care	N.A.	Saharsa	Bihar	9.12	No	Sankara Eye Hospital, Pammal, Chennai	CSR00004033
3	Procurement of Medtronic Cranial Robot for Robotic Surgery Wing at IISc Medical School	Health Care	N.A.	Bangalore	Karnataka	6.00	No	Indian Institute of Science, Bangalore	CSR00007370
4	Construction of 29 nos. of Public Toilet Complex	Health Care	N.A.	Various Districts	Uttar Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Telangana	5.69	No	Sulabh International Social Service Organisation	CSR00000185
5	Procurement, Installation & Commissioning of medical equipment for mental health lab in Bhaktivedanta University	Health Care	N.A.	Mathura	Uttar Pradesh	4.91	No	International Society for Krishna Consciousness	CSR00005241
6	Eye care for all - an initiative to provide support to 8,000 beneficiaries for Cataract surgery	Health Care	N.A.	Pammal, Chennai	Tamil Nadu	4.49	No	Sankara Eye Hospital, Pammal, Chennai	CSR00004033
7	Procurement, Installation & Commissioning of medical equipment in Maharshi Vishwamitra Autonomous State Medical College	Health Care	N.A.	Ghazipur	Uttar Pradesh	3.94	No	Maharshi Vishwamitra Autonomous State Medical College, Ghazipur	CSR00080894
8	Procurement and Deployment of 7 nos. Mobile Medical Units and free distribution of generic medicines	Health Care	N.A.	Krishnagiri, Tuticorin, Tirunelveli, Kanyakumari, Nilgiris, Tenkasi, Virudhunagar	Tamil Nadu	3.47	No	Indian Red Cross Society, Tamil Nadu	CSR00004593
9	5,000 nos. of PHACO Phacoemulsification surgery at Bhaktivedanta Hospital	Health Care	N.A.	Barsana, Mathura	Uttar Pradesh	3.21	No	Shri Chaitanya Health and Care Trust	CSR00065035
10	Renovation and Enhancement of Auditorium at Atal Bihari Vajpayee Institute of Medical Sciences (ABVIMS) & Dr. Ram Manohar Lohia Hospital (RML)	Health Care	N.A.	New Delhi	Delhi	2.80	No	ABVIMS & RML Hospital	CSR00061565
11	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	Health Care	N.A.	Banka	Bihar	2.76	No	District Health Society (Civil Surgeon cum Member Secretary), Banka	CSR00063966
12	Procurement, Installation & Commissioning of medical equipment in Madhav Prasad Tripathi Medical College	Health Care	N.A.	Siddharthnagar	Uttar Pradesh	2.72	No	Madhav Prasad Tripathi Medical College	CSR00077807
13	Procurement, Installation & Commissioning of Linear Accelerator (LINAC) machine in Trauma Centre at Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti	Health Care	N.A.	Firozabad	Uttar Pradesh	2.67	No	Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti, Uttar Pradesh	CSR00006617
14	Procurement and deployment of 6 nos. Mobile Medical Units	Health Care	N.A.	Ahmedabad, Rajkot, Dang, Arravali, Dahod, Sabarkantha	Gujarat	2.29	No	Indian Red Cross Society, Gujarat State Branch, Ahmedabad	CSR00011940
15	Rehabilitation of Divyangjan by providing 8,000 nos. of artificial limbs, calipers and other aids & appliances across India	Health Care	N.A.	PAN India	PAN India	1.95	No	Shree Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur	CSR00001480

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)		Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				District(s)	State(s)			Implementing / Nodal Agency	CSR Registration No.
1	2	3	4	5(a)	5(b)	6	7	8	9
16	Procurement, Installation & Commissioning of Advanced Heart Lung Machine at AIIMS	Health Care	N.A.	Raipur	Chhattisgarh	1.74	No	AIIMS, Raipur	CSR00083578
17	Screening of TB Patients and providing Nutritional Support to TB Patients	Health Care	N.A.	Gajapati	Odisha	1.68	No	MAMTA Health Institute for Mother and Child	CSR00001978
18	Procurement & deployment of 7 nos. of Mobile Medical Units	Health Care	N.A.	PVP Manyam, ASR Paderu, Dr. BR Ambedkar Konaseema, Tirupathi, West Godavari (Bhimavaram), Nandyal, Palanadu	Andhra Pradesh	1.21	No	Indian Red Cross Society, Andhra Pradesh	CSR00014677
19	Procurement and deployment of 3 nos. of Mobile Medical Units	Health Care	N.A.	Sivagangai, Ramanathapuram, Theni	Tamil Nadu	1.18	No	Indian Red Cross Society, Tamil Nadu	CSR00004593
20	Procurement and deployment of 3 nos. of Mobile Medical units	Health Care	N.A.	South District, Dhalai	Tripura	0.92	No	Sewa International	CSR00000559
21	Procurement and deployment of 2 nos. of Mobile Medical Units	Health Care	N.A.	Mysore & Bengaluru Rural	Karnataka	0.76	No	Jubilant Bhartia Foundation	CSR00001657
22	Procurement and deployment of 3 nos. of Mobile Medical Units	Health Care	N.A.	Gumla, Lohardaga, Latehar	Jharkhand	0.58	No	Vikas Bharti Bishunpur	CSR00001499
23	Procurement and deployment of 4 nos. of Mobile Medical Units	Health Care	N.A.	Jashpur, Balrampur, Surajpur	Chhattisgarh	0.32	No	Indian Red Cross Society, Chhattisgarh State Branch, Raipur	CSR00064721
24	Procurement and deployment of 4 nos. of Mobile Medical Units	Health Care	N.A.	Gurdaspur, Jalandhar, Barnala, Patiala	Punjab	0.26	No	Indian Red Cross Society, Punjab State Branch, Chandigarh	CSR00067502
25	Procurement & deployment of 2 nos. of Mobile Medical Units for primary health care services	Health Care	N.A.	Gadchiroli	Maharashtra	0.07	No	CA & FO, Gadchiroli	CSR00041612
26	Procurement and deployment of 5 nos. of Mobile Medical Units for 3 years	Health Care	N.A.	Udham Singh Nagar, Tehri Garhwal, Haridwar	Uttarakhand	1.66	No	CSC Academy	CSR00006887
27	Procurement and deployment of 5 nos. of Mobile Medical Units	Health Care	N.A.	Alwar, Khairthal-Tizara, Behror-Kotputli	Rajasthan	1.58	No	Indian Red Cross Society, Alwar	CSR00068641
28	Procurement & Deployment of 10 nos. of mobile health clinics for primary health care services for a period of three years	Health Care	N.A.	Sarangarh, Mohla-Manpur	Chhattisgarh	1.47	No	Doctors For You	CSR00000608
29	Construction & Establishment of 17 open gyms	Health Care	N.A.	Imphal West	Manipur	1.39	No	District Rural Development Agency (DRDA), Imphal West	CSR00068295
30	Procurement, Installation & Commissioning of medical equipment in Kanchi Kamakoti CHILDS Trust Hospital	Health Care	N.A.	Chennai	Tamil Nadu	1.31	No	Kanchi Kamakoti CHILDS Trust Hospital	CSR00002494
31	Construction of 445 nos. of toilets blocks at work place of BSF troops	Health Care	N.A.	Gurdaspur, Amritsar, Firozpur and Abohar	Punjab	1.27	No	Border Security Force, Punjab	CSR00048288
32	Construction of 200 bedded rest room (Vishram Sadan) for patient attendants in Sri Krishna Medical College & Hospital	Health Care	N.A.	Muzaffarpur	Bihar	1.19	No	Deputy Commissioner, Muzaffarpur	Not Applicable
33	Construction of 100 bedded waiting hall for the attendants of patients, multipurpose hall and incubation center at Sadar Hospital and procurement & installation of 5 nos. of incubators at district hospital and PHCs.	Health Care	N.A.	Muzaffarpur	Bihar	0.83	No	Deputy Commissioner, Muzaffarpur	Not Applicable
34	Project Shakti Initiative: Clean & Confident Periods for Alwar, Rajasthan – Menstrual Health and Hygiene School Awareness Program	Health Care	N.A.	Alwar	Rajasthan	0.53	No	Sachhi Saheli	CSR00079295

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)		Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				District(s)	State(s)			Implementing / Nodal Agency	CSR Registration No.
1	2	3	4	5(a)	5(b)	6	7	8	9
35	Healing Little Hearts 2.0 - an REC initiative to provide free of cost medical support to children with Congenital Heart Disease	Health Care	N.A.	Palwal, Raipur, Mumbai	Haryana, Chhattisgarh, Maharashtra	0.50	No	Sri Sathya Sai Health and Education Trust	CSR00001048
36	Procurement, Installation & Commissioning of Medical Equipment for various Department in Bhagyoday Hospital	Health Care	N.A.	Himmatnagar	Gujarat	0.47	No	Bhagyoday Charitable Trust	CSR00076020
37	Supply and fitment of Cochlear Implants to children with hearing impairments at various locations in India	Health Care	N.A.	PAN India	PAN India	0.38	No	Ali Yavar Jung National Institute of Speech and Hearing Disabilities, Mumbai	CSR00012611
38	Renovation of Aanganwadi Centers (AWCs), containers for storing food grains, LPG gas connection and setting up of Antenatal care corners in AWCs	Health Care	N.A.	Muzaffarpur	Bihar	0.35	No	Deputy Commissioner, Muzaffarpur	Not Applicable
39	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people	Health Care	N.A.	Dadikar, Alwar	Rajasthan	0.34	No	SAPNA	CSR00000235
40	Revival of Millet Based Culinary Tradition to Address Nutritional Security and Livelihood Creation	Health Care	N.A.	Bhillai	Chhattisgarh	0.14	No	Chhattisgarh Swami Vivekanand Technical University Foundation for Rural Technology and Entrepreneurship	CSR00057408
41	Procurement, Installation & Commissioning of CT Scan Machine at Dr. Imkongliba Memorial District Hospital	Healthcare	N.A.	Mokokchung	Nagaland	0.69	No	Deputy Commissioner, Mokochung	CSR00095515
42	PARAM Science, Innovation, History & Cultural Centre-Facility Enhancement and Guest Accommodation Development	Art & Culture	N.A.	Bangalore	Karnataka	2.04	No	Jan Seva Trust	CSR00006302
43	Contribution towards Armed Forces Flag Day Fund (AFFDF) for providing Education grant for children of Ex-Servicemen (ESM), Martyrs and their widows	Benefits of Armed Forces	N.A.	PAN India	PAN India	20.00	No	Kendriya Sainik Board	CSR00011199
44	Construction of workshop and classroom building in Technical campus at Ramakrishna Mission Vidyalaya	Education	N.A.	Coimbatore	Tamil Nadu	4.45	No	Ramakrishna Mission	CSR00006101
45	Transforming school education	Education	N.A.	West Sikkim	Sikkim	3.99	No	District Magistrate, West Sikkim	Not Applicable
46	Setting up 300 nos. of Solar Energy Operated Smart Classes with joyful learning resource lab in 300 Government schools	Education	N.A.	Sidharthnagar	Uttar Pradesh	3.33	No	Unit of Science and Educational Development	CSR00011913
47	Establishment of Rashtrotthana Vidya Kendra CBSE School	Education	N.A.	Malligar Village, Hangal Taluk, Haveri District	Karnataka	3.24	No	Rashtrothhana Parishat, Karnataka	CSR00004658
48	Construction of Infrastructure for Rashtrotthana Vidya Kendra	Education	N.A.	Haveri	Karnataka	2.40	No	Rashtrotthana Parishat, Karnataka	CSR00004658
49	Learn and Earn - A REC Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship over the period of three years	Education	N.A.	PAN India	PAN India	2.18	No	The Apparel Training and Design Centre	CSR00000938
50	REC-Rupantar Role Model Schools to align with the New Education Policy in 250 schools of 2 States and 2 Union Territories	Education	N.A.	Various Districts	Jammu & Kashmir, Assam and Chhattisgarh	1.85	No	Sri Aurobindo Society	CSR00000200
51	Construction of 13 nos. of new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidalaya, Hinganghat	Education	N.A.	Wardha	Maharashtra	1.64	No	Progressive Education Society	CSR00000052
52	Expansion of School Building and Starting CBSE English Medium Classes	Education	N.A.	Jaipur	Rajasthan	1.46	No	Prabandh Samiti Adarsh Vidhya Mandir	CSR00034411
53	Procurement and installation of ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library) at Arts, Science and Commerce Collage, Chikhaldara	Education	N.A.	Amravati	Maharashtra	0.47	No	REC Foundation & SIPNA Shikshan Prasarak Mandal for Arts, Science and Commerce College	CSR00009563

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				District(s)	State(s)			Implementing / Nodal Agency	CSR Registration No.
1	2	3	4	5(a)	5(b)	6	7	8	9
54	Providing 1,000 school benches, 1,250 Bunk beds, 5,000 rPET (Recycled Polyester) T-Shirts made from plastic waste	Education	N.A.	Jodhpur	Rajasthan	0.47	No	Jodhpur City Knowledge and Innovation Foundation , IIT Jodhpur	CSR00047105
55	Construction of three classrooms, dining hall and a digital classroom in Zila Parishad High School Morzampadu (V), Machavaram	Education	N.A.	Mandal, Palnadu	Andhra Pradesh	0.28	No	Connect to Andhra	CSR00008366
56	Kishori Vikas Kendra Project (Adolescent Girl Child Empowerment Program)	Education	N.A.	Dibrugarh, Golaghat, Majuli, Lakhimpur, Dakshin Kamrup and Kokrajhar	Assam	0.12	No	Seva Bharati Purbanchal	CSR00004021
57	REC-Integrity Club under REC Corporate Social Responsibility	Education	N.A.	PAN India	PAN India	0.01	Yes	REC Foundation	CSR00005016
58	Installation and commissioning of 1,000 LED Solar Street Light in 5 Districts in Arunachal Pradesh	Environment Sustainability	N.A.	West Siang, Upper Siang, Lower Subansiri, Leparada and Popumpore	Arunachal Pradesh	2.11	No	Arunachal Pradesh Energy Development Agency	CSR00047578
59	Establishment and setting up of ground-mounted, grid connected 1 MW(AC), 1.25 MW(DC) solar photovoltaic power plant in Gandhigram Rural Institute	Environment Sustainability	N.A.	Dindigul	Tamil Nadu	1.45	No	The Gandhigram Rural Institute	CSR00072857
60	Installation of Solar Plants and RO Water Purification Systems in Kaziranga National Park	Environment Sustainability	N.A.	Assam	Assam	0.54	No	Kaziranga Tiger Conservation Foundation	CSR00067221
61	Installation of 11 Solar Power Plants in Goa	Environment Sustainability	N.A.	Various Districts	Goa	0.18	No	Goa CSR Authority	CSR00021574
62	Comprehensive Animal welfare and Rabies eradication initiative to vaccinate 2,750 nos. of dogs	Environment Sustainability	N.A.	Gurugram	Haryana	0.14	No	Friendicoes SECA	CSR00001140
63	Setting up innovative jute processing BHAGIDARI model through biomass gasifier based decentralized electricity system in Purnia Cluster	Environment Sustainability	N.A.	Cooch Behar	West Bengal	0.05	No	The Energy Resources Institute	CSR00002051
64	Crop Residue Management through Surface Seeding - Sensitizing Farmers for Environmental Protection	Environmental Sustainability	N.A.	Bathinda, Faridkot, Moga and Muktsar	Punjab	0.26	No	Kheti Virasat Mission	CSR00006470
65	Contribution to corpus of Gujarat Foundation for Entrepreneurial Excellence over the period of 3 years	Incubators	N.A.	Gujarat	Gujarat	4.00	No	Gujarat Foundation for Entrepreneurial Excellence	CSR00018338
66	Construction of 25 community halls in 25 gram panchayats	Rural Development	N.A.	Varanasi	Uttar Pradesh	5.94	No	Varanasi Development Authority	CSR00057116
67	Setting up of 2,747 of LED light with poles on main roads in Municipal Corporation	Rural Development	N.A.	Palwal	Haryana	2.05	No	Municipal Council, Palwal	CSR00063820
68	Construction of Auditorium of 1000 seating capacity	Rural Development	N.A.	Sidharthnagar	Uttar Pradesh	1.74	No	Jila Civil Social Responsibility Association	CSR00009393
69	Setting up of 650 nos. of new LED light with poles on main roads	Rural Development	N.A.	Hathin	Haryana	1.02	No	Municipal Council, Hathin	CSR00064232
70	Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights	Rural Development	N.A.	Lucknow	Uttar Pradesh	0.46	No	Lucknow Development Authority	CSR00060724
71	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	Rural Development	N.A.	Bhojpur	Bihar	0.06	No	NHPC Limited, New Delhi	Not Applicable
72	Setting up of training centers and providing job-oriented skill development training to 1,800 nos. of beneficiaries belonging to economically weaker section of society	Skill Development	N.A.	Chandel, Muzaffarpur and Udham Singh Nagar	Manipur, Bihar & Uttarakhand	0.21	No	Tata Community Initiative Trust	CSR00002739

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)		Amount Spent for the Project(s) (₹ in crore)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				District(s)	State(s)			Implementing / Nodal Agency	CSR Registration No.
1	2	3	4	5(a)	5(b)	6	7	8	9
73	PM Internship Scheme	Skill Development	N.A.	PAN India	PAN India	0.02	Yes	REC Foundation	CSR00005016
74	Development of Olympic size pool for THDC Water Sports High Performance Academy of Canoeing & Kayaking	Sports	N.A.	Koteshwar, Tehri	Uttarakhand	1.62	No	SEWA THDC	CSR00016241
75	Construction of Multipurpose Hall cum Indoor Stadium	Sports	N.A.	Churachandpur	Manipur	0.50	No	District Rural Development Agency , Churachandpur	CSR00010395
76	Procurement of sports kit, Boccia balls and ramps	Sports	N.A.	PAN India	PAN India	0.33	No	Boccia Sports Federation of India	CSR00053293
77	Construction of indoor badminton court in Government Nagarjuna P.G. College of Science	Sports	N.A.	Raipur	Chhattisgarh	0.10	No	GNPG College of Science, Raipur, Chhattisgarh	CSR00048721
Total disbursement in CSR projects						**159.54**			
Impact Assessment cost						**0.11**			
Admin expenditure during the financial year 2025-26						**9.18**			
Excess spent during earlier years adjusted in financial year 2025-26						**5.53**			
Sub-total CSR expenditure during the financial year 2025-26						**174.36**			
Amount transferred to Unspent CSR account under section 135 (6) towards ongoing CSR projects						**163.71**			
Total CSR expenditure including unspent CSR amount						**338.07**			



REC was felicitated with Gold Medal for contribution under CSR by the Hon'ble Governor of Andhra Pradesh at Lok Bhawan – Vijayawada.



Promoting informed choices and healthy practices through menstrual hygiene awareness under Projecf Shakti.



Through the "Bringing Vision To Bihar" CSR initiative, REC Foundation is enabling access to state-of-the-art eye diagnostic services, helping detect vision disorders early and improve the quality of life for underserved communities.



Empowering the Change-Makers: Community facilitators coming together in Guwahati, Assam, for the Kishori Vikas Yojana Trainers' Training Program-building a stronger, brighter future for adolescent girls across the region

Details of Debenture Trustees appointed by the Company for different Bonds Series as on March 31, 2026

In terms of Regulations 53 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.	Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at NSE	Listed at BSE	Registrar & Transfer Agent
1	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 ✆ +91-22-26593644 ✉ itclcomplianceofficer@vistra.com Website: www.vistraitcl.com	INE020B08724	Infra Bonds Series - II (2011-12)	Unsecured	15-02-2027	9.15%	Yes	No	Beetal Financial & Computer Services (P) Limited Beetal House, 3rd Floor, 99, Madangir, Behind LSC, Opp. Dada Harsukhdas Mandir, New Delhi - 110062 Contact Person: Shri Sanjay Rastogi ✆ +91-11-2996-1281-83 ✉ recbonds4@gmail.com Website: www.beetalfinancial.com
			INE020B08732							
			INE020B07GH7	2011-12 Public Issue Tranche-1	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 ✆ 1800-309-4001 ✉ gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
2	SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road, Churchgate Mumbai-400020	Mr. Ardhendu Mukhopadyay (CFO) ✆ +91-22-43025566 ✉ corporate@sbicaptrustee.com dt@sbicaptrustee.com Website: https://www.sbicaptrustee.com	INE020B07GV8	2012-13 Private Placement	Secured	22-11-2027	7.38%	Yes	Yes	
			INE020B07GX4	2012-13 Public Issue Tranche-1	Secured	19-12-2027	7.38% / 7.88%	Yes	Yes	
			INE020B07GZ9	2012-13 Public Issue Tranche-2	Secured	25-03-2028	7.04% / 7.54%	Yes	Yes	
			INE020B07HN3	2013-14 Private Placement-1	Secured	29-08-2028	8.46%	Yes	Yes	
			INE020B07HP8	2013-14 Public Issue Tranche-1	Secured	24-09-2028	8.46%	Yes	Yes	
			INE020B07HS2	2013-14 Public Issue Tranche-1	Secured	24-09-2028	8.46% / 8.71%	Yes	Yes	
			INE020B07HQ6	2013-14 Public Issue Tranche-1	Secured	24-09-2033	8.37%	Yes	Yes	
			INE020B07HT0	2013-14 Public Issue Tranche-1	Secured	24-09-2033	8.37% / 8.62%	Yes	Yes	
			INE020B07HV6	2013-14 Private Placement-2	Secured	11-10-2028	8.54%	Yes	Yes	
			INE020B07ID2	2013-14 Public Issue Tranche-2	Secured	24-03-2029	8.63%	Yes	Yes	
			INE020B07IG5	2013-14 Public Issue Tranche-2	Secured	24-03-2029	8.63% / 8.88%	Yes	Yes	
			INE020B07IE0	2013-14 Public Issue Tranche-2	Secured	24-03-2034	8.61%	Yes	Yes	
			INE020B07IH3	2013-14 Public Issue Tranche-2	Secured	24-03-2034	8.61% / 8.86%	Yes	Yes	
			INE020B07JR0	2015-16 Public Issue Tranche-1	Secured	05-11-2030	7.09%	No	Yes	
			INE020B07JS8	2015-16 Public Issue Tranche-1	Secured	05-11-2030	7.09% / 7.34%	No	Yes	
			INE020B07JT6	2015-16 Public Issue Tranche-1	Secured	05-11-2035	7.18%	No	Yes	
			INE020B07JU4	2015-16 Public Issue Tranche-1	Secured	05-11-2035	7.18% / 7.43%	No	Yes	
			INE020B07ME2	54EC Series XV (2021-22)	Secured	30-04-2026	5.00%	No	No	
			INE020B07MF9	54EC Series XV (2021-22)	Secured	31-05-2026	5.00%	No	No	
			INE020B07MG7	54EC Series XV (2021-22)	Secured	30-06-2026	5.00%	No	No	
			INE020B07MH5	54EC Series XV (2021-22)	Secured	31-07-2026	5.00%	No	No	
			INE020B07MI3	54EC Series XV (2021-22)	Secured	31-08-2026	5.00%	No	No	
			INE020B07MJ1	54EC Series XV (2021-22)	Secured	30-09-2026	5.00%	No	No	
			INE020B07MK9	54EC Series XV (2021-22)	Secured	31-10-2026	5.00%	No	No	
			INE020B07ML7	54EC Series XV (2021-22)	Secured	30-11-2026	5.00%	No	No	
			INE020B07MM5	54EC Series XV (2021-22)	Secured	31-12-2026	5.00%	No	No	
			INE020B07MN3	54EC Series XV (2021-22)	Secured	31-01-2027	5.00%	No	No	
			INE020B07MO1	54EC Series XV (2021-22)	Secured	28-02-2027	5.00%	No	No	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.	Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B07MP8	54EC Series XV (2021-22)	Secured	31-03-2027	5.00%	No	No	
			INE020B07MQ6	54EC Series XVI (2022-23)	Secured	30-04-2027	5.00%	No	No	
			INE020B07MR4	54EC Series XVI (2022-23)	Secured	31-05-2027	5.00%	No	No	
			INE020B07MS2	54EC Series XVI (2022-23)	Secured	30-06-2027	5.00%	No	No	
			INE020B07MT0	54EC Series XVI (2022-23)	Secured	31-07-2027	5.00%	No	No	
			INE020B07MU8	54EC Series XVI (2022-23)	Secured	31-08-2027	5.00%	No	No	
			INE020B07MV6	54EC Series XVI (2022-23)	Secured	30-09-2027	5.00%	No	No	
			INE020B07MW4	54EC Series XVI (2022-23)	Secured	31-10-2027	5.00%	No	No	
			INE020B07MX2	54EC Series XVI (2022-23)	Secured	30-11-2027	5.00%	No	No	
			INE020B07MY0	54EC Series XVI (2022-23)	Secured	31-12-2027	5.00%	No	No	
			INE020B07MZ7	54EC Series XVI (2022-23)	Secured	31-01-2028	5.00%	No	No	
			INE020B07NA8	54EC Series XVI (2022-23)	Secured	29-02-2028	5.00%	No	No	
			INE020B07NB6	54EC Series XVI (2022-23)	Secured	31-03-2028	5.00%	No	No	
			INE020B07NC4	54EC Series XVII (2023-24)	Secured	30-04-2028	5.25%	No	No	
			INE020B07NK7	54EC Series XVII (2023-24)	Secured	31-05-2028	5.25%	No	No	
			INE020B07NL5	54EC Series XVII (2023-24)	Secured	30-06-2028	5.25%	No	No	
			INE020B07NJ9	54EC Series XVII (2023-24)	Secured	31-07-2028	5.25%	No	No	
			INE020B07NG5	54EC Series XVII (2023-24)	Secured	31-08-2028	5.25%	No	No	
			INE020B07NI1	54EC Series XVII (2023-24)	Secured	30-09-2028	5.25%	No	No	
			INE020B07NH3	54EC Series XVII (2023-24)	Secured	31-10-2028	5.25%	No	No	
			INE020B07NF7	54EC Series XVII (2023-24)	Secured	30-11-2028	5.25%	No	No	
			INE020B07ND2	54EC Series XVII (2023-24)	Secured	31-12-2028	5.25%	No	No	
			INE020B07NE0	54EC Series XVII (2023-24)	Secured	31-01-2029	5.25%	No	No	
			INE020B07NN1	54EC Series XVII (2023-24)	Secured	28-02-2029	5.25%	No	No	
			INE020B07NM3	54EC Series XVII (2023-24)	Secured	31-03-2029	5.25%	No	No	
			INE020B07NP6	54EC Series XVIII (2024-25)	Secured	30-04-2029	5.25%	No	No	
			INE020B07NO9	54EC Series XVIII (2024-25)	Secured	31-05-2029	5.25%	No	No	
			INE020B07NQ4	54EC Series XVIII (2024-25)	Secured	30-06-2029	5.25%	No	No	
			INE020B07NR2	54EC Series XVIII (2024-25)	Secured	31-07-2029	5.25%	No	No	
			INE020B07NS0	54EC Series XVIII (2024-25)	Secured	31-08-2029	5.25%	No	No	
			INE020B07NT8	54EC Series XVIII (2024-25)	Secured	30-09-2029	5.25%	No	No	
			INE020B07NU6	54EC Series XVIII (2024-25)	Secured	31-10-2029	5.25%	No	No	
			INE020B07NV4	54EC Series XVIII (2024-25)	Secured	30-11-2029	5.25%	No	No	
			INE020B07NW2	54EC Series XVIII (2024-25)	Secured	31-12-2029	5.25%	No	No	
			INE020B07NX0	54EC Series XVIII (2024-25)	Secured	31-01-2030	5.25%	No	No	
			INE020B07NY8	54EC Series XVIII (2024-25)	Secured	28-02-2030	5.25%	No	No	
			INE020B07NZ5	54EC Series XVIII (2024-25)	Secured	31-03-2030	5.25%	No	No	
			INE020B07OA6	54EC Series XIX (2025-26)	Secured	30-04-2030	5.25%	No	No	
			INE020B07OC2	54EC Series XIX (2025-26)	Secured	31-05-2030	5.25%	No	No	
			INE020B07OD0	54EC Series XIX (2025-26)	Secured	30-06-2030	5.25%	No	No	
			INE020B07OE8	54EC Series XIX (2025-26)	Secured	31-07-2030	5.25%	No	No	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.	Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B07OF5	54EC Series XIX (2025-26)	Secured	31-08-2030	5.25%	No	No	
			INE020B07OG3	54EC Series XIX (2025-26)	Secured	30-09-2030	5.25%	No	No	
			INE020B07OH1	54EC Series XIX (2025-26)	Secured	31-10-2030	5.25%	No	No	
			INE020B07OI9	54EC Series XIX (2025-26)	Secured	30-11-2030	5.25%	No	No	
			INE020B07OJ7	54EC Series XIX (2025-26)	Secured	31-12-2030	5.25%	No	No	
			INE020B07OK5	54EC Series XIX (2025-26)	Secured	31-01-2031	5.25%	No	No	
			INE020B07OL3	54EC Series XIX (2025-26)	Secured	28-02-2031	5.25%	No	No	
			INE020B07OB4	54EC Series XIX (2025-26)	Secured	31-03-2031	5.25%	No	No	
			INE020B08AA3	140	Unsecured	07-11-2026	7.52%	Yes	Yes	
			INE020B08AC9	142	Unsecured	30-12-2026	7.54%	Yes	Yes	
			INE020B08AH8	147	Unsecured	12-03-2027	7.95%	Yes	Yes	
			INE020B08AQ9	156	Unsecured	10-12-2027	7.70%	Yes	Yes	
			INE020B08AX5	GOI-I	Unsecured	21-03-2028	8.09%	Yes	Yes	
			INE020B08AY3	GOI-II	Unsecured	24-03-2028	8.01%	Yes	Yes	
			INE020B08AZ0	GOI-III	Unsecured	27-03-2028	8.06%	Yes	Yes	
3	Beacon Trusteeship Limited 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai- 400051	Mr. Ritobrata Mitra ✆ +91-22-46060278 ✉ compliance@beacontrustee.co.in Website: www.beacontrustee.co.in	INE020B08BA1	162	Unsecured	09-08-2028	8.55%	Yes	Yes	
			INE020B08BB9	163	Unsecured	25-08-2028	8.63%	Yes	Yes	
			INE020B08BG8	168	Unsecured	29-11-2028	8.56%	Yes	Yes	
			INE020B08BH6	169	Unsecured	07-12-2028	8.37%	Yes	Yes	
			INE020B08BP9	175	Unsecured	28-03-2029	8.97%	Yes	Yes	
			INE020B08BQ7	176	Unsecured	16-04-2029	8.85%	Yes	Yes	
			INE020B08BS3	178	Unsecured	14-05-2029	8.80%	Yes	Yes	
			INE020B08BU9	180-B	Unsecured	25-06-2029	8.30%	Yes	Yes	
			INE020B08BW5	182	Unsecured	22-08-2034	8.18%	Yes	Yes	
			INE020B08BX3	183	Unsecured	16-09-2034	8.29%	Yes	Yes	
			INE020B08EN8	184-A	Unsecured	26-09-2029	8.25%	Yes	Yes	
			INE020B08CI2	188-B	Unsecured	31-03-2030	7.89%	Yes	Yes	
			INE020B08CJ0	189	Unsecured	31-03-2030	7.92%	Yes	Yes	
			INE020B08CP7	192	Unsecured	28-02-2030	7.50%	Yes	Yes	
			INE020B08CU7	197	Unsecured	11-05-2030	7.55%	Yes	Yes	
			INE020B08CW3	198B	Unsecured	21-05-2030	7.79%	Yes	Yes	
			INE020B08CX1	199	Unsecured	15-06-2030	7.96%	Yes	Yes	
			INE020B08DA7	201B	Unsecured	31-03-2031	6.90%	Yes	Yes	
			INE020B08DB5	202A	Unsecured	30-09-2030	7.25%	Yes	Yes	
			INE020B08DE9	203A	Unsecured	20-12-2030	6.80%	Yes	Yes	
			INE020B08DG4	204A	Unsecured	31-01-2031	6.90%	Yes	Yes	
			INE020B08DL4	206-PDI	Unsecured	Perpetual unless call option is exercised	7.97%	Yes	Yes	
			INE020B08DM2	207	Unsecured	31-01-2036	7.02%	Yes	Yes	
			INE020B08DO8	208	Unsecured	15-03-2036	7.40%	Yes	Yes	
			INE020B08DT7	211	Unsecured	31-10-2031	6.23%	Yes	Yes	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.	Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B08DV3	213	Unsecured	20-03-2032	6.92%	Yes	Yes	
			INE020B08DX9	214-B	Unsecured	28-02-2033	7.50%	Yes	Yes	
			INE020B08DX9	214-B (Reissue)	Unsecured	28-02-2033	7.50%	Yes	Yes	
			INE020B08DZ4	215	Unsecured	30-11-2037	7.65%	Yes	Yes	
			INE020B08EA5	216 A	Unsecured	31-03-2028	7.55%	Yes	Yes	
			INE020B08EB3	216 B	Unsecured	30-11-2037	7.67%	Yes	Yes	
			INE020B08EC1	217	Unsecured	31-03-2033	7.53%	Yes	Yes	
			INE020B08ED9	218-A	Unsecured	30-06-2026	7.56%	Yes	Yes	
			INE020B08EE7	218-B	Unsecured	31-01-2033	7.69%	Yes	Yes	
			INE020B08EH0	220 A	Unsecured	31-03-2028	7.77%	Yes	Yes	
			INE020B08EG2	220 B	Unsecured	31-03-2033	7.69%	Yes	Yes	
			INE020B08EI8	221	Unsecured	31-07-2026	7.51%	Yes	Yes	
			INE020B08EJ6	222-PDI	Unsecured	Perpetual unless call option is exercised	7.98%	Yes	Yes	
			INE020B08CI2	188-B (Reissue)	Unsecured	31-03-2030	7.89%	Yes	Yes	
			INE020B08DV3	213 (Reissue)	Unsecured	20-03-2032	6.92%	Yes	Yes	
			INE020B08EL2	223-A	Unsecured	30-04-2026	7.44%	Yes	Yes	
			INE020B08EK4	223-B	Unsecured	30-06-2028	7.46%	Yes	Yes	
			INE020B08EM0	225	Unsecured	30-06-2026	7.64%	Yes	Yes	
			INE020B08EO6	226 - PDI	Unsecured	Perpetual unless call option is exercised	8.03%	Yes	Yes	
			INE020B08EP3	227-A	Unsecured	30-09-2026	7.77%	Yes	Yes	
			INE020B08EQ1	227-B	Unsecured	31-10-2033	7.71%	Yes	Yes	
			INE020B08ES7	228-A	Unsecured	30-05-2026	7.80%	Yes	Yes	
			INE020B08ER9	228-B	Unsecured	30-11-2033	7.71%	Yes	Yes	
			INE020B08EU3	229-B	Unsecured	30-11-2038	7.67%	Yes	Yes	
			INE020B08EW9	230-A	Unsecured	26-02-2027	7.71%	Yes	Yes	
			INE020B08EV1	230-B	Unsecured	31-01-2034	7.64%	Yes	Yes	
			INE020B08EX7	231-A	Unsecured	30-04-2027	7.64%	Yes	Yes	
			INE020B08EY5	231-B	Unsecured	28-02-2034	7.47%	Yes	Yes	
			INE020B08FA2	232-A	Unsecured	31-05-2027	7.59%	Yes	Yes	
			INE020B08EZ2	232-B	Unsecured	29-04-2034	7.45%	Yes	Yes	
			INE020B08FB0	233	Unsecured	31-05-2034	7.53%	Yes	Yes	
			INE020B08DA7	201 (B) (Reissue)	Unsecured	31-03-2031	6.90%	Yes	Yes	
			INE020B08FC8	234-A	Unsecured	31-08-2026	7.70%	Yes	Yes	
			INE020B08FD6	234-B	Unsecured	31-05-2029	7.58%	Yes	Yes	
			INE020B08FE4	235	Unsecured	31-07-2034	7.35%	Yes	Yes	
			INE020B08FG9	236-A	Unsecured	31-08-2035	7.45%	Yes	Yes	
			INE020B08FF1	236-B	Unsecured	31-08-2027	7.56%	Yes	Yes	
			INE020B08FH7	237	Unsecured	31-10-2026	7.55%	Yes	Yes	
			INE020B08FA2	232-A (Reissue)	Unsecured	31-05-2027	7.59%	Yes	Yes	
			INE020B08FI5	238	Unsecured	30-09-2039	7.31%	Yes	Yes	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series No.	Secured/ Unsecured	Redemption Date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B08FJ3	239	Unsecured	03-11-2034	0.00%	Yes	Yes	
			INE020B08FK1	240-A	Unsecured	30-11-2039	7.09%	Yes	Yes	
			INE020B08FL9	240-B	Unsecured	30-04-2030	7.34%	Yes	Yes	
			INE020B08FM7	241	Unsecured	30-04-2035	7.10%	Yes	Yes	
			INE020B08FK1	240-A (Reissue)	Unsecured	30-11-2039	7.09%	Yes	Yes	
			INE020B08FN5	242	Unsecured	15-01-2035	7.20%	Yes	Yes	
			INE020B08EW9	230-A (Reissue)	Unsecured	26-02-2027	7.71%	Yes	Yes	
			INE020B08FO3	243	Unsecured	20-02-2040	7.28%	Yes	Yes	
			INE020B08FP0	244	Unsecured	Not applicable*	7.99%	Yes	Yes	
			INE020B08FR6	245-A	Unsecured	29-02-2028	7.44%	Yes	Yes	
			INE020B08FQ8	245-B	Unsecured	28-02-2035	7.32%	Yes	Yes	
			INE020B08FS4	246	Unsecured	30-04-2040	7.02%	Yes	Yes	
			INE020B08FU0	247-A	Unsecured	31-05-2030	6.87%	Yes	Yes	
			INE020B08FT2	247-B	Unsecured	31-05-2035	6.86%	Yes	Yes	
			INE020B08FW6	248-A	Unsecured	31-01-2028	6.52%	Yes	Yes	
			INE020B08FV8	248-B	Unsecured	30-04-2036	6.81%	Yes	Yes	
			INE020B08FX4	249-A	Unsecured	31-03-2027	6.37%	Yes	Yes	
			INE020B08FY2	249-B	Unsecured	31-12-2029	6.70%	Yes	Yes	
			INE020B08FZ9	250-A	Unsecured	30-06-2027	6.60%	Yes	Yes	
			INE020B08GA0	250-B	Unsecured	30-06-2035	7.06%	Yes	Yes	
			INE020B08GB8	251	Unsecured	18-02-2028	6.95%	Yes	Yes	
			INE020B08GC6	252	Unsecured	15-03-2031	7.19%	Yes	Yes	
			INE020B08BC7	GOI-IV	Unsecured	28-09-2028	8.70%	Yes	Yes	
			INE020B08BE3	GOI-V	Unsecured	15-11-2028	8.54%	Yes	Yes	
			INE020B08BJ2	GOI-VI	Unsecured	22-01-2029	8.80%	Yes	Yes	
			INE020B08BL8	GOI-VII	Unsecured	08-03-2029	8.60%	Yes	Yes	
			INE020B08BO2	GOI-VIII	Unsecured	25-03-2029	8.30%	Yes	Yes	
			INE020B08CO0	GOI-IX	Unsecured	02-03-2030	7.14%	Yes	Yes	
			INE020B08CR3	GOI-X	Unsecured	26-03-2030	8.25%	Yes	Yes	
			INE020B08CS1	GOI-XI	Unsecured	31-03-2030	7.20%	Yes	Yes	
			INE020B08DI0	GOI-XII	Unsecured	07-01-2031	6.45%	Yes	Yes	
			INE020B08DN0	GOI-XIII	Unsecured	28-01-2031	6.63%	Yes	Yes	
			INE020B08DQ3	GOI-XIV	Unsecured	26-03-2031	6.50%	Yes	Yes	

** Perpetual Debt Instruments*

For and on behalf of the Board of Directors

Jitendra Srivastava
Chairman & Managing Director
DIN: 06817799

Place: Gurugram
Date: July 29, 2026

Independent Auditors' Report

To
The Members of
REC Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying **Standalone Financial Statements** of REC Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2026, 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 Financial Statements including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true & fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March 2026, and its Profit (including other comprehensive income), changes in equity and its 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 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 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 on the Standalone Financial Statements.

Emphasis of Matter

We draw your attention to Note No. 68 of the Standalone Financial Statements with respect to constitution of audit committee and adoption of Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	**Impairment allowance of Loan Assets –** (Refer Note No. 49.1.4 to the Standalone 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. In view of significance and impact on the financial statements we have considered the impairment allowance of loan assets a key audit matter.	**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 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 2026, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under Cash Flow Hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109 "Financial Instruments".

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone 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 Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Board of Directors 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.

d) In our opinion, the aforesaid Standalone 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 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; and

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 Financial Statements - Refer Note 44 to the Standalone Financial Statements.

(ii) According to information and explanation given to us the Company did not have any long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented (Refer Note 10.5) 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 22.4), 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.

Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 26167453WSUFHT2660

Place: Delhi
Date: 28th April 2026

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010TEQKGF3975

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 the REC Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2026)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's Property, Plant and Equipment, Right-of-use assets and Intangible Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

The Company has maintained proper records showing full particulars of intangible assets.

(b) 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.

(c) 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.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) As informed to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 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:

(a) The company is a registered NBFC with Reserve Bank of India with principal business of giving loans hence clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the investments made, guarantees provided, if any, and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

(c) Being a registered Non-Banking Financial Company (NBFC), the company grants its loans on stipulated terms and conditions for repayment of principal and interest. In respect of Loan assets except credit impaired assets, the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days are as under. The Company takes steps for recovery of the principal and interest as per its defined procedures, which in our opinion are reasonable.

(₹in Crores)

No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
3	1,224.07	2,722.27	3,946.34	-

(e) Reporting under clause 3(iii)(e) of the Order is not applicable, since the principal business of the company is to give loans.

(f) 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 given any loan or guarantee or provided any security in contravention of Section 185 of the Act.

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. The Central Government has not prescribed the maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order 2020 is not applicable to the Company.

vii. (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, 2026 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 2026 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	Net Amount unpaid	Financial year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disputed Income Tax Demand	0.30	0.30	0.00	2007-08	Delhi High Court
Income Tax Act, 1961	Disputed Income Tax Demand	0.83	0.66	0.17	2011-12	Delhi High Court
Income Tax Act, 1961	Disputed Income Tax Demand	0.76	0.00	0.76	2016-17	Commissioner of Income Tax (Appeals), NFAC Delhi
Income Tax Act, 1961	Disputed Income Tax Demand	4.01	0.00	4.01	2017-18	Commissioner of Income Tax (Appeals), NFAC Delhi
Income Tax Act, 1961	Disputed Income Tax Demand	15.06	0.00	15.06	2021-22	Commissioner of Income Tax (Appeals), NFAC Delhi
Income Tax Act, 1961	Disputed Income Tax Demand	3.06	0.00	3.06	2022-23	Commissioner of Income Tax (Appeals), NFAC Delhi
Income Tax Act, 1961	Disputed Income Tax Demand	11.64	0.00	11.64	2023-24	Commissioner of Income Tax (Appeals), NFAC Delhi
Income Tax Act, 1961	TDS	0.01	0.00	0.01	Multiple years	CPC, TDS (AS PER TRACES)
Goods and Services Tax 2017	Goods and Services Tax Paid	17.89	17.89	0.00	2017-18	Special Commissioner (Appeals), CGST Delhi Appeals
Goods and Services Tax 2017	Goods and Services Tax Paid	0.01	0.00	0.01	2017-18	Commissioner (Appeals) SGST Delhi Appeals
Goods and Services Tax 2017	Goods and Services Tax Paid	2.79	0.14	2.65	2019-20	Commissioner (Appeals), DGST Delhi Appeals
Goods and Services Tax 2017	Goods and Services Tax Paid	0.02	0.00	0.02	2020-21	Commissioner (Appeals), DGST Delhi Appeals
Goods and Services Tax 2017	Goods and Services Tax Paid	11.76	0.67	11.09	2021-22	Commissioner (Appeals), DGST Delhi Appeals
Goods and Services Tax 2017	Goods and Services Tax Paid	0.18	0.01	0.17	2021-22	Joint commissioner of State Tax (Appeals), SGST Gurugram
		68.32	19.67	48.65		

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 subsidiary or associate companies.

(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 subsidiary.

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 commensurate 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) 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 in the financial year and in 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. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-Section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date to a special account, within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Companies Act. (Note No. 40).

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: 26167453WSUFHT2660

Place: Delhi
Date: 28th April 2026

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010TEQKGF3975

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 2026.

Annexure-I

Sl. No.	Directions	Action Taken	Impact on Standalone Financial Statements
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	All the investments (both, quoted and unquoted), for Post-retirement benefits of the employees, have been made by the Company through respective employee trusts. These investments have been valued appropriately in accordance with the applicable financial reporting framework and applicable regulations. The valuation approach and valuation methodologies applied by the company for these investments is appropriate. **Brief note on the valuation approach :** Valuation of these investments as on 31st March 2026, have been carried out by an independent valuer, in compliance of the prescribed guidelines for valuation. The brief methodology for such investments are as under : • Statutory Liquidity Ratio (SLR) securities are valued using prices and yields published by the Financial Benchmarks India Private Limited (FBIL) under the administration mandate received from the Reserve Bank of India. • Non-SLR securities are valued using Fixed Income Money Market and Derivatives Association of India (FIMMDA) published prices, spread matrices, and traded data available on BSE/NSE platforms as applicable. • Equity or Equity linked mutual funds unit are valued using traded data available on BSE/NSE platforms as applicable. • The fair value of investment in employees' trust are reasonable/ appropriate and in compliance with applicable regulation consistent with Ind AS and there is no material deviation or mis-statement.	No Impact on Standalone Financial Statements
2.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies, financial reporting process as well as cyber security has been done by information Security Auditing Organisations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	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 is done through the centralized ERP system except the following where significant accounting transactions/ workings are processed through excel spreadsheets and the resulting entries are then recorded in IT system: • Expected Credit Loss • Hedge Accounting • Consolidation entries • Tax Expense We have verified that there are no implications of processing of accounting transactions outside IT system on the integrity of the accounts. Based on the audit procedures performed by us, reports of semi-annual reviews conducted by specialists engaged by the management (CERT-IN empanelled auditors) for IT controls and cyber security, there are no material weakness in such IT systems and controls/Cyber Security, which may result in material misstatement of the financial statements of the entity.	No Impact on Standalone Financial Statements
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	The Company has not received any 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. Further, accounting of interest accrued on the amount received has been done as per terms and conditions of the respective scheme.	No Impact on Standalone Financial Statements
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The company has identified the key risk areas and has formulated an Integrated Risk Management Policy to mitigate these risks. The said policy has been duly approved by the Board of Directors and, the same is based on global best practices, namely ISO 31000:2018. The company has approved and defined Risk Management Process under Information Security Management System, ISMS (ISO 27001:2022 standards) with respect to data asset. Under this process, data assets are identified however, the Company has not recognised such data assets in the books of the Company and accordingly, no valuation is required for the same.	No Impact on Standalone Financial Statements
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on the information and explanations given to us and audit procedures carried out by us, the company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable excepts as mentioned below: As on 31st March 2026, due to the absence of requisite number of independent directors on the board, the composition of Board of Directors the Company, as required under Regulation 17 of Schedule II of SEBI (LODR) Regulations, 2015 is not in compliance. As on date, due to the absence of requisite number of independent directors, the composition of Board of Directors and sub committees including Audit Committee and Nomination and Remuneration Committee of the Company, as required under relevant provisions of Companies Act, 2013 and Schedule II of SEBI (LODR) Regulations, 2015 is not in compliance of the provisions and requirements thereof.	No Impact on Standalone Financial Statements

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 26167453WSUFHT2660

Place: Delhi
Date: 28th April 2026

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010TEQKGF3975

ANNEXURE-II

Compliance Certificate

We have conducted the audit of annual accounts of **REC Limited** for the year ended 31st March 2026 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: 26167453WSUFHT2660

Place: Delhi
Date: 28th April 2026

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010TEQKGF3975

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 2026 in conjunction with our audit of the Standalone 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 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 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:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

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 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 26167453WSUFHT2660

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010TEQKGF3975

Place: Delhi
Date: 28th April 2026

Non-Banking Financial Companies Auditor's Report for the year ended 31st March 2026

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 2026, 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, guidelines and Directions 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 2026 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 2026 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 2026.

c. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as laid down in Reserve Bank of India (Non-Banking Financial Companies–Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025.

d. The Board of Directors of the Company, in its meeting held on March 26, 2025, has passed resolution for non-acceptance of any public deposits for the Financial Year 2025-26.

e. The Company has not accepted any public deposits during the financial year 2025-26.

f. The financial statements of the Company for the year 2025-26 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, asset classification and provisioning (IRACP norms) for Bad and Doubtful debts in terms of Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification

and Provisioning) Directions, 2025. However, the Company is complying with the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 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 2026 has been filed by company on 21st April 2026 on the basis of the provisional financial results.

For M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 26167453IPZRWK2606

Place: Delhi
Date: 28th April 2026

For M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010CZEIAP3541

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 2026

The preparation of financial statements of REC Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 April 2026.

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 2026 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory 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 (Power)

Place: New Delhi
Date: 03 July 2026

Balance Sheet as at 31st March 2026

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-03-2026	As at 31-03-2025
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	**6**	45.36	54.69
(b)	Bank balances other than (a) above	**7**	881.52	1,695.15
(c)	Derivative financial instruments	**8**	19,960.94	17,432.18
(d)	Receivables	**9**		
	-Trade receivables		-	-
	-Other receivables		3.87	1.99
(e)	Loans	**10**	5,79,243.08	5,59,088.08
(f)	Investments	**11**	9,799.43	6,641.62
(g)	Other financial assets	**12**	24,552.10	24,603.68
	Total - Financial assets (1)		**6,34,486.30**	**6,09,517.39**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	**13**	261.67	398.98
(b)	Deferred tax assets (net)	**14**	3,516.05	2,852.75
(c)	Investment property	**15**	47.41	48.24
(d)	Property, plant & equipment	**16**	565.36	578.16
(e)	Capital work-in-progress	**16**	127.71	76.01
(f)	Other intangible assets	**16**	1.50	1.84
(g)	Other non-financial assets	**17**	70.30	82.10
	Total - Non-financial assets (2)		**4,590.00**	**4,038.08**
(3)	**Assets classified as held for sale**	**18**	0.01	0.01
	Total Assets (1+2+3)		**6,39,076.31**	**6,13,555.48**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instruments	**8**	1,949.15	1,670.06
(b)	Payables	**19**		
	Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		0.03	0.12
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		7.79	10.68
	Other payables			
	- Total outstanding dues of micro enterprises and small enterprises		2.07	6.52
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		14.21	17.28
(c)	Debt securities	**20**	3,10,029.49	2,92,474.93
(d)	Borrowings (other than debt securities)	**21**	1,95,315.61	1,94,300.16
(e)	Subordinated liabilities	**22**	9,426.75	9,514.16
(f)	Other financial liabilities	**23**	37,104.44	37,524.66
	Total - Financial liabilities (1)		**5,53,849.53**	**5,35,518.57**
(2)	**Non-financial liabilities**			
(a)	Provisions	**24**	598.65	136.79
(b)	Other non-financial liabilities	**25**	337.72	262.15
	Total - Non-financial liabilities (2)		**936.37**	**398.94**
(3)	**EQUITY**			
(a)	Equity share capital	**26**	2,633.22	2,633.22
(b)	Instruments entirely equity in nature	**27**	558.40	558.40
(c)	Other equity	**28**	81,098.79	74,446.35
	Total - Equity (3)		**84,290.41**	**77,637.97**
	Total - Liabilities and Equity (1+2+3)		**6,39,076.31**	**6,13,555.48**
	Company Overview and Material Accounting Policies	**1 to 5**		

The accompanying notes 1 to 71 forms integral part of Standalone Financial Statements.

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

Statement of Profit and Loss for the year ended 31st March 2026

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2026	Year ended 31-03-2025
	Revenue from operations			
(i)	Interest income	**29**	57,811.82	55,070.11
(ii)	Dividend income	**30**	63.21	99.05
(iii)	Fees and commission income	**31**	1,264.93	393.74
(iv)	Net gain on fair value changes	**36**	-	348.22
I.	**Total revenue from operations (i to iv)**		**59,139.96**	**55,911.12**
II.	Other income	**32**	47.26	68.50
III.	**Total income (I+II)**		**59,187.22**	**55,979.62**
	Expenses			
(i)	Finance costs	**33**	36,241.29	34,134.98
(ii)	Net translation/ transaction exchange loss	**34**	272.60	208.15
(iii)	Fees and commission expense	**35**	15.62	13.66
(iv)	Net loss on fair value changes	**36**	962.46	-
(v)	Impairment on financial instruments	**37**	201.22	1,019.41
(vi)	Employee benefit expenses	**38**	243.29	244.80
(vii)	Depreciation and amortization	**39**	26.62	24.39
(viii)	Corporate social responsibility expenses	**40**	338.07	288.48
(ix)	Other expenses	**41**	172.86	185.97
IV.	**Total expenses (i to ix)**		**38,474.03**	**36,119.84**
V.	**Profit before tax (III-IV)**		**20,713.19**	**19,859.78**
VI.	**Tax expense**	**42**		
(i)	Current tax			
	- Current year		3,718.27	4,011.49
	- Earlier years		(0.08)	0.05
(ii)	Deferred tax		712.74	135.03
	Total tax expense (i+ii)		**4,430.93**	**4,146.57**
VII.	**Profit for the year (V-VI)**		**16,282.26**	**15,713.21**
	Other comprehensive income/(loss)			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		1.09	0.76
	- Tax impact on above		(0.27)	(0.19)
(b)	Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)		(75.76)	(23.85)
	- Tax impact on above		-	-
	Sub-total (i)		**(74.94)**	**(23.28)**
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective portion of gains and loss on hedging instruments in cash flow hedges		(6,424.40)	1,223.51
	- Tax impact on above		1,616.89	(307.93)
(b)	Cost of hedging reserve		956.95	(3,219.35)
	- Tax impact on above		(240.85)	810.25
	Sub-total (ii)		**(4,091.41)**	**(1,493.52)**
VIII.	**Other comprehensive income/(loss) for the year (i+ii)**		**(4,166.35)**	**(1,516.80)**
IX.	**Total comprehensive income for the year (VII+VIII)**		**12,115.91**	**14,196.41**
X.	**Basic earnings per equity share of ₹10 each (in ₹)**	**43**		
(i)	For continuing operations (in ₹)		61.71	59.55
(ii)	For discontinued operations (in ₹)		-	-
(iii)	For continuing and discontinued operations (in ₹)		61.71	59.55
XI.	**Diluted earnings per equity share of ₹10 each (in ₹)**	**43**		
(i)	For continuing operations (in ₹)		61.71	59.55
(ii)	For discontinued operations (in ₹)		-	-
(iii)	For continuing and discontinued operations (in ₹)		61.71	59.55
	Company overview and material accounting policies	**1 to 5**		

The accompanying notes 1 to 71 forms integral part of Standalone Financial Statements.

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

Statement of Cash Flows for the year ended 31st March 2026

(₹ in Crores)

S. No.	Particulars	Year ended 31-03-2026		Year ended 31-03-2025	
A.	**Cash Flow from Operating Activities :**				
	Net Profit before Tax	20,713.19		19,859.78	
Adjustments for:					
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	10.58		7.61	
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	-		(6.03)	
3.	Depreciation & Amortization	26.62		24.39	
4.	Impairment losses on Financial Instruments	201.22		1,019.41	
5.	Loss/ (Gain) on Fair Value Changes (net)	(241.37)		(346.30)	
6.	Effective Interest Rate (EIR) in respect of Loan Assets and Borrowings	446.47		214.60	
7.	Interest on Commercial Paper	126.42		-	
8.	Interest Accrued on Zero Coupon Bonds	174.74		83.14	
9.	Unrealised Foreign Exchange Translation (Loss)/ Gain	(1,386.30)		(2,131.32)	
10.	Interest on Investments	(12.92)		(36.65)	
11.	Provision/provision written back (others)	(8.57)		2.84	
12.	Provision made for unspent CSR created	163.71		-	
Operating Profit/ (Loss) before Changes in Operating Assets & Liabilities		**20,213.79**		**18,691.47**	
Inflow / (Outflow) on account of :					
1.	Loan Assets	(20,570.50)		(59,996.87)	
2.	Derivatives	7,012.50		643.90	
3.	Other Financial and Non- Financial Assets	1,415.83		(558.50)	
4.	Other Financial and Non- Financial Liabilities	1,411.96		6,190.36	
Cash flow from Operations		**9,483.58**		**(35,029.65)**	
1.	Income Tax Paid (including TDS and Income Tax Refund)	(3,569.95)		(4,152.50)	
Net Cash Flow from Operating Activities			**5,913.63**		**(39,182.15)**
B.	**Cash Flow from Investing Activities**				
1.	Sale/ (Purchase) of Property, Plant & Equipment	(23.00)		(3.96)	
2.	Sale of assets held for sale	-		6.07	
3.	Investment in Property (including CWIP & Capital Advances)	(45.31)		(77.16)	
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.27)		(1.61)	
5.	Finance Costs Capitalised	(6.39)		(3.02)	
6.	Redemption/ (Investment) in High Quality Liquid Assets (HQLAs)/Initial Margin pledged with CCIL (net)	(3,283.48)		(1,418.90)	
7.	Redemption/ (Investment) in Debt Securities other than HQLAs (net)	39.59		352.22	
Net Cash Flow from Investing Activities			**(3,318.86)**		**(1,146.36)**
C.	**Cash Flow from Financing Activities**				
1.	Issue/ (Redemption) of Rupee Debt Securities (net)	10,769.67		30,748.97	
2.	Issue/ (Redemption) of Commercial Paper (net)	2,839.54		-	
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Banks/ FIs (net)	23,454.23		(23,558.76)	
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	(33,284.88)		36,501.65	
5.	Raising/ (Redemption) of Subordinated Liabilities (net)	-		1,995.01	
6.	Coupon payment on Perpetual Debt Instruments entirely equity in nature	(44.50)		(44.50)	
7.	Payment of Dividend on Equity Shares	(6,109.08)		(5,608.77)	
Net Cash flow from Financing Activities			**(2,375.02)**		**40,033.60**
Net Increase/ (Decrease) in Cash & Cash Equivalents			**219.74**		**(294.91)**
Cash & Cash Equivalents as at the beginning of the year			**(516.09)**		**(221.18)**
Cash & Cash Equivalents as at the end of the year			**(296.35)**		**(516.09)**

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 ₹63.21 crores (previous year ₹99.05 crores). Further, during the year, the Company has paid an amount of ₹168.83 crore (previous year ₹288.86 crore) towards Corporate Social Responsibility.

Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Cash on Hand (including imprest)	0.03	0.02
- Balances with Banks	45.33	26.22
- Short-term Deposits with Scheduled Banks	-	28.45
- Bank Overdraft	(341.71)	(570.78)
Total Cash & Cash Equivalents	**(296.35)**	**(516.09)**

Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	Opening Balance	Cash Flows during the year (net)	Movement in Interest Accrued *	Other Adjustments		Closing Balance
				Exchange Differences	IndAS Adjustments	
Year ended 31-03-2026						
Rupee Debt Securities	**2,64,275.58**	10,769.67	946.12	-	(45.01)	2,75,946.36
Commercial Paper	**-**	2,839.54	-	-	126.42	2,965.96
Rupee Term Loans/ WCDL / Overdrafts	**56,883.21**	23,225.16	68.66	-	-	80,177.03
Foreign Currency Debt Securities & other Borrowings	**1,65,616.31**	(33,284.88)	38.91	13,527.69	357.72	1,46,255.75
Subordinated Liabilities	**9,514.16**	-	(0.44)	-	(86.97)	9,426.75
Total	**4,96,289.26**	**3,549.49**	**1,053.25**	**13,527.69**	**352.16**	**5,14,771.85**
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**

** 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.

The accompanying notes 1 to 71 forms integral part of Standalone Financial Statements.

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

Standalone Statement of Changes in Equity for the year ended 31st March 2026

A. Equity share capital

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
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 26 for detail

B. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
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 27 for detail

C. Other equity

(₹ in Crores)

Particulars	Reserves & Surplus							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)(viia)(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				
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**

C. Other Equity (Contd.)

(₹ in Crores)

Particulars	Reserves & Surplus							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)(viia)(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				
Transferred to/ (from) retained earnings	3,550.57	841.80	3,142.64			750.00	(8,285.01)	-	-	-	-
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 gain/ (loss) on long term monetary items during the year	-	-	-	-	(120.43)	-	-	-	-	-	(120.43)
Amortisation during the year	-	-	-	-	183.92	-	-	-	-	-	183.92
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**	**(81.84)**	**(931.35)**	**(718.46)**	**74,446.35**

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C. Other Equity (Contd.)

Particulars	Reserves & Surplus							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)(viia)(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				
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**	**(81.84)**	**(931.35)**	**(718.46)**	**74,446.35**
Profit for the year	-	-	-	-	-	-	16,282.26	-	-	-	16,282.26
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	0.82	-	-	-	0.82
Recognition through other comprehensive income (net of taxes)	-	-	-	-	-	-	-	(75.76)	(4,807.51)	716.10	(4,167.17)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**16,283.08**	**(75.76)**	**(4,807.51)**	**716.10**	**12,115.91**
Transferred to/ (from) retained earnings	3,383.02	778.61	3,256.45			2,080.00	(9,498.08)	-	-	-	-
Transferred to/(from) general reserve	-	(841.80)	-	-	-	841.80	-	-	-	-	-
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	-	-	-	-	(657.61)	-	-	-	-	-	(657.61)
Amortisation during the year	-	-	-	-	388.56	-	-	-	-	-	388.56

C. Other Equity (Contd.)

(₹ in Crores)

Particulars	Reserves & Surplus							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)(viia)(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	**3,383.02**	**(63.19)**	**3,256.45**	**-**	**(269.05)**	**2,921.80**	**(9,531.38)**	**-**	**-**	**-**	**(302.35)**
Dividends	-	-	-	-	-	-	(5,161.12)	-	-	-	(5,161.12)
Sub-total- transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(5,161.12)**	**-**	**-**	**-**	**(5,161.12)**
Balance as at 31-03-2026	**34,978.42**	**778.61**	**17,228.08**	**1,577.53**	**(880.70)**	**16,338.00**	**16,977.67**	**(157.60)**	**(5,738.86)**	**(2.36)**	**81,098.79**

Refer Note No. 28.1 for details regarding drawdown/ transfers from Reserves

The accompanying notes 1 to 71 forms integral part of Standalone Financial Statements.

For and on behalf of the Board

Dinesh Garg Company Secretary	**Rajesh Kumar** Director (Finance) DIN-06941428	**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	**For SCV & Co. LLP** Chartered Accountants Firm Reg. No.: 000235N/N500089
Saurabh Chouhan Partner M.No. : 167453	**Abhinav Khosla** Partner M.No. : 087010

Place: Delhi
Date: April 28, 2026

A MAHARATNA COMPANY

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 Infra & Logistic 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 standalone financial statements for the year ended 31st March 2026 were authorized and approved by the Board of Directors on 28th April, 2026.

3. Material Accounting Policies

The material accounting policies applied in preparation of the standalone financial statements are as given below:

3.1 Basis of Preparation and Measurement

The standalone 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 standalone financial statements.

Functional and presentation currency

The standalone 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/Invits 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.

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 standalone financial statements before 1st 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.

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 and commitments under Letter of Comfort (LoC) & Letter of Undertaking (LoU) and Investments

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 (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company expects to be owed at the time of default.

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.

The Company measures impairment on commitments under LoC/ LoU and investments qualifying for subsequent measurement at

Notes to Accounts

amortised cost or Fair Value through OCI on similar basis as in case of Loan assets.

Financial assets other than Loans and Investments

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.

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 standalone 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.

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 standalone 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 standalone 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 standalone 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 standalone financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the standalone financial statements of the transferor is aggregated with the corresponding balance appearing in the standalone 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.

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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. MCA has also notified the amendments to Ind AS-1, which is effective for annual reporting periods beginning on or after 1 April 2026. The company would need to adopt these amendments to the standards, when they become effective. 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 standalone 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 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*

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Cash on hand (including imprest)	0.03	0.02
Balances with banks in current accounts	45.33	26.22
Bank deposits with original maturity of 3 months or less	-	28.45
Total	**45.36**	**54.69**

7. Bank Balances (other than cash and cash equivalents)*

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Earmarked Balances with Banks		
- Unspent Corporate Social Responsibility Account(refer note 40.2)	163.71	-
- Unpaid dividends	91.62	1,079.07
- For Government funds for onward disbursement as grant	-	8.69
- Funds under Government schemes for further disbursement	100.00	-
Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.77	0.72
Balances with banks not available for use pending allotment of '54EC Capital Gain Tax Exemption Bonds	**525.42**	**595.88**
Bank deposits with original maturity greater than 3 months	-	10.79
Total	**881.52**	**1,695.15**

**There are no repatriation restrictions with respect to Cash & Cash Equivalents and Bank Balances (other than Cash & Cash Equivalents) as at 31st March 2026 (Previous Year Nil).*

8. Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. In case of Foreign Currency Borrowings, denominated in currencies other than USD, in certain cases, separate currency derivatives have been taken for that currency vis-à-vis USD and USD vis-à-vis INR, with notional and corresponding fair value assets/liabilities considered for each such derivative. 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 49 for Risk Management Disclosures in respect of the derivatives.

Part I

(₹ in Crores)

	Particulars	As at 31-03-2026			As at 31-03-2025		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Currency swaps	29,207.78	833.3	700.58	57,533.07	269.52	1,084.25
	- Others						
	- Seagull Options	2,04,429.00	17,834.20	482.43	2,53,994.26	16,097.00	301.86
	Sub-total (i)	**2,33,636.78**	**18,667.50**	**1,183.01**	**3,11,527.33**	**16,366.52**	**1,386.11**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	1,09,843.89	1,293.44	766.14	1,11,154.86	1,065.66	283.95
	Sub-total (ii)	**1,09,843.89**	**1,293.44**	**766.14**	**1,11,154.86**	**1,065.66**	**283.95**
	Total - Derivative Financial Instruments (i+ii)	**3,43,480.67**	**19,960.94**	**1,949.15**	**4,22,682.19**	**17,432.18**	**1,670.06**

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 31-03-2026			As at 31-03-2025		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Fair Value Hedging**						
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	11,995.70	18.86	136.06	13,995.70	22.92	76.48
	Sub-total (i)	**11,995.70**	**18.86**	**136.06**	**13,995.70**	**22.92**	**76.48**
(ii)	**Cash Flow Hedging**						
	Currency Derivatives						
	- Currency Swaps	29,207.78	833.30	700.58	57,533.07	269.52	1,084.25
	- Others						
	- Seagull Options	2,04,429.00	17,834.20	482.43	2,53,994.26	16,097.00	301.86
	Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	92,848.19	1,066.47	601.69	90,459.16	655.25	207.47
	Sub-total (ii)	**3,26,484.97**	**19,733.97**	**1,784.70**	**4,01,986.49**	**17,021.77**	**1,593.58**
(iii)	**Undesignated Derivatives**	5,000.00	208.11	28.39	6,700.00	387.49	-
	Total - Derivative Financial Instruments (i+ii+iii)	**3,43,480.67**	**19,960.94**	**1,949.15**	**4,22,682.19**	**17,432.18**	**1,670.06**

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. 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 31-03-2026	As at 31-03-2025
(A)	**Trade Receivables**		
(i)	Credit impaired receivables	26.84	26.84
	Less: Allowance for Expected Credit Loss	(26.84)	(26.84)
	Sub-total (A)	**-**	**-**
(B)	**Other Receivables**		
(i)	Unsecured, Considered good	4.06	2.26
	Less: Allowance for Expected Credit Loss	(0.19)	(0.27)
	Sub-total (B)	**3.87**	**1.99**
	Total receivables (A+B)	**3.87**	**1.99**

9.1 Trade Receivables ageing schedule

(₹ in Crores)

	Particulars	Outstanding as at 31-03-2026					
		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	-	-	-	-	26.84	26.84
	Total	**-**	**-**	**-**	**-**	**26.84**	**26.84**

Notes to Accounts

(₹ in Crores)

	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
(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**

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 31-03-2026		As at 31-03-2025	
	Trade Receivable	Other Receivable	Trade Receivable	Other Receivable
Opening balance	26.84	0.27	26.94	0.92
Add: Created during the year	-	-	-	-
Less: Reversed/ Adjusted during the year	-	0.08	0.10	0.65
Closing balance	**26.84**	**0.19**	**26.84**	**0.27**

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 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	5,46,441.96	5,48,754.98	5,03,711.30	5,06,320.65
(ii)	Working Capital Term Loans	37,217.40	37,381.55	63,171.99	63,563.19
	Total (A) - Gross Loans	**5,83,659.36**	**5,86,136.53**	**5,66,883.29**	**5,69,883.84**
	Less: Impairment loss allowance	(6,893.45)	(6,893.45)	(10,795.76)	(10,795.76)
	Total (A) - Net Loans	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**
(B)	**Security-wise classification**				
(i)	Secured by tangible assets	2,95,868.96	2,96,520.00	2,71,337.02	2,72,035.63
(ii)	Covered by Government Guarantees	2,33,231.08	2,34,676.60	2,54,317.95	2,56,407.38
(iii)	Unsecured	54,559.32	54,939.93	41,228.32	41,440.83
	Total (B) - Gross Loans	**5,83,659.36**	**5,86,136.53**	**5,66,883.29**	**5,69,883.84**
	Less: Impairment loss allowance	(6,893.45)	(6,893.45)	(10,795.76)	(10,795.76)
	Total (B) - Net Loans	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**
(C)(I)	**Loans in India**				
(i)	Public Sector	4,94,595.93	4,97,122.74	4,94,578.16	4,97,757.68
(ii)	Private Sector	89,063.43	89,013.79	72,305.13	72,126.16
	Total (C)(I) - Gross Loans	**5,83,659.36**	**5,86,136.53**	**5,66,883.29**	**5,69,883.84**
	Less: Impairment loss allowance	(6,893.45)	(6,893.45)	(10,795.76)	(10,795.76)
	Total (C)(I) - Net Loans	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**
(C)(II)	**Loans outside India**	**-**	**-**	**-**	**-**
	Less: Impairment loss allowance	-	-		-
	Total (C)(II) - Net Loans	**-**	**-**	**-**	**-**
	Total (C)(I) and (C)(II)	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**

Notes to Accounts

10.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Net Loans	**5,79,243.08**	**5,59,088.08**
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(275.00)	(886.34)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(2,764.95)	(2,657.54)
Add: Allowance for Expected Credit Loss (ECL) netted off as per Ind-AS	6,893.45	10,795.76
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	562.78	543.33
Gross Loans	**5,83,659.36**	**5,66,883.29**

10.2 Movement of Impairment Loss Allowance in respect of Loans:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**10,795.76**	**12,380.52**
Add: Impairment loss allowance provided during the year (Refer Note 37)	(107.88)	899.78
Less: Allowance utilised towards write-off of loans including Technical write-off	(3,794.43)	(2,484.54)
Closing Balance	**6,893.45**	**10,795.76**

10.3 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring/Techincal-write off, the Company has written off loans amounting to ₹3,794.43 crore (Previous Year ₹2,484.54 crore). The details of write-offs are as below:

(i) **<u>During the current year</u>**

(a) Pursuant to Restructuring Agreement executed on 24th March 2025 and implementation of the same during the current financial year, in respect of TRN Energy Private Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets"dated 7th June 2019, the company has restructured outstanding loan amount of ₹1,504.07 crore for ₹1,112.07 crore and written off an amount of ₹392.00 crore with corresponding reversal of ECL of ₹272.00 crore.

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 10th December 2025 in respect of Bhadreshwar Vidyut Private Limited, the company has written off an amount of ₹709.78 crore after appropriating cash recoveries of ₹283.18 crore with corresponding reversal of ECL of ₹59.54 crore.

(c) Pursuant to the One Time Settlement executed on 10th March 2026 in respect of Bhavnagar Biomass Power Projects Private Limited, the company has recovered entire principal amount of ₹13.77 crore with corresponding reversal of ECL of ₹2.75 crore.

(d) Pursuant to the Resolution Plan approved under IBC proceedings executed on 25th February 2026 in respect of Sinnar Thermal Power Limited, the company has written off an amount of ₹1,295.07 crore after appropriating cash recoveries of ₹1,036.26 crore with corresponding reversal of ECL of ₹569.99 crore.

(e) In accordance with Company's policy on technical write off, five loan assets with total amount of ₹1,397.58 crore in respect of Ind-Barath Power (Madras) Limited, Jas Infrastructure Capital Private Limited, Konaseema Gas Power Limited, Lanco Vidarbah Thermal Power Limited and Shree Maheshwar Hydel PCL have been technically written off.

(ii) **During the previous year**

(a) Pursuant to the Resolution Plan approved under IBC proceedings executed on 6th September 2024 in respect of Lanco Amarkantak Power Limited, the company has written off an amount of ₹1,378.10 crore after appropriating recoveries of ₹836.11 crore (Cash of ₹721.34 crore and Other Financial Asset in the form of Recoverable of ₹114.77 crore) with corresponding reversal of ECL of ₹1,406.47 crore.

(b) 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 crore after appropriating cash recoveries of ₹1.02 crore with corresponding reversal of ECL of ₹1.96 crore.

(c) Pursuant to the Resolution Plan approved under IBC proceedings executed on 2nd December 2024 in respect of Nagai Power Private Limited, the company has written off an amount of ₹371.50 crore after appropriating recoveries of ₹189.49 crore (Cash of ₹59.05 crore and Other Financial Asset in the form of Recoverable of ₹130.43 crore) with corresponding reversal of ECL of ₹398.79 crore.

(d) 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 7th June 2019, the company has written off an amount of ₹734.00 crore after appropriating the cash recoveries of ₹63.00 crore with corresponding reversal of ECL of ₹797.00 crore.

(e) Pursuant to the Resolution Plan approved under IBC proceedings executed on 6th March 2025 in respect of KSK Mahanadi Power Company Limited, the company has recovered the entire outstanding loan of ₹2,596.36 crore and ₹976.46 crore on account of ovedue interest after appropriating the cash recoveries of ₹3,572.82 crore with corresponding reversal of ECL of ₹1,361.09 crore.

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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	%	Amount	%	Amount
Gross Loan Book		5,83,659.36		5,66,883.29
Loan Assets for which balance confirmations have been received from borrowers	99.54%	5,80,986.25	95.48%	5,41,262.29
Loan Assets for which balance confirmations are yet to be received from borrowers of which,	0.46%	2,673.11	4.52%	25,621.00
Loans secured by tangible assets	52.26%	1,397.00	50.05%	12,824.31
Loans covered by Government Guarantee/ Loans to Government	47.53%	1,270.40	28.38%	7,271.98
Unsecured loans	0.21%	5.11	21.56%	5,524.71

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) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11. Investments

(₹ in Crores)

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, 2026							
Government Securities	3,516.86	-	-	-	3,516.86	-	3,516.86
Debt Securities	4,948.92	-	955.58	-	5,904.50	-	5,904.50
Equity Instruments							
- Subsidiaries	-	-	-	-	-	0.10	0.10
- Others	-	313.62	69.98	-	383.60	-	383.60
Preference Shares	28.72	-	-	-	28.72	-	28.72
Total - Gross (A)	**8,494.50**	**313.62**	**1,025.56**	**-**	**9,833.68**	**0.10**	**9,833.78**
Investments outside India	-	-	-	-	-	-	-
Investments in India	8,494.50	313.62	1,025.56	-	9,833.68	0.10	9,833.78
Total - Gross (B)	**8,494.50**	**313.62**	**1,025.56**	**-**	**9,833.68**	**0.10**	**9,833.78**
Total Investments	8,494.50	313.62	1,025.56	-	9,833.68	0.10	9,833.78
Less: impairment loss allowance (C)	(34.35)	-	-	-	(34.35)	-	(34.35)
Total - Net (D=A-C)	**8,460.15**	**313.62**	**1,025.56**	**-**	**9,799.33**	**0.10**	**9,799.43**
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

11.1 Details of investments

(₹ in Crores)

Particulars		Investment measured at	As at 31-03-2026		As at 31-03-2025	
			Number	Amount	Number	Amount
(A) (i)	**Total - Central/ State Government Securities- Quoted (HQLAs)***	Amortised Cost	**23,93,83,500**	**2,436.74**	**15,86,33,000**	**1,621.86**
(A) (ii)	**Total - Central/ State Government Securities- Quoted (pledged with CCIL)****	Amortised Cost	**10,60,17,100**	**1,080.12**	**-**	**-**
(B)	**Debt Securities**					
(i)	**Corporate Bonds- Quoted (HQLAs)***			**4,258.57**		**2,853.35**
	- 9.95% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	3,325	297.08	3,700	335.15
	- 9.62% Andhra Pradesh State Beverages Corporation Limited (APSBCL)	Amortised Cost	1,235	126.68	1,235	127.30
	- 9.70% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	550	56.19	550	56.53
	- 8.49% Green Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	4,998	51.00	4,998	51.00
	- 9.10% Domestic Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	69,846	699.31	69,846	699.31
	- 9.50% Delhi International Airport Limited (DIAL)	Amortised Cost	1,25,650	1,254.27	1,25,650.00	1,256.75
	- 9.30% Andhra Pradesh Mineral Development Corporation (APMDCL)	Amortised Cost	1,48,149	1,500.35	-	-
	- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	1,000	102.97	1,000	102.97
	- 7.05% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	850	88.00	850	88.04
	- 6.65% Bonds of Food Corporation of India (FCI)	Amortised Cost	200	20.59	200	20.60
	- 7.19% Bonds of THDC India Limited (THDC)	Amortised Cost	250	26.26	250	26.27
	- 8.69% Bonds of Damodar Valley Corporation (DVC)	Amortised Cost	140	14.40	200	20.74
	- 7.30% Bonds of Power Grid Corporation of India Limited (PGCIL)	Amortised Cost	200	21.47	200	21.73
	- 5.78% Bonds of Chennai Petroleum Corporation Limited (CPCL)	Amortised Cost	-	-	150	15.61
	- 6.11% Bonds of Bharat Petroleum Corporation Limited (BPCL)	Amortised Cost	-	-	100	10.45
	- 7.30% Bonds of NMDC Steel Limited (NMDC steel)	Amortised Cost	-	-	200	20.90
(ii)	**Debt Securities (other than HQLAs)**			**1,645.93**		**1,692.15**
	- 10%Non- Convertible Debentures of GMR Goa International Airport Limited - Quoted	Amortised Cost	49,488	493.96	49,488	493.56
	- 7.99% Perpetual Bonds of Canara Bank- Quoted	Fair value through profit or loss	200	207.80	200	207.78
	- 9.50% Perpetual Bonds of UCO Bank- Quoted	Fair value through profit or loss	228	234.85	228	239.55
	- 8.55% Perpetual Bonds of Punjab National Bank- Quoted	Fair value through profit or loss	500	512.93	500	520.85
	- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,00,76,285	159.92	2,50,95,356	189.65
	- 8.50% Non- Convertible Debentures (NCDs) of Jhabua Power Limited- Unquoted	Amortised Cost	36,46,524	36.47	42,90,030	40.76
	- 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	-

Notes to Accounts

Particulars		Investment measured at	As at 31-03-2026		As at 31-03-2025	
			Number	Amount	Number	Amount
	- 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	-
	- 0.01% Optionally Convertible Debentures (OCD) Series A of TRN Energy Private Limited- Unquoted***	Fair value through profit or loss	3,92,00,000	-	-	-
	- 0.01% Optionally Convertible Debentures (OCD) Series B of TRN Energy Private Limited- Unquoted***	Fair value through profit or loss	3,74,46,000	-	-	-
(B)	**Total - Debt Securities (i+ii)**			**5,904.50**		**4,545.50**
(C)	**Equity Instruments**					
(i)	Subsidiary (Refer note 11.2)					
	- REC Power Development and Consultancy Limited - Unquoted#	Others (At Cost)	94,90,500	0.10	94,90,500	0.10
	Total - Subsidiary			**0.10**		**0.10**
(ii)	**Others**					
	- NHPC Limited- Quoted	Fair value through other comprehensive income	1,04,69,555	77.18	1,04,69,555	86.06
	- Energy Efficiency Services Limited- Unquoted	Fair value through other comprehensive income	21,81,00,000	30.28	21,81,00,000	120.39
	- 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	180.62	2,78,85,211	171.51
	- JSW Energy (Utkal) Limited- Unquoted	Fair value through other comprehensive income	127	22.69	127	8.84
	- Rattan India Power Limited- Quoted	Fair value through profit or loss	9,25,68,105	69.98	9,25,68,105	90.62
	- KSK Mahanadi Limited - Unquoted***	Fair value through other comprehensive income	2,287	-	-	-
	- R.K.M PowerGen Private Limited- Unquoted ***	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
	- TRN Energy Private Limited- Unquoted ***	Fair value through other comprehensive income	10,00,68,661	-		-
	- Units of Raajmarg Infra Investment Trust-2026 Invit- Quoted	Fair value through other comprehensive income	2,58,783	2.85		-
	Total - Others			**383.60**		**477.42**
(D)	**Total - Equity Instruments (i+ii)**			**383.70**		**477.52**

#During current financial year, REC Power Development and Consultancy Limited has allotted Nil equity shares (previous year 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 has been allotted).

Particulars		Investment measured at	As at 31-03-2026		As at 31-03-2025	
			Number	Amount	Number	Amount
	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	-
(D)	**Total - Preference Shares**			**28.72**		**28.72**
(E)	**Total Investments (A to D)**			**9,833.78**		**6,673.60**
(F)	Less: impairment loss allowance			(34.35)		(31.98)
(G)	**Total - Net (E-F)**			**9,799.43**		**6,641.62**

Refer note 54.1 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 Companies – Asset Liability Management) Directions, 2025.*

*** Securities with a face value of ₹1,060.17 crore (previous years Nil) have been pledged as collateral towards initial margin with Clearing Corporation of India Limited in compliance with the Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024 Dated May 08, 2024.*

**** Received against unsustainable portion of debt in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring.*

Notes to Accounts

11.2 Details of Investment in Subsidiary

Name of the Company	Principal place of business / Country of Incorporation	Proportion of ownership interest as at	
		As at 31-03-2026	As at 31-03-2025
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:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**31.98**	**28.72**
Add: Impairment loss allowance	2.37	3.26
Less: Allowance utilised towards write-off of Investments	-	-
Closing Balance	**34.35**	**31.98**

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 Restructuring Agreement in respect of TRN Energy Private Limited, the Company has been alloted 10,00,68,661 no. of equity shares having face value of ₹10/- each, 3,92,00,000 no. of 0.01% Optionally-Convertible Debentures- Series A having face value of ₹100/- each and 3,74,46,000 no. of 0.01% Optionally-Convertible Debentures-Series B having face value of ₹100/- each.

(b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Bhadreshwar Vidyut Private Limited, the Company was alloted 66,11,47,610 no. of equity shares having face value of ₹0.10/- each which have been derecognised pursuant to cash settlement under the resolution plan.

(c) Pursuant to IBC procedings in respect of KSK Mahanadi Ltd, the company has been allotted 2287 no. equity shares having face value of Rs.10/ each.

(ii) During the previous 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 alloted 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%.

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:

(₹ in Crores)

Name of the company	FY 2025-26			FY 2024-25		
	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
Bhadreshwar Vidyut Private Limited	66,11,47,610.00	6.61	-	Nil		

Dividend income earned on equity/Invit investments designated at FVOCI is ₹10.17 crore for current financial year (previous year ₹8.42 crore).

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 3rd 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.

Notes to Accounts

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 31-03-2026	As at 31-03-2025
(A)	**Loans to Employees**	99.87	78.07
(B)	**Advances to Employees**	0.26	0.43
(C)	**Recoverable from Holding Company**	-	2.82
(D)	**Recoverable from Subsidiary Company**	7.13	7.18
(E)	**Security Deposits**	3.07	2.14
(F)	**Advance paid towards variation margin**	63.32	0.63
(G)	**Recoverable from Government of India**		
	- Towards GoI Fully Serviced Bonds (Refer Note 23.5)	24,318.29	24,318.29
(H)	**Other amounts recoverable**	184.18	343.34
	Less: Impairment Loss allowance (Refer Note 12.2)	(124.02)	(149.22)
	Other Amounts Recoverable (Net)	**60.16**	**194.12**
	Total (A to H)	**24,552.10**	**24,603.68**

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 31-03-2026	As at 31-03-2025
(A)	**Secured Loans**		
	- To Key Managerial Personnel	0.38	0.01
	- To employees Other than Key Managerial Personnel	34.91	36.33
	Sub-total (A)	**35.29**	**36.34**
(B)	**Unsecured Loans**		
	- To Key Managerial Personnel	0.25	0.12
	- To employees Other than Key Managerial Personnel	64.33	41.61
	Sub-total (B)	**64.58**	**41.73**
	Total (A+B)	**99.87**	**78.07**

The figures above include interest accrued on such loans amounting to ₹15.71 crore (Previous year ₹12.92 crore).

12.2 Movement of impairment loss allowance on other amounts recoverable

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening balance	149.22	39.44
Add: Created during the year	8.96	129.91
Less: Reversed/ Adjusted during the year	(34.16)	(20.13)
Closing balance	**124.02**	**149.22**

13. Current tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Advance Income-tax & TDS	3,968.28	4,394.52
Provision for Income Tax	(3,707.34)	(4,000.49)
Sub-Total (A)	**260.94**	**394.03**
Tax Deposited on income tax demands under contest	0.96	5.20
Provision for income tax for demand under contest	(0.23)	(0.25)
Sub-Total (B)	**0.73**	**4.95**
Current tax assets-Net (A+B)	**261.67**	**398.98**

Notes to Accounts

14. Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Deferred Tax Assets (Net)	**3,516.05**	**2,852.75**

14.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2026 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	2,562.07	(897.07)	-	-	1,665.00
Provision for Earned Leave	9.81	0.68	-	-	10.49
Provision for Medical Leave	5.90	0.03	-	-	5.93
Fair Valuation of Investments	(10.34)	8.46	-	-	(1.88)
Fair Valuation of Derivatives	699.31	193.66	1,376.04	-	2,269.01
Total Deferred Tax Assets (A)	**3,266.76**	**(694.24)**	**1,376.04**	**-**	**3,948.56**
Deferred Tax Liabilities					
Depreciation and Amortisation	35.54	0.68	-	-	36.22
Unamortised Foreign Currency Exchange Fluctuations	168.34	66.50	-	-	234.84
Financial assets and liabilities measured at amortised cost	207.91	(79.65)	-	-	128.26
Fair valuaton of Debt Securities	2.22	30.97	-	-	33.19
Total Deferred Tax Liabilities (B)	**414.01**	**18.50**	**-**	**-**	**432.51**
Total Deferred Tax Assets - Net (A-B)	**2,852.75**	**(712.74)**	**1,376.04**	**-**	**3,516.05**

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 valuaton 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**

15. Investment Property

(₹ in Crores)

Particulars	Opening Balance	Additions/Transfers during the year	Diposals/Transfers during the year	Closing Balance
As at 31-03-2026				
Gross Carrying Value	53.03	-	-	53.03
Accumulated depreciation	(4.79)	(0.83)	-	(5.62)
Net Carrying Value	**48.24**	**(0.83)**	**-**	**47.41**
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**

Notes to Accounts

15.1 The Company's investment properties consist of buildings situated in Delhi and Gurugram, India. During the year, there has been no reclassification from/to Investment Property (previous year Gross Carrying value of ₹53.03 crore reclassified from Property, Plant and Equipment (PPE) of the Company) as per IND AS 40.

15.2 The rental income from these investment properties is ₹19.07 crore during the year (previous year ₹17.19 crore) . There were no direct operating expenses arising from the investment properties.

15.3 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.

15.4 Fair value of investment property:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Carrying Value	47.41	48.24
Fair Value	195.30	192.50

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 10th March, 2026 on the basis of Income Approach. All resulting fair value estimates for investment property are included in Level 2.

Notes to Accounts

16. Property, Plant & Equipment, Capital Work-in-Progress and Other Intangible Assets

(₹ in Crores)

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
Gross carrying value													
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	-	-	(53.03)	-	(4.81)	(5.53)	(10.21)	(0.46)	(74.04)	-	-	-	
As at 31-03-2025 (A)	**110.39**	**1.59**	**403.87**	**20.45**	**66.73**	**36.01**	**27.12**	**0.50**	**666.66**	**76.01**	**-**	**16.27**	
As at 31-03-2025	**110.39**	**1.59**	**403.87**	**20.45**	**66.73**	**36.01**	**27.12**	**0.50**	**666.66**	**76.01**	**-**	**16.27**	
Additions	-	-	1.37	-	3.15	5.83	12.41	0.25	23.01	46.96	-	0.27	
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	6.39	-	-	
Disposals/ Transfers	-	(0.13)	-	(0.08)	(5.45)	(5.97)	(8.43)	(0.17)	(20.23)	(1.65)	-	(0.02)	
As at 31-03-2026 (B)	**110.39**	**1.46**	**405.24**	**20.37**	**64.43**	**35.87**	**31.10**	**0.58**	**669.44**	**127.71**		**16.52**	
Accumulated depreciation/ amortisation													
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	-	-	(3.99)	-	(3.06)	(3.57)	(6.35)	(0.39)	(17.36)	-	-	-	
As at 31-03-2025 (C)	**-**	**0.50**	**30.25**	**4.82**	**23.02**	**20.34**	**9.50**	**0.07**	**88.50**	**-**	**-**	**14.43**	
As at 31-03-2025	**-**	**0.50**	**30.25**	**4.82**	**23.02**	**20.34**	**9.50**	**0.07**	**88.50**	**-**	**-**	**14.43**	
Charge for the year	-	0.01	6.39	1.29	6.04	6.56	4.87	0.06	25.22	-	-	0.57	
Adjustment for disposals/transfers	-	(0.13)	-	(0.02)	(1.72)	(3.75)	(3.92)	(0.06)	(9.64)	-	-	(0.02)	
As at 31-03-2026 (D)	**-**	**0.38**	**36.64**	**6.09**	**27.34**	**23.11**	**10.45**	**0.07**	**104.08**	**-**	**-**	**15.02**	
Net block as at 31-03-2025 (A-C)	**110.39**	**1.09**	**373.62**	**15.63**	**43.71**	**15.67**	**17.62**	**0.43**	**578.16**	**76.01**	**-**	**1.84**	
Net block as at 31-03-2026 (B-D)	**110.39**	**1.08**	**368.60**	**14.28**	**37.09**	**12.76**	**20.65**	**0.51**	**565.36**	**127.71**		**1.50**	

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 2026

(₹ 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	1.76	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 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.

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 31-03-2026	As at 31-03-2025
Gross Carrying Value	3.48	3.48
Net Carrying Value	**2.21**	**2.26**

16.3 Capital Work in Progress (CWIP)

(a) CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31-03-2026					As at 31-03-2025				
	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	48.03	52.42	20.87	2.72	124.04	52.42	20.87	1.24	1.48	76.01
- Renovation Works at Office Building	3.67	-	-	-	3.67	-	-	-	-	-
Total	**51.70**	**52.42**	**20.87**	**2.72**	**127.71**	**52.42**	**20.87**	**1.24**	**1.48**	**76.01**

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 31-03-2026					As at 31-03-2025				
	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	124.04	-	-	-	124.04	76.01	-	-	-	76.01
- Renovation Works at Office Building	3.67	-	-	-	3.67	-	-	-	-	-
Total	**127.71**	**-**	**-**	**-**	**127.71**	**76.01**	**-**	**-**	**-**	**76.01**

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 ₹6.39 crore (previous year ₹3.02 crore) borrowing costs on account of general borrowings at an average rate of borrowings of 7.11% (previous year 7.13%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

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 31-03-2026	As at 31-03-2025
	Unsecured, considered good		
(A)	Other Advances	8.63	7.72
(B)	Balances with Government Authorities	26.09	28.56
(C)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	-	5.53
(D)	Prepaid Expenses	1.49	15.71
(E)	Deferred Employee Benefits	34.09	24.58
	Total (A to E)	**70.30**	**82.10**

18. Assets Classified as Held for Sale

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Assets Classified as Held for Sale-Building	0.01	0.01
Total	**0.01**	**0.01**

The assets held for sale as on 31.03.2026 for ₹0.01 crore is under litigation pending the outcome, the asset cannot be re-auctioned (previous year ₹0.01 crore).

18.1 With a view to monetise its idle assets, the Company has disposed residential building units through e-auction process. During the year, the carrying value Nil (previous year ₹0.04 crore) has been disposed, classified under "Assets classified as held for sale" as required under Ind-AS 105 with resultant gain of Nil (previous year ₹6.03 crore) (refer note 32).

19. Payable

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises	0.03	0.12
	Total outstanding dues of creditors other than micro enterprises and small enterprises	7.79	10.68
	Sub-total (A)	**7.82**	**10.80**
(B)	**Other payables**		
	Total outstanding dues of micro enterprises and small enterprises	2.07	6.52
	Total outstanding dues of creditors other than micro enterprises and small enterprises	14.21	17.28
	Sub-total (B)	**16.28**	**23.80**
	Total (A+B)	**24.10**	**34.60**

19.1 Trade Payables ageing schedule

(₹ in Crores)

	Particulars	Outstanding as at 31-03-2026						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	0.03	-	-	-	-	-	0.03
	Sub-total (i)	**0.03**	**-**	**-**	**-**	**-**	**-**	**0.03**

Notes to Accounts

	Particulars	Outstanding as at 31-03-2026						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(ii)	**Other than MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	7.77	-	0.02	-	-	-	7.79
	Sub-total (ii)	**7.77**	**-**	**0.02**	**-**	**-**	**-**	**7.79**
	Total (i+ii)	**7.80**	**-**	**0.02**	**-**	**-**	**-**	**7.82**

(₹ 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**
(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**

19.2 Disclosure as per Section 22 of MSMED Act, 2006

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(a)	The principal amount payable to suppliers at the year end	2.10	6.64
(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 31-03-2026		As at 31-03-2025	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	54EC Capital Gain Tax Exemption Bonds#	43,170.96	44,704.60	43,235.69	44,768.80
(ii)	Tax Free Bonds	8,592.77	8,916.76	8,998.71	9,328.33
(iii)	54EC Bond Application Money pending allotment	525.42	522.70	595.88	594.63
	Sub-total (A)	**52,289.15**	**54,144.06**	**52,830.28**	**54,691.76**
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	2,12,114.09	2,18,826.62	2,00,803.29	2,06,783.97
(ii)	Infrastructure Bonds	3.96	10.88	3.96	10.06
(iii)	Zero Coupon Bonds	2,970.38	2,964.80	2,795.64	2,789.78
(iv)	Foreign Currency Bonds	31,069.93	31,117.17	28,286.04	28,199.36
	Sub-total (B)	**2,46,158.36**	**2,52,919.47**	**2,31,888.93**	**2,37,783.17**

Notes to Accounts

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(C)	**Unsecured Short-Term Debt Securities**				
(i)	Commercial Paper	3,000.00	2,965.96	-	-
	Sub-total (C)	**3,000.00**	**2,965.96**	**-**	**-**
	Total - Debt Securities (A+B+C)	**3,01,447.51**	**3,10,029.49**	**2,84,719.21**	**2,92,474.93**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	2,70,377.58	2,78,912.32	2,56,433.17	2,64,275.57
(ii)	Debt Securities outside India	31,069.93	31,117.17	28,286.04	28,199.36
	Total - Debt Securities	**3,01,447.51**	**3,10,029.49**	**2,84,719.21**	**2,92,474.93**

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost.

#renamed as Capital Gain Tax Exemption (CGTE) Bonds issued under Section 85 of Income Tax Act, 2025

20.1 Details of Secured Long-Term Debt Securities - *Refer Note 21.6 for details of the security*

(i) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XIV (2020-21) - 5.75% and 5% Redeemed at par during financial year 2025-26	-	-	5,312.07	5,518.37
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	7,312.80	7,586.18	7,312.80	7,582.92
Series XVI (2022-23) - 5% Redeemable at par during financial year 2027-28	12,152.39	12,598.11	12,152.39	12,595.84
Series XVII (2023-24) - 5.25% Redeemable at par during financial year 2028-29	11,419.07	11,856.27	11,419.57	11,851.53
Series XVIII (2024-25) - 5.25% Redeemable at par during financial year 2029-30	7,634.21	7,920.11	7,038.86	7,220.14
Series XIX (2025-26) - 5.25% Redeemable at par during financial year 2030-31	4,652.49	4,743.93	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	**43,170.96**	**44,704.60**	**43,235.69**	**44,768.80**

(ii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Series 5A	-	-	300.00	306.48
7.17% payable annually Redeemed on 23.07.2025				
Series 2011-12	2,160.33	2,291.25	2,160.33	2,290.33
Redeemable at par. Bonds amounting to ₹2,160.33 crore 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	251.35	245.00	251.27
Redeemable at par. Bonds amounting to ₹245.00 crore are redeemable on 22.11.2027 with interest rate of 7.38% payable annually				
Series 2012-13 Tranche 1	852.04	873.03	852.04	872.71
Redeemable at par. Bonds amounting to ₹852.04 crore 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	50.90	49.71	50.88
Redeemable at par. Bonds amounting to ₹49.71 crore 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	1,196.30	1,141.00	1,195.81
Redeemable at par. Bonds amounting to ₹1,141.00 crore are redeemable on 29.08.2028 with interest rate of 8.46% payable annually				

Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2013-14 Tranche 1	2,865.54	2,942.81	2,865.55	2,941.57
Redeemable at par. Bonds amounting to ₹2,810.26 crore are redeemable on 25.09.2028 and ₹55.28 crore are redeemable on 26.09.2033 with interest rates varying from 8.37% to 8.71% payable annually				
Series 2013-14 Series 4A & 4B	45.00	46.75	45.00	46.73
Redeemable at par. Bonds amounting to ₹45.00 crore are redeemable on 11.10.2028 with interest rates of 8.54% payable annually				
Series 2013-14 Tranche 2	640.08	657.79	640.08	657.35
Redeemable at par. Bonds amounting to ₹530.42 crore are redeemable on 23.03.2029 and ₹109.66 crore are redeemable on 24.03.2034 with interest rates varying from 8.61% to 8.88% payable annually				
Series 2015-16 Tranche 1	594.07	606.56	700.00	715.19
Redeemable at par. Bonds amounting to ₹105.93 crore redeemed on 05.11.2025, ₹172.90 crore are redeemable on 05.11.2030 and ₹421.17 crore are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually				
Total - Tax Free Bonds	**8,592.77**	**8,916.76**	**8,998.71**	**9,328.33**

(iii) Bond Application Money Pending Allotment

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds	525.42	522.70	595.88	594.63
5.25% Redeemable at par after 5 years from the deemed date of allotment				
Total - Bond Application Money Pending Allotment	**525.42**	**522.70**	**595.88**	**594.63**

20.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
133rd Series - 8.30% Redeemed on 10.04.2025	-	-	2,396.00	2,453.75
94th Series - 8.75% Redeemed on 09.06.2025	-	-	1,250.00	1,339.00
95-II Series - 8.75% Redeemed on 11.07.2025	-	-	1,800.00	1,913.49
136th Series - 8.11% Redeemed on 07.10.2025	-	-	2,585.00	2,672.14
229A Series - 7.79% Redeemed on 29.11.2025	-	-	1,033.00	1,059.81
203B Series - 5.85% Redeemed on 20.12.2025	-	-	2,777.00	2,822.16
204B Series - 5.81% Redeemed on 31.12.2025	-	-	2,082.00	2,112.04
205B Series - 5.94 % Redeemed on 31.01.2026	-	-	2,000.00	2,022.91
214A Series - 7.32% Redeemed on 28.02.2026	-	-	500.00	503.19
219th Series - 7.60 % Redeemed on 28.02.2026	-	-	3,148.70	3,169.58
223A Series - 7.44% Redeemable at par on 30.04.2026	3,000.00	3,168.13	3,000.00	3,167.71
228A Series - 7.80% Redeemable at par on 30.05.2026	1,679.00	1,788.39	1,679.00	1,788.15
218A Series - 7.56 % Redeemable at par on 30.06.2026	3,000.00	3,170.81	3,000.00	3,170.55
225th Series - 7.64% Redeemable at par on 30.06.2026	2,210.00	2,337.14	2,210.00	2,336.85
221st Series - 7.51% Redeemable at par on 31.07.2026	2,848.00	2,990.88	2,848.00	2,990.60
234A Series - 7.70% Redeemable at par on 31.08.2026	2,500.00	2,612.17	2,500.00	2,661.37
227A Series - 7.77% Redeemable at par on 30.09.2026	2,670.00	2,773.83	2,670.00	2,773.48
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,230.73	1,200.00	1,230.67

Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
237th Series - 7.55% Redeemable at par on 31.10.2026	2,000.00	2,062.67	2,000.00	2,062.33
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,158.58	2,100.00	2,170.00
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,055.37	3,000.00	3,061.81
230A Series - 7.71% Redeemable at par on 26.02.2027	3,685.00	3,715.05	3,685.00	3,720.31
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,743.91	2,745.00	2,757.74
249A Series - 6.37% Redeemable at par on 31.03.2027	3,000.00	3,000.16	-	-
231A Series - 7.64% Redeemable at par on 30.04.2027	2,875.00	3,076.78	2,875.00	3,076.42
232A Series - 7.59% Redeemable at par on 31.05.2027	3,183.00	3,385.57	3,183.00	3,342.34
250A Series - 6.60% Redeemable at par on 30.06.2027	4,000.00	4,201.71	-	-
236B Series - 7.56% Redeemable at par on 31.08.2027	3,000.00	3,131.64	3,000.00	3,131.18
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,614.75	3,533.00	3,614.62
248A Series - 6.52% Redeemable at par on 31.01.2028	3,000.00	3,031.34	-	-
251 Series - 6.95% Redeemable at par on 18.02.2028	2,835.00	2,855.60	-	-
245A Series - 7.44% Redeemable at par on 29.02.2028	3,000.00	3,018.82	3,000.00	3,006.85
216A Series - 7.55 % Redeemable at par on 31.03.2028	1,701.50	1,701.53	1,701.50	1,701.39
220A Series - 7.77 % Redeemable at par on 31.03.2028	2,000.00	2,000.13	2,000.00	2,000.00
223B Series - 7.46% Redeemable at par on 30.06.2028	2,993.60	3,160.77	2,993.60	3,160.35
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.52	2,500.00	2,637.48
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.16	2,500.00	2,628.12
168th Series - 8.56% payable semi-annually, Redeemable at par on 29.11.2028	2,552.40	2,625.87	2,552.40	2,625.82
169th Series - 8.37% payable semi-annually, Redeemable at par on 07.12.2028	2,554.00	2,621.17	2,554.00	2,621.12
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,736.13	1,600.70	1,736.01
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,175.85	1,097.00	1,174.17
234B Series - 7.58% Redeemable at par on 31.05.2029	2,500.00	2,657.02	2,500.00	2,657.70
180B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,185.36	2,070.90	2,180.89
184A Series - 8.25% Redeemable at par on 26.09.2029	1,451.00	1,512.25	1,451.00	1,512.23
249B Series - 6.70% Redeemable at par on 31.12.2029	1,922.50	1,953.57	-	-
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.92	2,382.00	2,396.76
188B Series - 7.89% Redeemable at par on 30.03.2030	3,100.00	3,132.10	3,100.00	3,138.62
189th Series - 7.92% Redeemable at par on 30.03.2030	3,054.90	3,055.18	3,054.90	3,055.11
240B Series - 7.34% Redeemable at par on 30.04.2030	2,901.00	3,095.59	2,901.00	2,983.29
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,990.53	3,740.00	3,990.35
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,674.06	1,569.00	1,673.97
247A Series - 6.87% Redeemable at par on 31.05.2030	3,000.00	3,188.00	-	-
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.11	3,500.00	3,627.08
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.47	5,000.00	5,094.38
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,528.03	2,500.00	2,527.97
252 Series - 7.19% Redeemable at par on 15.03.2031	3,000.00	3,010.28	-	-
201B Series - 6.90% Redeemable at par on 31.03.2031	2,415.00	2,495.23	2,415.00	2,490.29
213th Series - 6.92% Redeemable at par on 20.03.2032	3,380.00	3,341.43	3,380.00	3,335.48
218B Series - 7.69 % Redeemable at par on 31.01.2033	2,004.40	2,029.00	2,004.40	2,028.92
214B Series - 7.50% Redeemable at par on 28.02.2033	4,947.60	4,952.73	4,947.60	4,949.83
220B Series - 7.69 % Redeemable at par on 31.03.2033	1,600.10	1,600.16	1,600.10	1,600.13
217th Series - 7.53 % Redeemable at par on 31.03.2033	500.00	500.04	500.00	500.04
227B Series - 7.71% Redeemable at par on 31.10.2033	2,818.70	2,906.66	2,818.70	2,906.42
228B Series - 7.71% Redeemable at par on 30.11.2033	2,899.69	2,972.80	2,899.69	2,972.65

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
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	3,988.10	3,889.00	3,988.08
230B Series - 7.64% Redeemable at par on 31.01.2034	3,000.00	3,036.20	3,000.00	3,036.07
231B Series - 7.47% Redeemable at par on 28.02.2034	2,500.00	2,514.96	2,500.00	2,514.83
232B Series - 7.45% Redeemable at par on 29.04.2034	2,935.00	3,134.60	2,935.00	3,145.24
233rd Series - 7.53% Redeemable at par on 31.05.2034	3,000.00	3,186.32	3,000.00	3,196.63
235th Series - 7.35% payable semi-annually, Redeemable at par on 31.07.2034	4,000.00	4,045.92	4,000.00	4,045.71
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,314.72	5,063.00	5,314.70
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.30	3,028.00	3,163.28
242nd Series - 7.20% Redeemable at par on 15.01.2035	2,297.00	2,322.65	2,297.00	2,329.78
245B Series - 7.32% Redeemable at par on 28.02.2035	2,780.00	2,795.93	2,780.00	2,785.19
241st Series - 7.10% Redeemable at par on 30.04.2035	1,620.00	1,724.97	1,620.00	1,651.47
247B Series - 6.86% Redeemable at par on 31.05.2035	2,000.00	2,125.26	-	-
250B Series - 7.06% Redeemable at par on 30.06.2035	2,865.00	3,018.13	-	-
236A Series - 7.45% Redeemable at par on 31.08.2035	3,000.00	3,127.30	3,000.00	3,127.08
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,641.95	4,589.90	4,641.89
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.62	3,613.80	3,625.57
248B Series - 6.81% Redeemable at par on 30.04.2036	2,635.00	2,786.06	-	-
216B Series - 7.67 % Redeemable at par on 30.11.2037	2,000.00	2,050.83	2,000.00	2,050.80
229B Series - 7.67% Redeemable at par on 30.11.2038	3,539.40	3,627.32	3,539.40	3,627.19
238th Series - 7.31% Redeemable at par on 30.09.2039	2,145.00	2,222.72	2,145.00	2,222.69
240A Series - 7.09% Redeemable at par on 30.11.2039	3,575.00	3,653.40	3,575.00	3,663.83
243rd Series - 7.28% Redeemable at par on 20.02.2040	2,595.00	2,608.67	2,595.00	2,616.32
246 Series - 7.02% Redeemable at par on 30.04.2040	2,625.00	2,802.01	-	-
Total - Institutional Bonds	**2,12,114.09**	**2,18,826.62**	**2,00,803.29**	**2,06,783.97**

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	10.88	3.96	10.06
Total - Infrastructure Bonds	**3.96**	**10.88**	**3.96**	**10.06**

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31-03-2026	As at 31-03-2025	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 31-03-2026		As at 31-03-2025	
	Face Value*	Amortised Cost	Face Value*	Amortised Cost
ZCB-Bond Series 239	2,970.38	2,964.80	**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	**2,970.38**	**2,964.80**	**2,795.64**	**2,789.78**

** represents the face value net of unamortised discount on issue of Zero Coupon Bonds*

Notes to Accounts

(iv) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
2.25% US $500 Mn Bonds - Redeemable at par on 01.09.2026	4,732.72	4,739.99	4,279.07	4,282.25
2.75% US $400 Mn Bonds - Redeemable at par on 13.01.2027	3,786.17	3,807.39	3,423.26	3,440.91
3.875% US $450 Mn Green Bonds - Redeemable at par on 07.07.2027	4,259.44	4,192.69	3,851.16	3,715.94
4.625% US $300 Mn Bonds - Redeemable at par on 22.03.2028	2,839.63	2,765.30	2,567.44	2,464.82
5.625% US $750 Mn Bonds - Redeemable at par on 11.04.2028	7,099.07	7,280.51	6,418.61	6,579.48
1.76% JPY 31000 Mn Bonds - Redeemable at par on 19.01.2029	1,836.75	1,841.23	1,759.25	1,762.88
1.41% JPY 27400 Mn Bonds - Redeemable at par on 19.04.2029	1,623.45	1,608.17	1,554.95	1,534.10
4.75% USD 500 Mn Bonds - Redeemable at par on 27.09.2029	4,732.72	4,721.46	4,279.07	4,265.34
2.20% JPY 2700 Mn Bonds - Redeemable at par on 19.01.2034	159.98	160.43	153.23	153.64
Total - Foreign Currency Bonds	**31,069.93**	**31,117.17**	**28,286.04**	**28,199.36**

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 31-03-2026	For the year ended 31-03-2025
Funds raised during the year under GMTN Programme	Nil	USD 0.50 Billion
Cumulative amount raised under GMTN Programme	USD 6.07 Billion	USD 6.07 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.32 Billion	USD 3.32 Billion

The amounts raised 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.

20.3 Details of Unsecured Short-Term Debt Securities

(i) Commercial Paper

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Commercial Paper	3,000.00	2,965.96	-	-

Details of Commercial Paper outstanding:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
69th Series - 6.25% Repayable on 10.06.2026	3,000.00	2,965.96		
Total	**3,000.00**	**2,965.96**	-	-

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 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	64,406.69	64,474.24	41,879.47	41,886.99
(ii)	Term Loans from Financial Institutions	-	-	2,500.00	2,500.00
(iii)	Term Loan in Foreign Currency	1,07,178.07	1,06,996.27	94,571.40	94,216.65
(iv)	FCNR (B) Loans	4,732.72	4,733.40	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)	**1,86,317.48**	**1,86,529.03**	**1,53,229.94**	**1,53,208.55**

Notes to Accounts

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	3,408.01	3,408.90	38,902.89	38,920.51
(ii)	Short Term Loans/ Loans repayable on demand from Banks	3,527.00	3,535.67	1,600.00	1,600.32
(iii)	Short Term Loans/ Loans repayable on demand from Financial Institutions	1,500.00	1,500.30	-	-
(iv)	Overdrafts/ Cash Credit repayable on demand from Banks	341.71	341.71	570.78	570.78
	Sub-total (B)	**8,776.72**	**8,786.58**	**41,073.67**	**41,091.61**
	Total - Borrowings (other than Debt Securities) (A + B)	**1,95,094.20**	**1,95,315.61**	**1,94,303.61**	**1,94,300.16**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	87,916.13	88,319.34	99,732.21	1,00,083.51
(ii)	Borrowings outside India	1,07,178.07	1,06,996.27	94,571.40	94,216.65
	Total - Borrowings (other than Debt Securities)	**1,95,094.20**	**1,95,315.61**	**1,94,303.61**	**1,94,300.16**

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 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Bank of Baroda	7,249.89	7,251.16	2,624.91	2,625.44
₹2249.91 crore repayable in 3 annual instalments next installment repayable on 30.09.2026, final instalment repayable on 30.09.2028 and balance ₹4999.98 crore repayable on 22.09.2028.				
- Jammu & Kashmir Bank	299.94	299.94	299.94	299.94
₹299.94 crore repayable on 28.10.2026				
- South Indian Bank	499.88	499.97	499.89	499.99
₹299.93 crore repayable on 08.11.2026 and ₹199.95 crore repayable on 04.08.2027				
- Punjab National Bank	8,299.10	8,300.17	8,962.44	8,963.76
₹1,999.63 crore repayable on 11.11.2026, ₹999.64 crore repayable in 4 equal annual installments of ₹200 crore starting from 29.03.2028 and last installment of ₹199.64 crore on 29.12.2031, ₹1,199.99 crore repayable on 03.11.2028, ₹1,999.98 crore repayable on 27.12.2028 and ₹2,099.86 crore repayable on 19.06.2029				
- HDFC Bank	17,850.00	17,856.06	17,850.00	17,853.65
₹850 crore repayable on 17.11.2026, ₹2,000 crore repayable on 31.03.2027, ₹2,000 crore repayable on 07.09.2027, ₹2,500 crore repayable on 29.12.2027, ₹2,500 crore repayable on 27.02.2028,₹1,000 crore repayable on 27.06.2028, ₹1,500 crore repayable on 29.06.2028, ₹4,000 crore repayable on 30.09.2028 and ₹1,500 crore repayable on 28.12.2028				
- Central Bank of India	928.49	928.49	899.99	899.99
₹428.49 crore repayable in 6 annual instalments next instalment repayable on 30.03.2027, final instalment on 30.03.2032 and ₹500 crore repayable on 28.08.2028				
- Union Bank of India	9,999.40	10,001.13	3,999.41	4,000.20

Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
₹1999.65 crore repayable in 5 annual instalments of ₹400 crore each starting from 31.03.2027, final installment on 31.03.2031, ₹499.87 crore repayable on 29.09.2028, ₹499.88 crore repayable on 05.11.2028, ₹2000 crore loan repayable on 16.12.2028 and ₹5000 crore loan repayable on 30.12.2030				
- State Bank of India	10,197.00	10,252.77	709.92	709.92
₹2697 crore repayable in 8 equal semi annual installments of ₹299.67 crore starting from 27.12.2027 and balance 9th installment of ₹299.64 crore on 27.12.2031, ₹1157 crore repayable on 12.11.2030, ₹3500 crore repayable on 18.01.2031 and ₹2843 crore repayable on 01.02.2031				
- ICICI Bank	8,583.00	8,584.56	5,533.00	5,534.13
₹1533 crore repayable on 15.05.2028, ₹2050 crore repayable on 29.08.2028, ₹2000 crore repayable on 09.03.2029 and ₹3000 crore repayable on 23.01.2030				
- Karnataka Bank	499.99	499.99	499.97	499.97
₹499.99 crore repayable on 27.05.2028				
Total - Unsecured Term Loans from Banks	**64,406.69**	**64,474.24**	**41,879.47**	**41,886.99**

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL)	-	-	2,500.00	2,500.00
₹1500 crore repaid on 13.06.2025 and ₹1000 crore repaid on 27.02.2026				
Total - Unsecured Term Loans from Others - Financial Institutions	**-**	**-**	**2,500.00**	**2,500.00**

(iii) Foreign Currency Borrowings

(₹ in Crores)

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(1)	**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 15.05.2026	1,135.85	1,154.20	1,232.37	1,255.83
	KfW-V Loan - Repayable in equal half-yearly instalments of US $8.92 Mn till 15.05.2034, next instalment falling due on 15.05.2026	1,435.51	1,460.37	1,450.60	1,479.93
	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	1,085.03	1,102.85	622.63	629.63
	KfW-VII Loan - Repayable in equal half-yearly instalments of €10.53 Mn till 15.05.2037, first instalment falling due on 15.05.2028	980.46	982.99	-	-
	Sub-Total (1)	**4,636.85**	**4,700.41**	**3,305.60**	**3,365.39**

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(2)	**Bilateral/ Syndicated Loans**				
	US $75 Mn - Repaid on 02.04.2025	-	-	641.86	651.58
	JPY ¥ 10.519 Bn - Repaid on 25.09.2025	-	-	596.95	595.88
	US $170 Mn - $100 Mn repaid on 26.03.2025 and $ 70 Mn repaid on 06.10.2025	-	-	599.07	600.57
	US $425 Mn - Repaid on 16.03.2026	-	-	3,637.21	3,634.16
	US $600 Mn - Repayable on 25.08.2026	5,679.26	5,699.12	5,134.88	5,137.56
	US $75 Mn - Repayable on 07.10.2026	709.91	726.79	641.86	656.56
	US $1175 Mn - Repayable on 29.12.2026	11,121.88	11,080.67	10,055.81	9,978.86
	JPY ¥ 37.506 Bn - Repayable on 03.03.2027	2,222.27	2,217.26	2,128.50	2,115.64
	US $100 Mn - Repayable on 13.06.2027	946.54	945.81	855.81	853.04
	US $45 Mn - Repayable on 02.07.2027	425.94	427.79	385.12	386.94
	US $200 Mn - Repayable on 28.07.2027	1,893.09	1,902.48	1,711.63	1,717.47
	US $150 Mn - Repayable on 13.09.2027	1,419.81	1,417.74	1,283.72	1,278.74
	SGD 213.21 Mn - Repayable on 27.10.2027	1,568.26	1,564.17	1,358.36	1,353.58
	€ 254.19 Mn - Repayable on 31.10.2027	2,770.88	2,771.70	2,346.84	2,342.96
	€ 349.83 Mn - Repayable on 27.03.2028	3,813.37	3,790.51	3,229.79	3,199.82
	US $50 Mn - Repayable on 09.04.2028	473.27	474.83	-	-
	US $25 Mn - Repayable on 09.04.2028	236.64	237.31	-	-
	JPY ¥ 38.624 Bn - Repayable on 20.04.2028	2,288.49	2,288.16	2,191.93	2,181.58
	JPY 10.495 Bn - Repayable on 26.06.2028	621.84	619.93	595.60	591.29
	US $505 Mn - Repayable on 03.08.2028	4,780.04	4,768.67	4,321.86	4,297.39
	US $645 Mn - Repayable on 31.08.2028	6,105.20	6,068.41	5,520.00	5,465.21
	US $100 Mn - Repayable on 14.09.2028	946.54	948.62	855.81	857.81
	JPY ¥ 68.485 Bn - Repayable on 21.09.2028	4,057.75	4,012.53	3,886.54	3,824.80
	US $100 Mn - Repayable on 25.09.2028	946.54	937.33	855.81	843.90
	JPY ¥ 14.358 Bn - Repayable on 09.01.2029	850.74	854.35	814.84	817.66
	US $100 Mn - Repayable on 06.02.2029	946.54	944.02	855.81	851.32
	JPY ¥ 22.101 Bn - Repayable on 15.02.2029	1,309.48	1,299.59	1,254.23	1,240.19
	US $200 Mn - Repayable on 07.03.2029	1,893.09	1,874.73	1,711.63	1,688.89
	JPY ¥ 22.041 Bn - Repayable on 19.03.2029	1,305.93	1,293.65	1,250.83	1,235.03
	JPY ¥ 14.847 Bn - Repayable on 21.03.2029	879.68	874.18	842.57	835.43
	US $225 Mn - Repayable on 27.03.2029	2,129.72	2,102.36	1,925.58	1,893.38
	JPY ¥ 60.536 Bn - Repayable on 25.04.2029	3,586.76	3,537.06	3,435.42	3,361.97
	JPY ¥ 9.376 Bn - Repayable on 17.05.2029	555.50	555.56	532.07	532.09
	US $300 Mn - Repayable on 04.06.2029	2,839.63	2,857.65	2,567.44	2,581.13
	US $90 Mn - Repayable on 13.06.2029	851.89	856.77	770.23	774.23
	JPY ¥ 32.222 Bn - Repayable on 28.06.2029	1,909.15	1,900.40	1,828.60	1,813.54
	US $300 Mn - Repayable on 10.07.2029	2,839.63	2,840.61	2,567.44	2,564.53
	JPY ¥ 31.964 Bn - Repayable on 30.07.2029	1,893.87	1,903.00	1,813.96	1,820.99
	US $125 Mn - Repayable on 30.10.2029	1,183.18	1,197.01	1,069.77	1,082.36
	JPY ¥ 12.80 Bn - Repayable on 13.11.2029	758.40	758.72	726.40	722.57
	US $75 Mn - Repayable on 05.12.2029	709.91	721.60	641.86	653.83
	JPY ¥ 45.02 Bn - Repayable on 06.12.2029	2,667.41	2,648.88	2,554.86	2,518.16
	US $250 Mn - Repayable on 26.12.2029	2,366.36	2,374.14	2,139.54	2,144.83
	US $320 Mn - Repayable on 22.01.2030	3,028.94	3,028.89	2,738.60	2,732.25
	US $250 Mn - Repayable on 07.02.2030	2,366.36	2,356.33	2,139.54	2,123.61

Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
JPY ¥ 29.642 Bn - Repayable on 19.03.2030	1,756.29	1,747.00	1,682.18	1,670.32
US $300 Mn - Repayable on 02.06.2030	2,839.63	2,900.35	2,567.44	2,627.61
US $ 150 Mn - Repayable on 03.07.2030	1,419.81	1,416.46	-	-
US $ 300 Mn - Repayable on 04.09.2030	2,839.63	2,808.52	-	-
US $150 Mn - Repayable on 12.12.2030	1,419.81	1,401.37	-	-
US $250 Mn - Repayable on 25.03.2031	2,366.36	2,342.83	-	-
Sub-Total (2)	**1,02,541.22**	**1,02,295.86**	**91,265.80**	**90,851.26**
Total - Foreign Currency Borrowings (1+2)	**1,07,178.07**	**1,06,996.27**	**94,571.40**	**94,216.65**

(iv) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US $500 Mn - Repayable on 10.12.2027	4,732.72	4,733.40	4,279.07	4,279.79
Total - FCNR (B) Loans	**4,732.72**	**4,733.40**	**4,279.07**	**4,279.79**

(v) Term Loans from Government of India - National Small Savings Fund (NSSF)

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US $148.039 Mn - Repaid on 03.04.2025	-	-	1,266.94	1,267.86
US $62.01 Mn - Repaid on 03.04.2025	-	-	530.69	531.08
US $150 Mn - Repaid on 08.04.2025	-	-	1,283.72	1,283.96
US $ 85.547 Mn - Repaid on 17.04.2025	-	-	732.13	732.67
US $100 Mn - Repaid on 23.04.2025	-	-	855.81	855.98
US $150 Mn - Repaid on 25.04.2025	-	-	1,283.72	1,283.97
US $200 Mn - Repaid on 02.05.2025	-	-	1,711.63	1,711.96
US $150 Mn - Repaid on 06.05.2025	-	-	1,283.72	1,283.97
US $ 240.103 Mn - Repaid on 23.05.2025	-	-	2,054.84	2,055.17
US $124.099 Mn - Repaid on 23.05.2025	-	-	1,062.06	1,062.84
US $75.15 Mn - Repaid on 23.05.2025	-	-	643.14	643.62
US $75 Mn - Repaid on 06.06.2025	-	-	641.86	642.33
US $44 Mn - Repaid on 11.06.2025	-	-	376.56	376.84
US $49 Mn - Repaid on 12.06.2025	-	-	419.35	419.63
US $119.793 Mn - Repaid on 27.06.2025	-	-	1,025.20	1,025.20
US $120 Mn - Repaid on 27.06.2025	-	-	1,026.98	1,027.14
US $125 Mn - Repaid on 03.07.2025	-	-	1,069.77	1,069.97
US $200 Mn - Repaid on 09.07.2025	-	-	1,711.63	1,711.95
US $150 Mn - Repaid on 17.07.2025	-	-	1,283.72	1,283.96
US $250 Mn - Repaid on 22.08.2025	-	-	2,139.54	2,139.91
US $200 Mn - Repaid on 04.09.2025	-	-	1,711.63	1,711.92
US $60 Mn - Repaid on 15.10.2025	-	-	513.49	513.83
US $150 Mn - Repaid on 16.10.2025	-	-	1,283.72	1,283.94
US $100 Mn - Repaid on 07.11.2025	-	-	855.81	856.38
US $100 Mn - Repaid on 25.11.2025	-	-	855.81	855.96
US $100 Mn - Repaid on 26.11.2025	-	-	855.81	855.96
US $200 Mn - Repaid on 05.12.2025	-	-	1,711.63	1,712.76
US $141 Mn - Repaid on 11.12.2025	-	-	1,206.70	1,207.50
US $75 Mn - Repaid on 12.12.2025	-	-	641.86	642.28
US $225 Mn - Repaid on 17.12.2025	-	-	1,925.58	1,925.91
JPY ¥ 34.229 Bn - Repaid on 18.12.2025	-	-	1,942.50	1,942.50
US $100 Mn - Repaid on 14.01.2026	-	-	855.81	859.96
US $150 Mn - Repaid on 13.02.2026	-	-	1,283.72	1,283.94
US $100 Mn - Repaid on 18.03.2026	-	-	855.81	857.66
US $210.05 Mn - Repayable on 02.04.2026	1,988.20	1,988.86	-	-
US $150 Mn - Repayable on 09.04.2026	1,419.81	1,420.04	-	-
Total - FCNR (B) Loans	**3,408.01**	**3,408.90**	**38,902.89**	**38,920.51**

(ii) Short Term Loans/ Loans repayable on demand from Banks

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-KEB Hana Bank	-	-	100.00	100.02
₹100 crore repaid on 13.11.2025				
-HDFC Bank	-	-	1,500.00	1,500.30
₹1500 crore repaid on 24.11.2025				
-South Indian Bank	150.00	150.02	-	-
₹150 crore Repayable on 03.04.2026				
-Punjab National Bank	209.00	209.04	-	-
₹209 crore Repayable on 10.05.2026				
-Indian Bank	550.00	550.00	-	-
₹550 crore Repayable on 28.06.2026				
-State Bank Of India	1,618.00	1,626.45	-	-
₹1618 crore Repayable on 01.08.2026				
-Bank of Baroda	1,000.00	1,000.16	-	-
₹700 crore repayable on 24.09.2026, ₹125 crore repayable on 29.09.2026 , ₹175 crore repayable on 30.09.2026				
Total - Short Term Loans/ Loans repayable on demand from Banks	**3,527.00**	**3,535.67**	**1,600.00**	**1,600.32**

(iii) Short Term Loans/ Loans repayable on demand from Financial Institutions

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-India Infrastructure Finance Company Ltd. (IIFCL)	1,500.00	1,500.30	-	-
-₹1500 crore Repayable on 26.03.2027				
Total - Short Term Loans/ Loans repayable on demand from Financial Institutions	**1,500.00**	**1,500.30**	**-**	**-**

21.3 Term Loans from banks/ financial institutions/ Government as mentioned in Note No. 21.1 (i), (ii), (v) have been raised at interest rates ranging from 5.32% to 8.29% (previous year 7.05% to 8.29%) payable on monthly/quarterly/semi annual rests.

Notes to Accounts

21.4 Foreign Currency Borrowings in Note No. 21.1(iii) and (iv) have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210 bps) over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned.

21.5 The Company has not borrowed any loans from 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 crore 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. 584P, 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 XV, XVI, XVII, XVIII and XIX of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

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 31-03-2026		As at 31-03-2025	
		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	2,100.50	2,151.20	2,136.98
(ii)	**199th Series - Subordinate Tier-II Bonds -** 7.96% Redeemable at par on 15.06.2030	1,999.50	2,042.18	1,999.50	2,093.18
(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	2,144.79	2,000.00	2,144.57
(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	1,132.75	1,090.00	1,132.65
(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	2,006.53	1,995.00	2,006.78
	Total - Subordinated Liabilities	**9,235.70**	**9,426.75**	**9,235.70**	**9,514.16**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	9,235.70	9,426.75	9,235.70	9,514.16
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**9,235.70**	**9,426.75**	**9,235.70**	**9,514.16**

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.

Notes to Accounts

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 2026				
Total Amount as per Ind-AS	**3,10,029.49**	**1,95,315.61**	**9,426.75**	**5,14,771.85**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(9,090.28)	(1,034.50)	(333.35)	(10,458.13)
Add: Ind-AS Adjustments including EIR	508.31	813.09	142.30	1,463.70
Total Borrowings Outstanding	**3,01,447.52**	**1,95,094.20**	**9,235.70**	**5,05,777.42**
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**

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.

22.4 The Company has not received any fund from any party(s) including foreign entities (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 Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23. Other Financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Unpaid Dividends (Refer Note 23.1)**	91.62	1,079.07
(B)	**Unpaid Principal & Interest on Bonds (Refer Note 23.1)**		
	- Unclaimed Matured Bonds	24.43	26.99
	- Unclaimed Interest on Bonds	12.17	13.03
	Sub-total (B)	**36.60**	**40.02**
(C)	**Payable to Holding Company**	0.42	-
(D)	**Advance received towards variation margin**	11,089.41	10,579.60
(E)	**Funds Received from Government of India for Disbursement as Subsidy/ Grant (cumulative)**	96,280.91	96,280.91
	Add: Interest on such funds (net of refund)	3.66	3.62
	Less: Disbursed to Beneficiaries (cumulative)/Refunded to GOI	(96,284.57)	(96,271.36)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	-	13.17
(F)	**Payables towards Bonds Fully serviced by Government of India**	24,318.29	24,318.29
(G)	**Funds Received from Government of India for Disbursement under Payment Security Mechanism-PM Surya Ghar Muft Bijli Yojana**	100.01	-
(H)	**Other Liabilities***	1,468.09	**1,494.51**
	Total (A to H)	**37,104.44**	**37,524.66**

**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 2026 is ₹1.06 crore (₹0.83 crore as at 31st March 2025) which has been transferred within the prescribed time limit. Further, Unpaid Dividend also includes an amount of Nil (previous year ₹947.96 crore) pertaining to Interim Dividend declared by the company for which balance has been transfered in earmarked bank account but yet to be paid to the shareholders.

23.2 Status of 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.

Notes to Accounts

Net amount of Nil as at 31st March 2026 (₹0.79 crore as at 31st March 2025) represents the balance amount of interest subsidy fund, which has been refunded to Ministry of Power, Government of India and comprises of the following :-

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance of Interest Subsidy Fund	0.79	0.77
Add: Interest earned during the year	-	0.02
Less: Interest subsidy passed on to the borrower/Refunded to GoI	0.79	-
Closing Balance of Interest Subsidy Fund	**-**	**0.79**

23.3 Government of India has appointed the Company, 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". During the year, undisbursed funds of ₹10.72 crore under such schemes, being closed, has been refunded to Ministry of Power, Government of India (previous year Nil).

23.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	3.62	3.56
Add: Interest earned during the year	0.04	0.16
Less: Amount refunded to Govt. during the year	3.66	0.10
Closing Balance	**-**	**3.62**

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 31-03-2026	As at 31-03-2025
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. Provisions

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
	Provisions for		
(A)	**Employee Benefits**		
	Gratuity	-	3.26
	Earned Leave Liability	41.69	38.98
	Medical Leave Liability	23.55	23.44
	Settlement Allowance	2.33	2.56
	Economic Rehabilitation Scheme	7.19	6.70

Notes to Accounts

	Particulars	As at 31-03-2026	As at 31-03-2025
	Long Service Award	4.89	5.17
	Incentive	38.33	37.40
	Others	0.71	0.80
	Sub-total (A)	**118.69**	**118.31**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort	33.54	18.48
	Expected Credit Loss on Undrawn Commitments	282.71	-
	Unspent Corporate Social Responsibility (CSR) Account	163.71	-
	Sub-total (B)	**479.96**	**18.48**
	Total (A+B)	**598.65**	**136.79**

24.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance	18.48	32.02
Add: Created during the year	30.06	16.90
Less: Reversed/ Adjusted during the year	(15.00)	(30.44)
Closing balance	**33.54**	**18.48**

24.2 The Company has maximum credit risk exposure of ₹6,234.25 crore (previous year ₹7,990.22 crore) (net of Impairment Loss Allowances) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

24.3 Movement of Expected Credit Loss provision on Undrawn Commitments

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance	-	-
Add: Created during the year	282.71	-
Less: Reversed/ Adjusted during the year	-	-
Closing balance	**282.71**	**-**

25. Other Non-financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	Sundry Liabilities Account (Funded Interest Capitalisation)	44.73	46.67
(B)	Unbilled Liability towards Capital Account	48.38	48.38
(C)	Unamortised Fee on Undisbursed Loans	134.87	75.14
(D)	Advance received from Government towards Government Schemes	-	0.08
(E)	Statutory Dues	109.74	91.88
	Total (A to E)	**337.72**	**262.15**

26. Equity Share Capital

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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

26.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2026		As at 31-03-2025	
	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**

26.2 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 crore out of the sum standing to the credit of 'Securities Premium Account'.

26.3 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.

26.4 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.

26.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date:

Name of the Shareholder	As at 31-03-2026		As at 31-03-2025	
	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%

26.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Name of the Company	As at 31-03-2026		As at 31-03-2025	
	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%

26.7 Details of equity shares held by the promoter

Name of the Promoter	As at 31-03-2026			As at 31-03-2025		
	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%	-

26.8 A proposal to restructure Power Finance Corporation Limited (PFC) and REC Limited (REC) was announced in the Union Budget on 1st February 2026 with the objective of achieving scale and improving efficiency among Public Sector NBFCs. Further, the Board of Directors of the company in its meeting held on 6th February, 2026 have accorded in-principle approval for restructuring in the form of a merger of REC and PFC and to formulate a detailed proposal in accordance with applicable laws and regulations, ensuring that the merged entity continues to remain as a "Government Company" under the Companies Act, 2013 and other applicable laws.

27. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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**

27.1 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	**5,584**	**558.40**	**5,584**	**558.40**

Notes to Accounts

27.2 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 31-03-2026		As at 31-03-2025	
	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%

27.3 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.

28. Other Equity

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	34,978.42	31,595.40
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia)(c) of the Income Tax Act, 1961	778.61	841.80
(iii)	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	17,228.08	13,971.63
(iv)	Securities Premium Account	1,577.53	1,577.53
(v)	Foreign Currency Monetary Item Translation Difference Account	(880.70)	(611.65)
(vi)	General Reserve	16,338.00	13,416.20
(B)	**Retained Earnings**	16,977.67	15,387.09
(C)	**Other Comprehensive Income (OCI)**		
	- Equity Instruments through Other Comprehensive Income	(157.60)	(81.84)
	- Effective Portion of Cash Flow Hedges	(5,738.86)	(931.35)
	- Cost of Hedging Reserve	(2.36)	(718.46)
	Total - Other Equity (A+B+C)	**81,098.79**	**74,446.35**

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

28.1 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 2025-26

₹841.80 crore from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

(ii) During the financial year 2024-25

₹687.76 crore from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

28.2 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**31,595.40**	**28,044.83**
Add: Transferred from Retained Earnings	3,383.02	3,550.57
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**34,978.42**	**31,595.40**

Notes to Accounts

28.3 Reserve for Bad and doubtful debts u/s 36(1)(viia)(c) of the Income Tax Act, 1961

Reserve for Bad and doubtful debts u/s 36(1)(viia)(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)(viia)(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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**841.80**	**687.76**
Add: Transferred from Retained Earnings	778.61	841.80
Less: Transferred to General Reserve	(841.80)	(687.76)
Balance as at the end of the year	**778.61**	**841.80**

28.4 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**13,971.63**	**10,828.99**
Add: Transferred from Retained Earnings	3,256.45	3,142.64
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**17,228.08**	**13,971.63**

28.5 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining 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**

28.6 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(611.65)**	**(675.14)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(657.61)	(120.43)
Less: Amortisation during the year	388.56	183.92
Balance as at the end of the year	**(880.70)**	**(611.65)**

Notes to Accounts

28.7 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**13,416.20**	**11,978.44**
Add: Transferred from Retained Earnings	2,080.00	750.00
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) (c) of the Income Tax Act, 1961	841.80	687.76
Balance as at the end of the year	**16,338.00**	**13,416.20**

28.8 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(81.84)**	**(57.99)**
Add: Recognition through Other Comprehensive Income (net of taxes)	(75.76)	(23.85)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-
Balance as at the end of the year	**(157.60)**	**(81.84)**

28.9 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(931.35)**	**(1,846.93)**
Add: Recognition through Other Comprehensive Income (net of taxes)	(4,807.51)	915.58
Balance as at the end of the year	**(5,738.86)**	**(931.35)**

28.10 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:

(₹ in Crores)

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(718.46)**	**1,690.64**
Add: Recognition through Other Comprehensive Income (net of taxes)	716.10	(2,409.10)
Balance as at the end of the year	**(2.36)**	**(718.46)**

28.11 Detail of Movement in Retained Earnings during the year:

(₹ in Crores)

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**15,387.09**	**13,363.40**
Add: Profit for the year	16,282.26	15,713.21
Add: Remeasurement of Defined Benefit Plans (net of taxes)	0.82	0.57
Less: Transferred to General Reserve	(2,080.00)	(750.00)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,383.02)	(3,550.57)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia)(c) of the Income Tax Act, 1961	(778.61)	(841.80)

Notes to Accounts

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Less: Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(3,256.45)	(3,142.64)
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)
Less: Dividend during the year	(5,161.12)	(5,371.78)
Balance as at the end of the year	**16,977.67**	**15,387.09**

28.12 Dividend declared/ proposed by the Company for Equity Shares of ₹10/- each

Particulars	For the year ended 31-03-2026		For the year ended 31-03-2025	
	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	17.00	4,476.48	15.40	4,055.16
Final/ Proposed Dividend	1.55	408.15	2.60	684.64
Total Dividend	**18.55**	**4,884.63**	**18.00**	**4,739.80**

The Board of Directors at its meeting held on April 28, 2026 recommended final dividend of ₹1.55 per equity share (on face value of ₹10/- each) for the financial year 2025-26, subject to approval of Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year is ₹18.55/-per equity share (on face value of ₹10/- each) including total interim dividend of Rs. 17.00 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.

29. Interest Income

(₹ in Crores)

	Particulars	Year ended 31-03-2026			Year ended 31-03-2025		
		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	-	53,486.27	-	-	49,611.60	-
(ii)	Short term financing	-	3,223.77	-	-	4,414.82	-
	Sub-total (A)	**-**	**56,710.04**	**-**	**-**	**54,026.42**	**-**
(B)	**Interest Income from Investments**						
(i)	Interest from Long Term Investments	-	563.93	81.02	-	408.91	81.43
	Sub-total (B)	**-**	**563.93**	**81.02**	**-**	**408.91**	**81.43**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	138.70	-	-	240.28	-
	Sub-total (C)	**-**	**138.70**	**-**	**-**	**240.28**	**-**
(D)	**Other Interest Income**						
(i)	Interest on Delayed Payments by Borrowers	-	296.92	-	-	294.46	-
(ii)	Interest from Staff Advances	-	8.53	-	-	6.11	-
(iii)	Interest on Mobilisation Advance	-	0.05	-	-	0.14	-
(iv)	Interest on unwinding of Receivable on account of Stressed Loan Assets	-	12.63	-	-	12.36	-
	Sub-total (D)	**-**	**318.13**	**-**	**-**	**313.07**	**-**
	Total - Interest Income (A to D)	**-**	**57,730.80**	**81.02**	**-**	**54,988.68**	**81.43**

Notes to Accounts

30. Dividend Income

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Dividend from Subsidiary Company	53.04	90.63
Dividend from Other Investments	10.17	8.42
Total - Dividend Income	**63.21**	**99.05**

30.1 Details of dividend income recognised on Other Investments :

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Dividend on Equity Investments measured at FVOCI		
- Investments held at the end of the year	10.17	8.42
- Investments derecognized during the year	-	-
Total	**10.17**	**8.42**

31. Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Fees based Income	215.61	201.20
Prepayment Premium	982.34	138.75
Fee/ Other Income for Implementation of Government Schemes	66.98	53.79
Total - Fees and Commission Income	**1,264.93**	**393.74**

32. Other Income

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Net gain/ (loss) on disposal of assets classified as held for sale	-	6.03
Recoveries against written off financial assets	-	12.15
Rental Income	19.23	17.34
Liabilities/Provision Written Back	1.77	2.35
Fees from Training Courses	0.52	1.34
Interest from Income Tax Refund	1.37	-
Miscellaneous Income	24.37	29.29
Total - Other Income	**47.26**	**68.50**

33. Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(i)	**Interest on Borrowings**		
	- Loans from Government of India (NSSF)	822.50	822.50
	- Loans from Banks/ Financial Institutions	3,600.74	4,590.64
	- External Commercial Borrowings	6,018.03	6,602.12
	Sub-Total (i)	**10,441.27**	**12,015.26**
(ii)	**Interest on Debt Securities**		
	- Domestic Debt Securities	19,176.45	17,776.73
	- Foreign Currency Debt Securities	1,336.65	1,334.12
	- Commercial Paper	126.42	-
	Sub-Total (ii)	**20,639.52**	**19,110.85**
(iii)	**Interest on Subordinated Liabilities**		
	- Subordinate Bonds	758.75	687.76
	Sub-Total (iii)	**758.75**	**687.76**

Notes to Accounts

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(iv)	**Other Interest Expense**		
	- Swap Premium	3,900.99	1,796.86
	- Interest on Variation Margin	504.58	524.81
	- Interest on Advance Income Tax	0.01	-
	- Interest on liability towards employee benefits	2.56	2.46
	Sub-Total (iv)	**4,408.14**	**2,324.13**
	Total - Finance Costs (i+ii+iii+iv)	**36,247.68**	**34,138.00**
	Less: Finance Costs Capitalised	**(6.39)**	**(3.02)**
	Total - Finance Costs (Net)	**36,241.29**	**34,134.98**

34. Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Net translation/ transaction exchange loss/ (gain)	272.60	208.15
Total	**272.60**	**208.15**

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 ₹388.56 crore (Previous year ₹183.92 crore).

34.1 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 31st March 2026	94.6543	0.5925	109.0064	73.5548
As at 31st March 2025	85.5814	0.5675	92.3246	63.7098

**as on 30th March 2026 and 28th March 2025 being the last working day.*

35. Fees and commission expense

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(i)	Guarantee Fee	-	0.14
(ii)	Listing and Trusteeship Fee	0.03	0.03
(iii)	Agency Fees	2.56	2.49
(iv)	Credit Rating Expenses	4.58	4.26
(v)	Other Finance Charges	8.45	6.74
	Total (i to v)	**15.62**	**13.66**

36. Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
	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	(928.82)	80.95
	- Changes in fair value of Long Term Investments	(33.64)	265.35
	- Changes in fair value of Short-term MF investments	-	1.92
	Sub-total (ii)	**(962.46)**	**348.22**
	Total (A)	**(962.46)**	**348.22**
	Breakup of Fair Value Changes		
	- Realised	(721.09)	388.64
	- Unrealised	(241.37)	(40.42)
	Total Net Gain/ (loss) on Fair Value Changes	**(962.46)**	**348.22**

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

37. Impairment on financial instruments

(₹ in Crores)

	Particulars	Year ended 31-03-2026		Year ended 31-03-2025	
		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 *	-	189.89	-	886.24
(ii)	Investments	-	2.37	-	3.26
(iii)	Others**	-	8.96	-	129.91
	Total (i+ii+iii)	**-**	**201.22**	**-**	**1019.41**

** includes ₹15.06 crore (Previous year ₹-13.54 crore) towards impairment allowance on Letter of Comfort.*

** includes ₹282.71 crore (Previous year Nil) towards impairment allowance on undrawn commitments.*

*** this represents the impairment allowance on recoverable towards expenditure on stressed loan assets (refer note 12.2 above).*

38. Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Salaries and Allowances	148.61	150.85
- Contribution to Provident and Other Funds	32.01	32.97
- Rent towards Residential Accommodation for Employees	13.96	10.45
- Staff Welfare Expenses	48.71	50.53
Total	**243.29**	**244.80**

39. Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Depreciation on Property, Plant & Equipment	25.22	23.30
- Depreciation on Investment Property	0.83	0.80
- Amortization on Intangible Assets	0.57	0.29
Total	**26.62**	**24.39**

40. Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Direct Expenditure	328.78	279.00
- Overheads	9.29	9.48
Total	**338.07**	**288.48**

40.1 The Ministry of Corporate Affairs (MCA) has prescribed Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified w.e.f. 22.01.2021, 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 within thirty days from the end of the financial year, to be utilised within a period of three financial years from the date of such transfer, after which any unspent CSR amount, if any shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. 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.

40.2 Details of Gross Amount required to be spent by the company:

(a) Gross amount required to be spent by the company during the year is ₹338.07 crore (previous year ₹₹288.48 crore)

(b) Amount approved by the Board to be spent during the year is ₹338.07 crore (previous year ₹288.48 crore)

(c) Refer Note no. 56 for related party transactions related to CSR.

(d) Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(A)	**Opening Balance - (Excess amount spent) / Unspent**	**(5.53)**	(5.15)
(B)	**Amount required to be spent during the year**	**338.07**	288.48
	Amount approved by the Board out of (b) above to be spent during the year	338.07	288.48

Notes to Accounts

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(C)	**Amount spent during the year***	**168.83**	288.86
	- From Company's bank A/c	168.83	288.86
	- From Separate CSR Unspent A/c	-	-
	Amount required to be spent after set off excess spent of earlier years (B-A)	332.54	283.33
(D)	**Closing Balance - (Excess amount spent)**/ Unspent*** (A+B-C)**	**163.71**	(5.53)
	- with Company *	-	-
	- In Separate CSR Unspent A/c	163.71	-

** 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*

****Unspent CSR amount of ₹163.71 crore (Previous year Nil) pertains to multi-year (ongoing) projects where payment is made in tranches upon achievement of milestone. Accordingly, the said amount has been deposited in unspent CSR Account with scheduled bank as per requirements of Section 135(6) of Companies Act, 2013. The cumulative amount of unspent CSR expense as on 31.03.2026 is ₹163.71 crore (previous year Nil).*

40.3 Amount spent during the year:

(₹ in Crores)

	Particulars	Year ended 31-03-2026			Year ended 31-03-2025		
		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**						
a	Health/Sanitation / Waste Management / Drinking water	88.80	-	88.80	128.78	-	128.78
b	Education/ Vocational/ Skill Development	26.14	-	26.14	15.88	-	15.88
c	Environmental Sustainability	4.74	-	4.74	7.00	-	7.00
d	Sports	2.56	-	2.56	38.98	-	38.98
e	Art & Culture	2.04	-	2.04			
f	Contribution to PM CARES Fund	-	-	-	50.00	-	50.00
g	Others (Rural Development, Benefits of Armed Forces/ Incubators/ Disaster Management)	35.26	-	35.26	38.74	-	38.74
h	Impact Assessment	0.11	-	0.11	0.28	-	0.28
i	Administrative overheads including training etc.	9.19	-	9.19	9.20	-	9.20
(iii)	**Total (i+ii)**	**168.83**	**-**	**168.83**	**288.86**	**-**	**288.86**
(iv)	Add: Transferred to Unspent CSR Account	163.71	-	163.71	-	-	-
(v)	Add : Excess amount adjusted	5.53	-	5.53	5.15	-	5.15
(vi)	Less: Excess amount spent	-	-	-	(5.53)	-	(5.53)
(vii)	**CSR Expenses charged to Standalone Statement of Profit and Loss (iii+iv+v+vi)**	**338.07**	**-**	**338.07**	**288.48**	**-**	**288.48**

40.4 Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:

Opening Balance		Amount required to be spent during the year	Interest earned on balance in Unspent CSR	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c			From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	338.07	-	174.36	-	-	163.71

41. Other Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Travelling and Conveyance	28.93	29.36
- Publicity & Promotion Expenses	23.01	29.87
- Repairs and Maintenance	27.13	34.93
- Rent, taxes and energy costs	6.31	7.64
- Insurance Charges	0.06	0.56
- Communication costs	7.31	7.18
- Printing & stationery	1.11	1.35
- Director's sitting fees	0.42	0.50

Notes to Accounts

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Auditors' fees and expenses	1.82	1.72
- Legal & Professional Charges	14.75	16.89
- Donations & Charity	-	0.01
- Net Loss on Disposal of Property, Plant & Equipment	10.58	7.61
- Training And Conference Expense	6.51	5.98
- Government Scheme Monitoring Expenses	13.51	17.11
- Other Expenditure	31.41	25.26
Total	**172.86**	**185.97**

41.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Fees paid to statutory auditors :		
- for audit fees	0.75	0.68
- for taxation matters	0.16	0.16
- for company law matters/ limited review fees	0.40	0.37
- for other services	0.19	0.18
- for reimbursement of expenses	0.18	0.20
Sub-total	**1.68**	**1.59**
Non-recoverable tax credit in respect of fees paid to auditors	**0.14**	**0.13**
Total - Auditor's fees and expenses	**1.82**	**1.72**

42. Tax Expense

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Current tax expense	3,718.27	4,011.49
- Current tax expense/ (benefit) pertaining to earlier years	(0.08)	0.05
Sub-total - Current Tax	**3,718.19**	**4,011.54**
- Deferred tax expense/ (credit)	712.74	135.03
Total	**4,430.93**	**4,146.57**

42.1 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 31-03-2026	Year ended 31-03-2025
Profit before Tax	**20,713.19**	**19,859.78**
Statutory income tax rate	**25.168%**	**25.168%**
Expected income tax expense	**5,213.10**	**4,998.31**
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(851.43)	(893.61)
Non-allowability of CSR expenses & other adjustments	84.63	72.01
Income not Taxable	(15.91)	(28.04)
Other non-deductible expenses	0.62	(2.15)
Tax Expense Earlier Years	(0.08)	0.05
Tax expense	**4,430.93**	**4,146.57**

43. Earnings per Share

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in crore)*	16,248.96	15,679.91
Profit for the year from discontinued operations as per Statement of Profit and Loss (₹ in crore)*	-	-

Notes to Accounts

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in crore)*	16,248.96	15,679.91
Denominator		
Weighted average Number of equity shares	2,63,32,24,000	2,63,32,24,000
Basic Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	61.71	59.55
Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	61.71	59.55
Basic Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Basic Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	61.71	59.55
Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	61.71	59.55

** The profit denotes Profit after Tax less coupon expenses (net of taxes) of ₹33.30 crore (Previous year ₹33.30 crore) on Perpetual Debt Instruments entirely equity in nature.*

44. Contingent Liabilities and Commitments :

44.1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Claims against the Company not acknowledged as debts**	6.19	10.79
(B)	**Taxation Demands**		
(i)	- Demands raised by the Income Tax Department	34.54	46.59
(ii)	- Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	0.90	162.12
(iii)	**- Demands raised in respect of GST**	32.65	20.71
(C)	**Guarantees**	-	-
(D)	**Others**		
(i)	- Arbitration Proceedings through Project Management Consultant (PMC) (counter claim of ₹45.73 crore (previous year ₹41.66 crore) inclusive of interest claimed till 31.03.2026)	513.36	441.28
(ii)	- Fine imposed by Stock Exchanges	0.60	0.18
(iii)	- Letters of Comfort	6,267.79	7,990.22

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 crore towards the GST refund appeal filed by the company. Apart from this, ₹14.76 crore 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 ₹68.09 crore (previous year ₹229.42 crore) as referred in B(i)/(ii)/(iii) above, Company has paid or adjudicating authority has adjusted ₹19.61 crore (previous year ₹163.91 crore) under protest and remaining ₹48.48 crore (previous year ₹65.51 crore) is unpaid as on 31st March, 2026.

The amount referred to in D(i) above represent arbitration matters (a) between the contractor and PMC appointed by the company and (b) between company and Chelsea West Architects, PLLC. 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 interest @ 12% p.a. on ₹8.80 crore and 18% p.a. on ₹317.38 crore on the claim amount till 31st March, 2026.

The amount referred to in D(ii) above represents the fine imposed by National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of ₹0.60 crore (previous year ₹0.18 crore), 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 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 NSE and BSE for similar reasons after complying with the requirement.

Notes to Accounts

44.2 Commitments not provided for in respect of:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	15.64	25.64
- Other Commitments		
- CSR Commitments	250.88	446.75

45. 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

46. Implementation of Government of India Schemes

46.1 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.

46.2 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 on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹3,03,758 crore over 7 years i.e. FY 2021-22 to FY 2027-28 including an estimated Government Budgetary Support (GBS) of ₹97,631 crore.

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.

46.3 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. 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:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Net debt	5,05,732.06	4,88,203.82
Net worth	84,290.41	77,637.97
Debt-equity ratio	**6.00**	**6.29**

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, net worth of the Company, additional investments in subsidiaries/ associates of the Company and applicable taxes if any, 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, Fraud Risk Management policy, 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.

48. 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 31-03-2026			As at 31-03-2025			% Variance**
		Numerator* (₹in Crores)	Denominator* (₹in Crores)	%	Numerator* (₹in Crores)	Denominator* (₹in Crores)	%	
(i)	CRAR	93,687.72	4,05,414.19	23.11%	86,963.54	3,34,562.05	25.99%	-11.11%
	CRAR-Tier I Captial	86,159.96	4,05,414.19	21.25%	79,491.30	3,34,562.05	23.76%	-10.53%
	CRAR-Tier II Captial	7,527.76	4,05,414.19	1.86%	7,472.24	3,34,562.05	2.23%	-17.10%
(ii)	Liquidity Coverage Ratio (LCR) (Refer Note 49.2.4(vi))	5,846.84	3,123.25	187.20%	4,214.07	2,809.00	150.02%	24.79%

The amount of Perpetual Debt Instrument of the Tier-I capital is 6.55% (previous year 7.10%)

*For CRAR-Numerator being Tier-I & Tier-II capital majorily consists of Equity (Refer Note no. 26, 27 and 28) and Denominator being Risk Weighted Assets majorily 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 comparive 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 31-03-2026	Year ended 31-03-2025
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount of Perpetual Debt Instruments raised as Tier-I capital*	-	1,995.00

** Refer Note No. 22 on Subordinated Liabilities.*

49. 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

Notes to Accounts

Risk	Exposure arising from	Measurement	Management
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 16th May, 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.CSITEG/SEC.7/31.01.015/2023-24 dated 7th November, 2023 on Information Technology Governance, Risk, Controls and Assurance Practice, has mandated the appointment of Chief Information Security Officer (CISO) . The Company has accordingly, appointed the CISO in compliance of the RBI Directions.

49.1 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.

49.1.1 Financial assets that expose the entity to credit risk

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	45.36	54.69
	Bank balances (other than cash and cash equivalents)	881.52	1,695.15
	Loans *	5,77,231.42	5,21,767.83
	Investments (excluding equity investments)	9,421.36	6,167.36
	Trade and Other Receivables	3.87	1.99
	Other financial assets	24,552.10	24,603.68
(ii)	**Moderate credit risk**		
	Loans *	11,310.98	45,471.51
(iii)	**High credit risk**		
	Loans *	1,384.75	7,652.65
	Investments in Preference Shares#	28.72	28.72
	Trade and Other Receivables#	27.03	27.11
	Other financial assets#	124.02	149.22

** 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.

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.

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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.

49.1.2 Expected Credit Losses (ECL) for financial assets other than loans and investment

Company provides for expected credit losses on financial assets other than loans/investments 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 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 and investments is disclosed as follows:

(₹ in Crores)

Particulars	As at 31-03-2026			As at 31-03-2025		
	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	45.36	-	45.36	54.69	-	54.69
Bank balances (other than cash and cash equivalents)	881.52	-	881.52	1,695.15	-	1,695.15
Trade and other receivable	30.90	27.03	3.87	29.10	27.11	1.99
Other financial assets *	24,676.12	124.02	24,552.10	24,752.90	149.22	24,603.68

** The impairment allowance has been provided in full on 'Other financial assets' considered as credit-impaired.*

49.1.3 Expected Credit Loss for investment

In case of Investments, securities with a rating equal to or higher than (BBB-) and DPD of less than 30 days are considered to have a low credit risk and hence will form a part of Stage 1 assets. Likewise, securities with DPD beyond 30 days (and upto 90 days) or if the rating of the instrument falls below the lowest investment grade i.e., (BBB-), an investment is considered to have experienced a significant increase in credit risk and is classified as a Stage 2 asset. An investment is classified as credit-impaired or Stage 3 asset when the issuer company defaulted on discharging its contractual payment obligation for a period beyond 90 days "OR" the rating of the borrower company downgraded to junk status/defaulted or the company has filed for bankruptcy.

- **For Investment in G-Sec, State Development loans and Debt Securities -** Considering that the investments are in debt securities including Governemnet 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.

Details of expected credit loss on investments is disclosed as follows:

(₹ in Crores)

Particulars	As at 31-03-2026			As at 31-03-2025		
	Gross Carrying Amount (A)	ECL (B)	Net Carrying amount C= (A-B)	Gross Carrying Amount (D)	ECL (E)	Net Carrying amount (F =D-E)
Investments* (excluding equity investments)	9,450.08	34.35	9,415.73	6,196.08	31.98	6,164.10

** The impairment allowance has been provided in full on 'Investments in Reedemable Prefernce Shares' of RattanIndia Power Limited considered as credit-impaired.*

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49.1.4 Expected Credit Loss for loans

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.

(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)

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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: For all category of borrowers: -

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. Rating/Grading downgraded in rating family of borrower by two or more notches (even if the borrower is in Stage 1 on DPD basis)

Additional factors for private sector borrowers: -

i. Downgrade in the credit rating of borrower to 'C -',

ii. Delay in the date of commencement of commercial operation of project by more than 3 years.

(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 (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company expects to be owed at the time of default.
- LGD represents 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.

For State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated. MoP and external rating agencies use different rating nomenclatures. Therefore, both nomenclatures are mapped to convey the same result in terms of credit risk, ensuring consistency and accuracy in PD assignment.

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

(i) The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

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(ii) EAD represents the amounts, including the principal outstanding (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company expects to be owed at the time of default.

(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 31-03-2026				As at 31-03-2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	2,67,788.14	9,966.88	-	2,77,755.02	2,27,156.98	41,032.49	-	2,68,189.47
Good (BBB | BB | B)	2,36,005.71	343.46	-	2,36,349.17	1,78,400.70	4,088.70	-	1,82,489.40
Average (C)	73,437.57	10.01	-	73,447.58	1,16,210.15	-	-	1,16,210.15
Fair (D)	-	990.63	-	990.63	-	350.32	-	350.32
Non- Performing (D)	-	-	1,384.75	1,384.75	-	-	7,652.65	7,652.65
Gross Exposure	**5,77,231.42**	**11,310.98**	**1,384.75**	**5,89,927.15**	**5,21,767.83**	**45,471.51**	**7,652.65**	**5,74,891.99**
Loss allowance (including LoC)	6,040.53	178.48	707.98	6,926.99	4,822.81	501.95	5,489.48	10,814.24
Net Exposure	**5,71,190.89**	**11,132.50**	**676.77**	**5,83,000.16**	**5,16,945.02**	**44,969.56**	**2,163.17**	**5,64,077.75**

(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

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:

For the Year ended 31st March 2026 **(₹ in Crores)**

	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	**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**
Transfer to 12 months ECL	34,098.14	382.46	(34,098.14)	(382.46)	-	-	-	-
Transfer to life time ECL not credit impaired	(384.83)	(1.10)	1,496.90	361.14	(1,112.07)	(360.04)	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	73.87	-	(240.35)	-	30.83	-	(135.65)
New Financial assets originated or purchased (including further disbursements in existing assets)	2,16,516.97	2,101.22	3.30	-	-	-	2,16,520.27	2,101.22

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	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Financial Assets that have been derecognised (including recoveries in existing assets)	(1,94,766.69)	(1,338.73)	(1,562.59)	(61.80)	(1,361.39)	(657.85)	(1,97,690.67)	(2,058.38)
Technical Write offs	-	-	-	-	(1,397.58)	(1,397.58)	(1,397.58)	(1,397.58)
Write offs other than those given above	-	-	-	-	(2,396.86)	(2,396.86)	(2,396.86)	(2,396.86)
Closing Balance	**5,77,231.42**	**6,040.53**	**11,310.98**	**178.48**	**1,384.75**	**707.98**	**5,89,927.15**	**6,926.99**

(₹ 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)
Technical Write offs	-	-	-	-	-	-	-	-
Write offs other than those given above	-	-	-	-	(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**

(K) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31-03-2026				As at 31-03-2025			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	5,77,231.42	11,310.98	1,384.75	5,89,927.15	5,21,767.83	45,471.51	7,652.65	5,74,891.99
Impairment Allowance	6,040.53	178.48	707.98	6,926.99	4,822.81	501.95	5,489.48	10,814.24
ECL %	1.05%	1.58%	51.13%	1.17%	0.92%	1.10%	71.73%	1.88%

(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 sector or private sector.

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Gross Amount	ECL*	Gross Amount	ECL
Concentration by industry				
Generation	1,46,100.18	3,310.43	1,55,078.89	6,762.83
Renewables	80,052.82	769.99	63,665.96	1,013.41
Transcos	45,822.78	71.93	47,874.68	41.35
Discoms	2,56,317.63	2,486.18	2,34,130.98	2,942.82
Power Infrastructure	36,803.63	249.85	50,953.11	43.35
Infrastructure & Logistics	22,610.12	38.58	20,638.62	10.44

Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Gross Amount	ECL*	Gross Amount	ECL
Government Loans	2,219.99	0.03	2,549.75	0.04
Total	**5,89,927.15**	**6,926.99**	**5,74,891.99**	**10,814.24**
Concentration by ownership				
State Sector (i.e., entities under the control of state and /or central government)	4,94,595.93	5,335.33	4,94,580.49	4,612.58
Private Sector	95,331.22	1,591.66	80,311.50	6,201.66
Total	**5,89,927.15**	**6,926.99**	**5,74,891.99**	**10,814.24**

**Including ECL of ₹33.54 crore (as at 31.03.2025 ₹18.48 crore) on Letter of Comfort & Letter of Undertaking amounting ₹6267.79 crore (as at 31.03.2025 ₹8008.70 Crore).*

(M) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

Particulars	As at 31-03-2026	As at 31-03-2025
Infrastructure Sector	**0.24%**	**1.35%**
- Power	0.24%	1.35%

(N) Movement of Credit-impaired Assets

(₹ in Crores)

	Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
(i)	**Gross Credit-impaired Assets to Gross Advances (%)**	0.24%	1.35%
(ii)	**Net Credit-impaired Assets to Gross Advances (%)**	0.12%	0.38%
(iii)	**Net Credit-impaired Assets to Net Advances (%)**	0.12%	0.39%
(iv)	**Movement of Credit-impaired Assets (Gross)**		
(a)	Opening balance	7,652.65	13,810.33
(b)	Additions during the year	-	14.89
(c)	Reductions during the year	(2,473.46)	(3,688.03)
(d)	Technical Write offs during the year	(1,397.58)	
(e)	Write offs other than those given above during the year	(2,396.86)	(2,484.54)
(f)	Closing balance	**1,384.75**	**7,652.65**
(v)	**Movement of Credit-impaired Assets (Net)**		
(a)	Opening balance	2,163.17	4,356.53
(b)	Additions during the year	(30.83)	12.89
(c)	Reductions during the year	(1,455.57)	(2,206.25)
(d)	Technical Write offs during the year	-	-
(e)	Write offs other than those given above during the year	-	-
(f)	Closing balance	**676.77**	**2,163.17**
(vi)	**Movement of provisions for Credit-impaired Assets**		
(a)	Opening balance	5,489.48	9,453.80
(b)	Provisions made during the year	30.83	2.00
(c)	Write-back of excess provisions during the year	(1,017.89)	(1,481.78)
(d)	Technical Write offs during the year	(1397.58)	
(e)	Write offs other than those given above during the year	(2396.86)	(2,484.54)
(f)	Closing balance	**707.98**	**5,489.48**

(O) In accordance with Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, 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 2.19% (previous year 3.62%) and Net NPA to Net Loans would have been 1.92% (previous year 2.56%) as at 31st March 2026.

(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) Techincal write off

The Company has a board approved Technical Write off policy in compliance of the RBI circular on "Resolution of Stressed Assets Direction 2025" dated 28 November 2025. Technical Write offs are the Stage-III loans assets which remains outstanding at borrowers' loan account level but are

Notes to Accounts

written-off (fully or partially) by the Company, only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same. The policy covers the conditions precedent to the Technical write offs, prudential treatment and process to be followed for such write offs. During the year, the company has technically written off 5 nos. (previous year Nil) of loan accounts amounting to ₹1397.58 crores (previous year Nil), which were classified as Stage-III asset with 100% impairment loss allowance.

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance of technical / prudential write-offs	-	-
Technical / Prudential write-offs during the year	1,397.58	-
Recoveries made from previously technically / prudentially written-off accounts during the year	-	-
Sacrifice made from previously technical / prudential written-off accounts during the year	-	-
Closing balance of technical / prudential write-offs	1,397.58	-

(R) 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/infrastructure 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 instruments 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 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.

(S) 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'.

(T) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil).

(U) There is Nil case of loans transferred (previous year one) and NIL for acquired during the FY 2025-26 (previous year Nil) under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025. Details of such transferred case to ARC is as under :

(₹ in Crores)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
No: of accounts	NIL	1
Aggregate principal outstanding of loans transferred (₹ in Crore)		797.00
Weighted average residual tenor of the loans transferred		2 years
Net book value of loans transferred (at the time of transfer)		-
Aggregate consideration (₹ in Crore)		63.00
Additional consideration realized in respect of accounts transferred in earlier years		-

During the year, the excess provisions reversed to the profit and loss account on account of sale of stressed assets is Nil (previous year ₹63 crore).

(V) Disclosure in respect of Projects under Implementation

In view of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November, 2025 and also as per Reserve Bank of India (Non-Banking Financial Companies-Resolution of Stressed Assets) Direction, 2025 dated 28th November, 2025, quarter-wise movement of projects under implementation is as follows :

(₹ in Crores)

Item Description	For the quarter ended 31.12.2025		For the quarter ended 31.03.2026	
	No. of accounts	Total outstanding (in ₹ Crore)*	No. of accounts	Total outstanding (in ₹ Crore)*
Projects under implementation accounts at the beginning of the quarter*	10	4,164.13	6	3,530.94
Projects under implementation accounts sanctioned during the quarter	2	511.69	17	13,433.29
Projects under implementation accounts where DCCO has been achieved during the quarter	-	-	1	5,222.04
Projects under implementation accounts at the end of the quarter. (1+2-3)	12	4,675.82	22	11,742.19

Notes to Accounts

Item Description	For the quarter ended 31.12.2025		For the quarter ended 31.03.2026	
	No. of accounts	Total outstanding (in ₹ Crore)*	No. of accounts	Total outstanding (in ₹ Crore)*
Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked	11	4,225.82	22	11,742.19
Out of '5' – accounts in respect of which Resolution plan has been implemented	5	847.18	7	4,269.29
Out of '5' – accounts in respect of which Resolution plan is under implementation	6	3,378.63	15	7,472.90
Out of '5' – accounts in respect of which Resolution plan has failed	-	-	-	-
Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked due to change in scope and size of the project	-	-	-	-
Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	1**	450.00	1	387.37
Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-	-	-
Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-	-	-
Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be has been invoked	-	-	-	-
Out of '8' – accounts in respect of which Resolution plan has been implemented	-	-	-	-
Out of '8' – accounts in respect of which Resolution plan is under implementation	-	-	-	-
Out of '8' – accounts in respect of which Resolution plan has failed	-	-	-	-

** Total outstanding is the amount as at the quarter end.*

*** COD in this case has been extended prior to 01st October 2025 and cost overrun has been sanctioned during the quarter ended 31st December 2025.*

(W) Comparison between provision required as per Reserve Bank of India (Non-Banking Financial Companies – IncomeRecognition, Asset Classification and Provisioning) Directions, 2025 (Updated as on February 13, 2026) and Impairment Allowance as per Ind-AS

(₹ in Crores)

For the Year ended 31st March 2026 Asset Classification as per RBI Norms	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
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	5,60,535.30	5,62,758.20	5,130.04	5,57,628.16	4,014.07	1,115.97
	Stage 2	10,320.35	10,559.90	54.85	10,505.05	41.28	13.57
Sub Total (1)		**5,70,855.65**	**5,73,318.10**	**5,184.89**	**5,68,133.21**	**4,055.35**	**1,129.54**
Non-Performing Assets							
Substandard Assets	Stage 1	630.34	632.93	20.73	612.20	63.03	(42.30)
Subtotal for substandard assets		**630.34**	**632.93**	**20.73**	**612.20**	**63.03**	**(42.30)**
Doubtful Assets							
Up to 1 year	Stage 1	9,420.85	9,423.62	843.63	8,579.99	1,884.17	(1,040.54)
More than 3 years	Stage 1	377.14	377.24	12.59	364.65	166.31	(153.72)
1 to 3 years	Stage 2	990.63	999.88	123.63	876.25	303.95	(180.32)
More than 3 years	Stage 3	1,384.75	1,384.75	707.98	676.77	694.73	13.25
Subtotal for doubtful assets		**12,173.37**	**12,185.49**	**1,687.83**	**10,497.66**	**3,049.16**	**(1,361.33)**
Loss Assets	Stage 3	-	-	-	-	-	-
Subtotal for loss assets		-	-	-	-	-	-
Sub-total for NPA (2)		**12,803.71**	**12,818.42**	**1,708.56**	**11,109.86**	**3,112.19**	**(1,403.63)**
Total Loan Assets		**5,83,659.36**	**5,86,136.52**	**6,893.45**	**5,79,243.07**	**7,167.54**	**(274.09)**

Notes to Accounts

For the Year ended 31st March 2026 Asset Classification as per RBI Norms	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
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	307.38	(307.38)	-	307.38
	Stage 2	-	-	8.87	(8.87)	-	8.87
	Stage 3	-	-	-	-	-	-
Sub-Total (3)		**-**	**-**	**316.25**	**(316.25)**	**-**	**316.25**
Total	**Stage 1**	**5,70,963.63**	**5,73,191.99**	**6,323.24**	**5,66,877.62**	**6,127.58**	**186.79**
	Stage 2	**11,310.98**	**11,559.78**	**178.48**	**11,381.30**	**345.23**	**(157.88)**
	Stage 3	**1,384.75**	**1,384.75**	**707.98**	**676.77**	**694.73**	**13.25**
	Total	**5,83,659.36**	**5,86,136.52**	**7,209.70**	**5,78,935.69**	**7,167.54**	**42.16**

(₹ in Crores)

For the Year ended 31st March 2025 Asset Classification as per RBI Norms	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
(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**
		-	-	-	-	-	-
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 (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	8,008.70	8,008.70	18.48	7,990.22	-	18.48
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
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**	**1939.16**

Notes to Accounts

(X) There has been no divergence in Asset Classification and Provisioning assessed during last annual inspection conducted by the RBI for the FY 2024-25 vis-à-vis as reported by the company (Nil for FY 2023-24).

49.2 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. Further, the Company has implemented a Board-approved Contingency Funding Plan ("CFP"), which provides a structured framework of early warning indicators, alternative funding sources and escalation procedures to manage liquidity under severe stress scenarios, in line with the applicable regulatory guidelines.

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 and, wherever required, may use measures envisaged under the CFP to supplement routine liquidity management under stressed conditions.

Notes to Accounts

49.2.1 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 31st March 2026	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	-	-	3,435.04	2,016.12	8,717.90	9,839.93	22,905.08	71,472.40	59,917.03	92,074.08	2,70,377.58
- Interest	-	-	1,639.51	1,787.54	3,797.83	3,182.33	7,984.05	28,876.39	19,924.39	30,507.92	97,699.96
Other Borrowings											
- Principal	359.01	245.30	646.40	1,618.00	2,500.00	625.00	5,920.48	41,849.87	25,140.96	870.39	79,775.41
- Interest	317.15	-	210.55	364.59	753.95	1,088.72	2,371.49	7,394.34	2,059.74	33.45	14,593.98
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	2,151.20	1,999.50	5,085.00	9,235.70
- Interest	-	-	159.60	-	156.83	87.53	406.99	1,625.53	1,216.58	1,380.10	5,033.16
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	4,732.72	3,786.17	16,034.90	6,356.17	159.98	31,069.93
- Interest	-	199.11	-	-	-	381.53	528.05	1,323.99	106.07	10.53	2,549.28
Other Borrowings											
- Principal	1,988.20	1,419.81	-	198.03	-	5,679.26	14,252.08	51,203.33	39,154.02	1,424.07	1,15,318.80
- Interest	12.43	24.68	85.50	161.94	465.96	1,069.51	1,684.63	4,441.44	1,474.18	88.78	9,509.05
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	-	2.28	168.88	198.35	396.64	766.15
Currency derivatives	204.10	100.14	-	-	-	-	-	794.88	83.89	-	1,183.01

Notes to Accounts

(₹ in Crores)

As at 31st 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

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:

(₹ in Crores)

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
As at 31st March 2026											
Principal	2,247.20	153.83	5,342.02	4,780.28	6,734.97	19,686.23	41,447.00	1,27,443.21	1,09,244.51	2,59,686.65	5,76,765.91
Interest	2,412.93	42.72	1,548.01	3,828.06	6,259.67	13,417.63	25,190.65	84,474.72	60,475.48	1,16,520.27	3,14,170.15
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

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.

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49.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)

As at 31st March 2026	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
Loan Assets	3,169.40	1,075.33	6,414.96	4,861.22	6,758.51	19,667.00	41,406.51	1,27,318.72	1,09,137.80	2,59,433.62	5,79,243.08
Investments	9.15	51.73	-	-	9.15	50.80	111.40	2,324.32	1,156.93	6,085.96	9,799.43
Rupee Borrowings											
Debt Securities	-	-	4,609.33	3,432.59	11,415.53	11,565.39	24,675.12	71,432.52	59,835.01	91,946.79	2,78,912.28
Other Borrowings	359.01	245.30	804.21	1,618.00	2,581.28	625.00	6,083.50	41,849.44	25,140.96	870.39	80,177.09
Subordinated Liabilities	-	-	146.92	-	126.46	43.88	16.09	2,098.38	1,915.72	5,079.29	9,426.74
Foreign Currency Borrowings											
Debt Securities	-	-	-	-	-	4,731.12	4,060.87	15,842.90	6,322.56	159.74	31,117.19
Other Borrowings	2,006.15	1,420.50	60.14	326.70	175.57	5,920.74	14,199.19	50,825.61	38,779.88	1,424.08	1,15,138.55

(₹ in Crores)

As at 31st 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
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

Notes to Accounts

49.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Expiring within one year		
- Fixed rate	-	-
- Floating rate	12,936.63	14,291.72
Expiring beyond one year		
- Fixed rate	-	-
- Floating rate	1,199.67	1,222.19

49.2.4 Additional Disclosures in accordance with Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 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 31-03-2026	As at 31-03-2025
Number of significant counterparties*	15	15
Amount (₹ in Crore)	2,45,808.46	2,40,439.89
% of Total Liabilities	44.31%	44.87%

(ii) Top 10 borrowings

	Particulars	Amount (₹in Crores)	% of Total borrowings
	As at 31-03-2026		
1	Term Loan from HDFC Bank	17,850.00	3.53%
2	54EC- Series XVI (2022-23)	12,152.39	2.40%
3	54EC- Series XVII (2023-24)	11,419.07	2.26%
4	Foreign Currency Borrowings- US $1175 Mn	11,121.88	2.20%
5	Term Loan from State Bank of India	10,197.00	2.02%
6	Term Loan from Government of India- National Small Savings Fund (NSSF)	10,000.00	1.98%
7	Term Loan from Union Bank of India	9,999.40	1.98%
8	Term Loan from ICICI Bank	8,583.00	1.70%
9	Term Loan from Punjab National Bank	8,299.10	1.64%
10	54EC- Series XVIII (2024-25)	7,634.21	1.51%
	Total	**1,07,256.05**	**21.21%**

	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	54EC- Series XVIII (2024-25)	7,038.86	1.44%
9	Foreign Currency Bond - US $ 750 Mn	6,418.61	1.31%
10	Term Loan from ICICI Bank	5,533.00	1.13%
	Total	**96,743.48**	**19.81%**

Notes to Accounts

(iii) Funding Concentration based on significant instrument/ product

	Name of significant instrument/ product*	As at 31-03-2026		As at 31-03-2025	
		Amount (₹ in Crore)	% of Total Liabilities	Amount (₹ in Crore)	% of Total Liabilities
1	**Debt Securities**				
	Institutional Bonds	2,12,114.09	38.23%	2,00,803.29	37.47%
	54EC Capital Gain Tax Exemption Bonds	43,696.38	7.88%	43,831.57	8.18%
	Foreign Currency Bonds	31,069.93	5.60%	28,286.04	5.28%
	Tax Free Bonds	8,592.77	1.55%	8,998.71	1.68%
	Sub-Total (1)	**2,95,473.17**	**53.26%**	**2,81,919.61**	**52.61%**
2	**Borrowings (Other than Debt Securities)**				
	Foreign Currency Borrowings	1,07,178.07	19.32%	94,571.40	17.65%
	Term Loans from Banks	64,406.69	11.61%	41,879.47	7.81%
	Term Loans from Government of India (NSSF)	10,000.00	1.80%	10,000.00	1.87%
	FCNR (B) Loans	8,140.73	1.47%	43,181.96	8.06%
	Loans repayable on demand from Banks	-	-	1,600.00	0.30%
	Term Loans from Financial Institutions	-	-	2,500.00	0.47%
	Sub-Total (2)	**1,89,725.49**	**34.20%**	**1,93,732.83**	**36.16%**
3	**Subordinated Liabilities**	**9,235.70**	**1.66%**	**9,235.70**	**1.72%**
	Total (1+2+3)	**4,94,434.36**	**89.12%**	**4,84,888.14**	**90.49%**

**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 31-03-2026				As at 31-03-2025			
	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	3,000.00	0.59%	0.54%	0.47%	-	-	-	-
Other Short-Term liabilities	11,763.66	2.33%	2.12%	1.84%	54,769.14	11.22%	10.22%	8.93%

(v) Refer Note 49.2 for institutional set-up for management of liquidity risk in the Company.

(vi) Liquidity Coverage Ratio (LCR)

Reserve Bank of India, vide its Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of ₹5,000 crore or more. 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,

(i) 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.

(ii) 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.

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and majorily 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 AAA/AA Corporate bonds are the highest proportion of HQLA followed by Government Securities and auto swap balances. The position of HQLA holding is as follows:

HQLA Items	As at 31-03-2026	As at 31-03-2025
	% of Overall	% of Overall
Assets without Haircut	**40.06%**	**39.79%**
- G-Sec and SDLs	40.06%	39.79%
Assets with 15% Haircut	**59.94%**	**59.96%**
- Corporate Bonds	59.94%	59.96%
Assets with 50% Haircut	**0.00%**	**0.25%**
-Corporate Bonds	0.00%	0.25%
Total	**100%**	**100%**

Notes to Accounts

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 30-09-2025		Quarter ended 30-06-2025		Quarter ended 31-12-2025		Quarter ended 31-03-2026		Quarter ended 31-03-2025			
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	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)	**5,764.13**	**5,115.38**	**4,665.40**	**4,222.93**	**5,686.72**	**5,046.84**	**6,481.91**	**5,846.84**	**4,648.08**	**4,214.07**		
- AA/AAA Corporate Bonds	4,281.85	3,633.10	2,902.95	2,460.48	4,251.34	3,613.64	4,233.79	3,598.72	2,846.51	2,412.51		
- G-SEC Bonds/ State Development Loans (SDLs)	1,482.28	1,482.28	1,603.71	1,603.71	1,203.02	1,203.02	2,248.12	2,248.12	1,593.99	1,593.98		
- Cash and Cash equivalents	-	-	158.74	158.74	232.36	232.36	-	-	207.58	207.58		
Cash Outflows												
Other contractual funding obligations	6,583.90	7,571.00	9,965.76	11,461.00	10,660.93	12,260.00	10,461.36	12,031.00	9,573.09	11,009.00		
Other contingent funding obligations	389.87	448.00	374.74	431.00	486.24	559.00	401.60	462.00	197.53	227.00		
Total Cash Outflows	**6,973.77**	**8,019.00**	**10,340.50**	**11,892.00**	**11,147.17**	**12,819.00**	**10,862.96**	**12,493.00**	**9,770.62**	**11,236.00**		
Cash Inflows												
Inflows from fully performing exposures	13,867.72	10,401.00	13,493.19	10,120.00	13,867.72	10,401.00	11,567.09	8,675.00	14,246.58	10,685.00		
Other cash inflows	12,785.03	9,589.00	10,155.62	7,617.00	19,287.57	14,466.00	15,679.15	11,759.00	16,202.92	12,152.00		
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	**26,652.75**	**6,014.25**	**23,648.81**	**8,919.00**	**30,858.38**	**9,614.25**	**27,246.24**	**9,369.75**	**30,449.50**	**8,427.00**		
Total Adjusted Value												
Total HQLA (A)		**5,115.38**		**4,222.93**		**5,049.02**		**5,846.84**		**4,214.07**		
Total Net Cash Outflows (B)		**2,004.75**		**2,973.00**		**3,204.75**		**3,123.25**		**2,809.00**		
Liquidity Coverage Ratio (A / B)		**255.16%**		**142.04%**		**157.55%**		**187.20%**		**150.02%**		
% Variance (from previous period)		**80%**		**-5%**		**-38%**		**19%**				

** For average daily observation during the respective quarter has been considered.*

*** The average holding of HQLA during the year has been above the regulatory requirement of 100%. This has been due to increase in HQLA Investment securities and decrease in the net cash outflow.*

Notes to Accounts

49.3 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, Chief Risk Officer (CRO) and Executive Directors 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 swap 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 2026 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹crores)

Currency	As at 31-03-2026			As at 31-03-2025		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD $	11,301.34	11,186.71	114.63	14,904.99	14,832.24	72.75
INR Equivalent	1,06,972.02	1,05,886.99	1,085.03	1,27,559.03	1,26,936.40	622.63
JPY ¥	5,11,117.97	5,11,117.97	-	5,55,865.90	5,55,865.90	-
INR Equivalent	30,283.74	30,283.74	-	31,545.39	31,545.39	-
EURO €	693.97	604.02	89.95	604.02	604.02	-
INR Equivalent	7,564.71	6,584.25	980.46	5,576.63	5,576.63	-
SGD $	213.21	213.21	-	213.21	213.21	-
INR Equivalent	1,568.26	1,568.26	-	1,358.36	1,358.36	-
Total INR Equivalent	**1,46,388.73**	**1,44,323.24**	**2,065.49**	**1,66,039.41**	**1,65,416.78**	**622.63**

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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Favorable	Adverse	Favorable	Adverse
USD/INR	40.60	(40.60)	23.30	(23.30)
JPY/INR	-	-	-	-
EUR/INR	36.68	(36.68)	-	-

** Holding all other variables constant*

49.4 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 2026 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹crores)

Currency	As at 31-03-2026			As at 31-03-2025		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	64,406.69	-	64,406.69	44,379.47	-	44,379.47
USD $	8,041.29	6,986.66	1,054.63	8,166.15	7,533.40	632.75
INR Equivalent	76,114.26	66,131.72	9,982.54	69,887.05	64,471.86	5,415.19
JPY ¥	4,40,642.36	4,40,642.36	-	4,85,390.31	4,51,161.24	34,229.07
INR Equivalent	26,108.06	26,108.06	-	27,545.90	25,603.40	1,942.50
EURO €	693.97	-	693.97	604.02	-	604.02
INR Equivalent	7,564.71	-	7,564.71	5,576.63	-	5,576.63
SGD $	213.21	-	213.21	213.21	-	213.21
INR Equivalent	1,568.26	-	1,568.26	1,358.36	-	1,358.36
Total INR Equivalent	**1,75,761.98**	**92,239.78**	**83,522.20**	**1,48,747.41**	**90,075.26**	**58,672.15**

Notes to Accounts

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 ₹11,995.70 crore as on 31st March 2026 (Previous year ₹13,955.70 Crore) 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 31-03-2026	As at 31-03-2025
Rupee Loans	5,64,697.12	5,48,015.73

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 31-03-2026		As at 31-03-2025	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(312.51)	312.51	(219.53)	219.53
Interest Rate Swaps	(44.88)	44.88	(52.37)	52.37
Floating/ semi-fixed Rate Loan Assets	2,112.87	(2,112.87)	2,050.46	(2,050.46)

** Holding all other variables constant*

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

49.4.1 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, 2026 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31-03-2026		As at 31-03-2025	
	Amount (₹in Crores)	Amount (USD Mn Equivalent)	Amount (₹in Crores)	Amount (USD Mn Equivalent)
3M Term SOFR	1,893.09	200.00	4,365.53	510.10
6M Term SOFR	8,389.10	886.29	8,611.65	1,006.25
Overnight SOFR	65,832.07	6,955.00	56,909.87	6,649.79
3M EURIBOR	2,770.88	292.74	2,346.84	274.22
6M EURIBOR	4,793.83	506.46	3,229.79	377.39
Overnight TONA	26,108.06	2,758.25	27,545.90	3,218.68
Overnight SORA	1,568.26	165.68	1,358.36	158.72
Total	**1,11,355.29**	**11,764.42**	**1,04,367.94**	**12,195.15**

49.5 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:

(i) 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.

(ii) For other interest rate swaps (in cases of late designation), the Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

(iii) For option structures, 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.

Notes to Accounts

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

As at 31st March 2026		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 13,556.76	12,535.48	20.30	Apr 2026 - May 2034	1:1	83.20	4,463.59	(4,463.59)
		EUR 1,208.05	1,303.02	-	Nov 2027 - Mar 2028	1:1	85.86	569.83	(569.83)
		JPY 9,84,729.20	3,594.27	462.13	Mar 2027 - Jan 2034	1:1	0.56	(1,136.08)	1,136.08
		SGD 426.42	401.43	-	Oct-27	1:1	58.26	150.05	(150.05)
(ii)	Principal only swaps	USD 300.00	372.95	-	Jun-30	1:1	75.55	264.29	(264.29)
(iii)	Cross Currency Swaps	USD 2,620.05	460.35	572.52	Apr 2026 - Dec 2030	1:1	4.48%	(1,781.82)	1,781.82
		SGD 213.21	-	128.06	Oct-27	1:1	1.68%	(68.95)	68.95
(iv)	Interest rate swaps	USD 6,866.66	508.12	89.31	Aug 2026 - May 2034	1:1	3.22%	602.57	(602.57)
		JPY 4,40,637.76	558.35	-	March 2027- Mar 2030	1:1	1.53%	248.24	(248.24)
		INR 55,280.00	-	512.38	Aug 2028 - Sep 2034	1:1	8.44%	(456.27)	456.27

(₹ in Crores)

As at 31st 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 20,931.08	10,539.15	98.61	Apr 2025 - May 2034	1:1	85.02	810.21	(810.21)
		EUR 1,208.05	733.20	-	Oct 2027 - Mar 2028	1:1	82.39	53.73	(53.73)
		JPY 10,63,706.18	4,573.26	203.25	Sep 2025 - Jan 2034	1:1	0.56	(1,211.19)	1,211.19
		SGD 426.419	251.39	-	Oct-27	1:1	58.26	18.78	(18.78)
(ii)	Principal only swaps	USD 375.00	87.12	-	Apr 2025 - Jun 2030	1:1	75.41	(18.43)	18.43
(iii)	Cross Currency Swaps	USD 6,188.89	182.40	1,006.78	Apr 2025 - Jun 2029	1:1	2.78%	294.33	(294.33)
		SGD 213.21	-	77.47	Apr 2025 - Oct 2027	1:1	3.01%	17.55	(17.55)
(iv)	Interest rate swaps	USD 7,008.50	391.39	173.66	Apr 2025 - May 2034	1:1	3.25%	149.95	(277.79)
		JPY 4,51,156.76	263.86	8.42	Sep 2025 - Mar 2030	1:1	1.51%	194.73	(58.81)
		SGD -	-	-	Matured in March 2025	1:1	0.00%	(15.09)	(58.81)
		INR 55,280.00	-	25.39	Jun 2025 - Sep 2034	1:1	8.44%	(10.41)	10.40

Notes to Accounts

(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 31-03-2026				
-Currency risk and interest rate risk	2,855.45	-	(12,955.28)	Net translation/ transaction exchange loss/ (gain)
			3,900.99	Finance cost
			731.39	Net (Gain)/ loss on Fair Value Changes
Year ended 31-03-2025				
-Currency risk and interest rate risk	284.16	-	(4,076.86)	Net translation/ transaction exchange loss/ (gain)
			1,796.86	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Effective portion of Cash Flow Hedges		
Opening Balance	**(931.35)**	**(1,846.93)**
Changes in intrinsic value of currency derivatives	7,093.15	7,304.05
Changes in fair value of interest rate swaps	443.33	305.62
Amounts reclassified to profit or loss	(13,960.87)	(6,386.16)
Deferred tax relating to above (net)	1,616.88	(307.94)
Closing Balance	**(5,738.86)**	**(931.35)**
Costs of hedging reserve		
Opening Balance	**(718.46)**	**1690.64**
Change in deferred time value of foreign currency option structures	(4,681.03)	(7,325.51)
Amortisation of time value	5,637.98	4,106.16
Deferred tax relating to above (net)	(240.86)	810.26
Closing Balance	**(2.36)**	**(718.46)**

(d) Fair Value Hedges

At 31st March 2026, Company has outstanding interest rate swap agreements of ₹11,995.70 crore (Previous year ₹13,995.70 Crore) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

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 31-03-2026	- Interest rate swap	11,995.70	(131.95)	Derivative financial instruments	(123.03)
As at 31-03-2025	- Interest rate swap	13,995.70	(8.92)	Derivative financial instruments	212.41

** Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.*

The impact of the hedged item on the balance sheet is as follows:

(₹ in 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 31-03-2026	- Subordinated Liabilities	4,142.68	(135.18)	Subordinated Liabilities	(87.81)
	- Institutional bonds	7,957.86	3.23	Debt Securities- Institutional Bonds	(35.22)
As at 31-03-2025	- Subordinated Liabilities	4,230.16	(47.37)	Subordinated Liabilities	96.40
	- Institutional bonds	10,012.46	38.45	Debt Securities- Institutional Bonds	116.01

The decrease in fair value of the interest rate swap of ₹123.03 crore (Previous year (-) ₹212.41 Crore) has been offset with a similar gain/loss on the respective subordinated liabilities and debt securities.

Notes to Accounts

49.6 Market Risk - Price risk

The Company is exposed to price risks arising from investments in quoted equity instruments. 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 31-03-2026		As at 31-03-2025	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	4.00	(4.00)	4.30	(4.30)
Impact on Profit and Loss account (PL)	3.50	(3.50)	4.53	(4.53)

50 Additional Disclosures in respect of derivatives

50.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	The notional principal of swap agreements	1,09,843.89	1,11,154.86
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,293.44	1,065.66
(iii)	Collateral required by the NBFC upon entering into swaps	Refer Note 1 Below	Refer Note 1 Below
(iv)	Concentration of credit risk arising from the swaps	Refer Note 2 Below	Refer Note 2 Below
(v)	The fair value of the swap book	527.30	781.71

1. *Company is covered under RBI Master Directions (Margining for Non- Centrally Cleared OTC Derivatives), 2024 and places the required collateral in accordance with the provisions of the said Directions*

2. *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 with in the credit risk limit defined in the Board approved Risk Management Policy.*

50.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives.

50.3 Quantitative Disclosures

(₹ in Crores)

	Particulars	Currency Derivatives *		Interest Rate Derivatives **	
		As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
(i)	Derivatives (Notional Principal Amount)				
	For hedging	2,33,636.78	3,11,527.33	1,09,843.89	1,11,154.86
(ii)	Marked to Market Positions				
a)	Asset (+)	18,667.50	16,366.52	1,293.44	1,065.66
b)	Liability (-)	1,183.01	1,386.11	766.14	283.95
(iii)	Credit Exposure	19,668.87	12,527.27	1,053.89	1,237.73
(iv)	Unhedged Exposures	2,065.49	622.63	N.A.	N.A.

** Includes Hedging of loan liabilities via multi-leg cross-currency derivatives, that has resulted in multiple recognition of derivative exposure amounting to ₹89,313.54 crore (as at 31.03.2025 ₹1,46,110.55 Crore)*

*** Includes Interest Rate Derivatives on rupee liabilities of ₹16,995.70 crore as at 31.03.2026 (as at 31.03.2025 ₹20,695.70 crore).*

50.4 Refer Note No. 49.3 and 49.4 for Qualitative disclosures on Derivatives and Note No. 49.5 for disclosures related to Hedge Accounting.

51. RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 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 "RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions on November 28, 2025. The Company being a government company, is categorised as NBFC – Middle Layer and is subject to the guidelines / regulation as applicable for NBFC-Middle Layer.

52. 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 of frauds (Previous year Nil) reported during the year.

Notes to Accounts

53. 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.

53.1 Exposure to Real Estate Sector

The Company has no direct or indirect exposure to real estate sector as at 31st March 2026 (As at 31st March 2025 Nil).

53.2 Exposure to Capital Market

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in optionally convertible preference shares)	383.70	477.52
(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	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds	-	-
	Total Exposure to Capital Market	**383.70**	**477.52**

53.3 Sectoral Exposure

(₹ in Crores)

Sectors	As at 31-03-2026					As at 31-03-2025				
	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	5,67,317.03	2,904.99	5,70,222.02	1,384.75	0.24%	5,54,253.37	3,403.34	5,57,656.70	7,652.65	1.37%
- Infrastructure and Logistic	22,610.12	134.96	22,745.08	-	-	20,638.62	140.55	20,779.18	-	-
Total Exposure	**5,89,927.15**	**3,039.95**	**5,92,967.10**	**1,384.75**	**0.23%**	**5,74,891.99**	**3,543.89**	**5,78,435.88**	**7,652.65**	**1.32%**

Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)

53.4 Intra-Group Exposures

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(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	-	-

53.5 The company does not have any financing of Parent Company products during the current and previous year.

53.6 Concentration of Advances, Exposures and Credit-impaired Assets

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	**Concentration of Advances**		
	Total Advances to twenty largest borrowers (₹ in Crore)	3,41,066.00	3,26,580.55
	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	58.44%	57.61%
(ii)	**Concentration of Exposures***		
	Total Exposure to twenty largest borrowers (₹ in Crore)	3,42,754.48	3,29,045.94
	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	57.80%	56.89%
(iii)	**Concentration of Credit-impaired Assets**		
	Total Outstanding to top four Credit-impaired Assets (₹ in Crore)	1,384.75	6,175.48
	Total Exposure to the top four Credit-impaired Assets (₹ in Crore)	1,384.75	6,175.48

** Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)*

54. 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 31-03-2026	As at 31-03-2025
	Financial assets measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	19,733.97	17,021.77
(ii)	Fair value through profit and loss (FVTPL)	8	226.97	410.41
	Investments* measured at			
(i)	Fair value through other comprehensive income (FVOCI)	11	313.62	386.80
(ii)	Fair value through profit and loss (FVTPL)	11	1,025.56	1,058.80
	Financial assets measured at amortised cost			
	Cash and cash equivalents	6	45.36	54.69
	Bank balances (other than cash and cash equivalents)	7	881.52	1,695.15
	Trade and Other Receivables	9	3.87	1.99
	Loan Assets	10	5,79,243.08	5,59,088.08
	Investments *#	11	8,460.15	5,195.92
	Other financial assets	12	24,552.10	24,603.68
	Total		**6,34,486.20**	**6,09,517.29**
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	1,784.70	1,593.58
(ii)	Fair value through profit and loss (FVTPL)	8	164.45	76.48
	Financial liabilities measured at amortised cost			
	Trade Payable	19	24.10	34.60
	Debt securities	20	3,10,029.49	2,92,474.93
	Borrowings (other than debt securities)	21	1,95,315.61	1,94,300.16
	Subordinated liabilities	22	9,426.75	9,514.16
	Other financial liabilities	23	37,104.44	37,524.66
	Total		**5,53,849.53**	**5,35,518.57**

** 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.

54.1 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].

Notes to Accounts

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 31-03-2026				As at 31-03-2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments*	80.03	-	233.59	313.62	86.06	-	300.74	386.80
Investments at FVTPL								
Equity investments	69.98	-	-	69.98	90.62	-	-	90.62
Perpetual Bonds	-	955.58	-	955.58	-	968.18	-	968.18
Debentures	-	-	-	-	-	-	-	-
Preference Shares**	-	-	-	-	-	-	-	-
Assets at FVOCI								
Derivative financial instruments	-	19,733.97	-	19,733.97	-	17,021.77	-	17,021.77
Assets at FVTPL								
Derivative financial instruments	-	226.97	-	226.97	-	410.41	-	410.41
Liability at FVOCI								
Derivative financial instruments	-	1,784.70	-	1,784.70	-	1,593.58	-	1,593.58
Liability at FVTPL								
Derivative financial instruments	-	164.45	-	164.45	-	76.48	-	76.48

** includes investments in Universal Commodity Exchange Ltd of ₹16.00 Crore, fair valued at Nil*

*** represents investments in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of RattanIndia Power Limited of ₹43.30 Crore, fair valued at Nil*

Valuation Techniques for fair value disclosures (Level 1, Level 2 and Level 3)

(A) Investment in Quoted Equity /Invit Investments - Level 1 - Investment in listed equity instruments of NHPC Limited, RattanIndia Power Limited and Units of Raajmarg Infra Investment Trust-2026 Invit 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 2 - 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. During the current financial year, investment made by Company in Energy Efficiency Services Limited (EESL) has been valued at Net Asset Value method against the Comparable Companies Multiple method, due to factors affecting the operational performance of EESL.

(F) Investment in Unquoted Equity of Jhabua Power Limited (JPL), JSW Energy (Utkal) Limited (JSWEUL), KSK Mahanadi Limited and TRN Energy Private Limited - Level 3 - Investment in unquoted equity shares of JPL and IBEUL are classified as Level 3. The company has been alloted 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 alloted 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 alloted 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.

Notes to Accounts

(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 alloted 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.

(J) Investment in Optionally Convertible Debentures (OCD) Series A / B of TRN Energy Private Limited- Level 3 - Investment in unquoted Optionally Convertible Debentures (OCD) Series A / B of TRN Energy Private Limited are classified as Level 3, which have been alloted 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.

54.2 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 31st March 2026				
	FVTPL[ii]			FVOCI[iii]	Total
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	**968.18**	**-**	**-**	**300.74**	**1,268.92**
Received in Loan Settlement *(Refer Note 11.4)*	-	-	-	-	-
Investment/ (Settlement)	-	-	-	-	0.00
Transfer in Level 3	-	-	-		-
Transfer from Level 3	968.18	-	-	-	968.18
Interest income [i]	-	-	-		-
Fair value changes	-	-	-	(67.15)	(67.15)
Closing Balance	**-**	**-**	**-**	**233.59**	**233.59**
Unrealised gain/ (loss) at year-end	**-**	**-**	**-**	**(83.14)**	**(83.14)**

(₹ in Crores)

Particulars	For the Year ended 31st 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 11.4)*	-	-	-	-	-
Investment/ (Settlement)	-	-	(347.93)	-	(347.93)
Transfer in Level 3	-	-	-		-
Transfer from Level 3	-	-	-	-	-
Interest income [i]	20.24	-	230.84	-	251.08
Fair value changes	-	-	-	(15.99)	(15.99)
Closing Balance	**968.18**	**-**	**-**	**300.74**	**1,268.92**
Unrealised gain/ (loss) at year-end	**20.25**	**-**	**-**	**(15.99)**	**4.26**

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 Reedemable Prefernce Shares of RattanIndia Power Limited of ₹43.30 Crore, 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.

54.3 There were no transfers between Level 1 and Level 2 during the year.

54.4 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 31-03-2026		As at 31-03-2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	45.36	45.36	54.69	54.69

Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Carrying value	Fair value	Carrying value	Fair value
Bank balances (other than cash and cash equivalents)	881.52	881.52	1,695.15	1,695.15
Trade and Other Receivables	3.87	3.87	1.99	1.99
Loans	5,79,243.08	5,83,693.47	5,59,088.08	5,59,417.16
Investments	8,460.15	8,623.11	5,195.92	5,438.99
Other financial assets	24,552.10	24,551.41	24,603.68	24,603.17
Total	**6,13,186.08**	**6,17,798.74**	**5,90,639.51**	**5,91,211.15**
Financial liabilities				
Debt securities	3,10,029.49	2,99,858.46	2,92,474.93	2,91,142.61
Borrowings (other than debt securities)	1,95,315.61	1,95,189.20	1,94,300.16	1,94,412.84
Subordinated liabilities	9,426.75	9,427.91	9,514.16	9,710.47
Trade and other payables	24.10	24.10	34.60	34.60
Other financial liabilities	37,104.44	37,104.44	37,524.66	37,524.66
Total	**5,51,900.38**	**5,41,604.11**	**5,33,848.51**	**5,32,825.18**

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 2026 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 and pledging as Initial Margin as per RBI guidelines. The Company has computed the fair value using discounted cash flow (DCF) method i.e adding the accrued interest from last coupon date to the reporting date.

Investment in PSU Bonds

The Company has made investments in PSU Bonds in order to maintain sufficient High Quality Liquid Assets and pledging as Initial Margin 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.

Notes to Accounts

55. 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 2026 (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.

56. Related Party Disclosures:

56.1 List of Related Parties

(1)	**Key Managerial Personnel**	
	Sh. Jitendra Srivastava	Chairman & Managing Director (Appointed w.e.f. 22nd April, 2025)
	Smt. Parminder Chopra	Chairman & Managing Director (Appointed w.e.f. 21st March, 2025 and Ceased w.e.f 22nd April, 2025)
	Sh. Thangrajan Subash Chandira Bosh	Director-Projects (Appointed w.e.f. 3rd October, 2025)
	Sh. Rajesh Kumar	Director-Finance (Appointed w.e.f. 2nd April, 2026) and Executive Director- Finance (Designated as KMP Ceased w.e.f. 2nd April, 2026)
	Sh. V.K. Singh	Director-Projects (Ceased w.e.f. 1st July, 2025)
	Sh. Harsh Baweja	Director-Finance (Ceased w.e.f. February 1, 2026)
	Sh. Shashank Misra	Government Nominee Director
	Sh. Manoj Sharma	PFC Nominee Director (Ceased w.e.f. 1st April, 2026)
	Sh. Rajeev Ranjan Jha	PFC Nominee Director (Appointed w.e.f. 06th April, 2026)
	Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director (Ceased w.e.f. 03rd March, 2026)
	Dr. Gambheer Singh	Part Time Non-Official Independent Director (Appointed w.e.f. 17th April, 2025 and ceased w.e.f. 16th April, 2026)
	Dr. Durgesh Nandini	Part Time Non-Official Independent Director (Appointed w.e.f. 17th April, 2025 and ceased w.e.f. 16th April, 2026)
	Sh. J.S. Amitabh	Executive Director & Company Secretary (Ceased w.e.f. 01st December, 2025)
	Sh. M. L. Kumawat	Executive Director- Finance (Designated as KMP w.e.f. 09th April, 2026)
	Sh. Dinesh Garg	GM & Company Secretary (Appointed w.e.f. 01st December, 2025)
(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	Incorporated on 14th Mar 2018
	Koderma Transmission Limited	Incorporated on 19th Mar 2018
	Dumka Transmission Limited	Incorporated on 23th Mar 2018
	Mandar Transmission Limited	Incorporated on 26th Mar 2018
	Luhri Power Transmission Limited	Incorporated on 28th Oct 2022
	Shongtong Power Transmission Limited	Incorporated on 14th Jun 2023
	Kankani Power Transmission Limited	Incorporated on 18th Dec 2023
	Tuticorin Power Transmission Limited	Incorporated on 05th Nov 2024
	WRNES Talegaon Power Transmission Limited	Incorporated on 16th Nov 2024 and Transferred on 30th May 2025
	RAJGARH III Power Transmission Limited	Incorporated on 24th Dec 2024 and Strike off on 20th Jan 2026
	Jejuri Hinjewadi Power Transmission Limited	Incorporated on 28th Mar 2025 and Transferred on 9th Jan 2026
	Velgaon Power Transmission Limited	Incorporated on 29th Mar 2025 and Transferred on 9th Jan 2026
	Mekhali Power Transmission Limited	Incorporated on 20th May 2025
	Sharavathi Power Transmission Limited	Incorporated on 20th May 2025
	Hampapura Power Transmission Limited	Incorporated on 20th May 2025
	Ryapte Power Transmission Limited	Incorporated on 21st May 2025
	Robertsganj Power Transmission Limited	Incorporated on 28th May 2025
	Rajgarh Neemuch Power Transmission Limited	Incorporated on 17th Jun 2025 and Transferred on 29th Sep 2025
	Ananthapuram II Power Transmission Limited	Incorporated on 26th Jun 2025 and Transferred on 17th Oct 2025
	Davanagere Power Transmission Limited	Incorporated on 26th Jun 2025 & Transferred on 24th Sep 2025
	Jalna Power Transmission Limited	Incorporated on 29th Jun 2025
	SR WR Power Transmission Limited	Incorporated on 01st Jul 2025 and Transferred on 17th Oct 2025
	Sakoli Power Transmission Limited	Incorporated on 07th Jul 2025

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	Umred Power Transmission Limited	Incorporated on 07th Jul 2025 and Transferred on 26th Feb 2026
	Bellary Davanagere Power Transmission Limited	Incorporated on 25th Sep 2025 and Transferred on 12th Feb 2026
	Kempegowda Power Transmission Limited	Incorporated on 30th Sep 2025
	Barmer HVDC Power Transmission Limited	Incorporated on 30th Sep 2025
	WR ER Part A Power Transmission Limited	Incorporated on 06th Nov 2025
	WR ER Part C Power Transmission Limited	Incorporated on 06th Nov 2025
	Balsane Power Transmission Limited	Incorporated on 18th Dec 2025
	Ambernath Power Transmission Limited	Incorporated on 19th Dec 2025
	Musalgaon Power Transmission Limited	Incorporated on 20th Dec 2025
	Dholpur Power Transmission Limited	Incorporated on 23rd Dec 2025
	Jaisalmer Power Transmission Limited	Incorporated on 23rd Dec 2025
	Apta Power Transmission Limited	Incorporated on 24th Dec 2025
	Ranipur Chunar Power Transmission Limited	Incorporated on 26th Dec 2025
	Munak Power Transmission Limited	Incorporated on 05th Jan 2026
	Vizag Power Transmission Limited	Incorporated on 16th Feb 2026
(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-(Appointed w.e.f. April 17, 2025)
(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
	Sh. Rajiv Ranjan Jha	Director (Projects)
	Sh. Manoj Sharma	Director (Commercial) (Ceased w.e.f. 1st April, 2026)
	Sh. Sandeep Kumar	Director (Finance) (Ceased w.e.f. 1st April, 2026)
	Sh. Shashank Misra	Government Nominee Director
	Shri. Sudhir Mehta	Part Time Non-Official Independent Director (Appointed w.e.f. 14th May 2025)
	Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director (Appointed w.e.f. 13th May 2025 and Ceased w.e.f. 2nd Apr 2026)
	Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director (Appointed w.e.f. 17th Apr 2025 and Ceased w.e.f. 18th April, 2026)
	Sh. Prasanna Tantri	Part Time Non-Official Independent Director (Appointed w.e.f. 17th Apr 2025 and Ceased w.e.f. 18th April, 2026)
	Sh. Naresh Dhanrajbhai Kella	Part Time Non-Official Independent Director (Appointed w.e.f. 17th Apr 2025 and Ceased w.e.f. 18th April, 2026)
	Mr. Manish Kumar Agarwal	Company Secretary
(b)	**Subsidiary Companies of Holding Company**	
	PFC Consulting Limited (PFCCL)	
	PFC Projects Limited	
	PFC Infra Finance IFSC Limited	
(c)	**Associates of Holding Company**	
	Deoghar Mega Power Limited	Incorporated on 26th Apr 2002
	Orissa Integrated Power Limited	Incorporated on 24th Aug 2006
	Sakhigopal Integrated Power Company Limited	Incorporated on 21st May 2008 and Striked off on 09th Mar 2026
	Ghogarpalli Integrated Power Company Limited	Incorporated on 22st May 2008 and Striked off on 16th Mar 2026

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	Coastal Tamil Nadu Power Limited	Incorporated on 09th Jan 2007
	Cheyyur Infra Limited	Incorporated on 21st Jan 2014
	Odisha Infrapower Limited	Incorporated on 23rd Jan 2014 and Striked off on 23th Mar 2026
	Bihar Infrapower Limited	Incorporated on 30th Jun 2015
	Deoghar Infra Limited	Incorporated on 30th Jun 2015
	Bihar Mega Power Limited	Incorporated on 09th Jul 2015
	Jharkhand Infrapower Limited	Incorporated on 10th Dec 2015
	Chhatarpur Transmission Limited	Incorporated on 25th Jan 2022
	SIOT Transmission Limited	Incorporated on 27th Apr 2022
	Joda Barbil Transmission Limited	Incorporated on 20th Jun 2023
	Ramakanali B -Panagarh Transmission Limited	Incorporated on 21th Nov 2023
	Gola B -Ramgarh B Transmission Limited	Incorporated on 05th Dec 2023
	KPS III HVDC Transmission Limited	Incorporated on 18th Jan 2024 and Transferred on 12th Dec 2025
	Bhuj II Transmission Limited	Incorporated on 01st Mar 2024
	Angul Sundargarh Transmission Limited	Incorporated on 01st Mar 2024 and Transferred on 28th Jul 25
	Bhadla and Bikaner Complex Transmisssion Limited	Incorporated on 14th Oct 2024
	Wahipora and Sallar Transmission Limited	Incorporated on 11th Nov 2024
	Bhuj ICT Transmission Limited	Incorporated on 19th Nov 2024
	Kandla GHA Transmission Limited	Incorporated on 27th Nov 2024
	MEL Power Transmission Limited	Incorporated on 19th Nov 2024 and Transferred on 4th Jun 25
	Raghanesda RE Transmission Limited	Incorporated on 3rd Dec 2024 and Transferred on 23rd Jul 25
	NER Expansion Transmission Limited	Incorporated on 06th Dec 2024 and Transferred on 23rd Jul 25
	Kakinada I Transmission Limited	Incorporated on 20th Feb 2025
	NES Dharashiv Transmission Limited	Incorporated on 20th Mar 2025 and Transferred on 12th Mar 2026
	NES Navi Mumbai Transmission Limited	Incorporated on 20th Mar 2025
	NES Pune East New Transmission Limited	Incorporated on 29th Mar 2025 and Transferred on 12th Mar 2026
	Mandsaur I Re Transmission Limited	Incorporated on 16th Apr 2025 and Transferred on 08th Oct 25
	Vindhyachal Varanasi Transmission Limited	Incorporated on 16th Apr 2025 and Transferred on 16th Oct 25
	Morena I Sez Transmission Limited	Incorporated on 16th Apr 2025 and Transferred on 03rd Feb 26
	Wagdari Transmission Limited	Incorporated on 13th Jun 2025 and Transferred on 27th Mar 2026
	Kurnool IV REZ Power Transmission Limited	Incorporated on 13th Jun 2025
	Saswad Transmission Limited	Incorporated on 16th Jun 2025 and Transferred on 26th Feb 26
	SR And ER Power Transmission Limited	Incorporated on 22nd Aug 2025 and Transferred on 03rd Feb 26
	Tumkur II RE Transmission Limited	Incorporated on 24th Sep 2025
	South Kalamb Power Transmission Limited	Incorporated on 30th Sep 2025 and Transferred on 30th Mar 2026
	Alibag Power Transmission Limited	Incorporated on 08th Nov 2025
	Raigad Power Transmission Limited	Incorporated on 17th Nov 2025
	Nergs III Siang Basin Transmission Limited	Incorporated on 21st Nov 2025
	Latur REZ Transmission Limited	Incorporated on 10th Dec 2025

56.2 Amount due from/ to the related parties

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Power Finance Corporation Limited (PFC)		
Other Financial Assets / (Liabilities)	(0.42)	2.82
Other Financial Liabilities- Unpaid Dividend	-	498.96
REC Power Development and Consultancy Limited (RECPDCL)		
Debt Securities	45.44	45.44
Other Financial Assets	7.13	7.18
Employment Benefit Trusts/ Funds		
Debt Securities	2.00	3.00
Subordinated Liabilities	3.70	3.70

Notes to Accounts

Particulars	As at 31-03-2026	As at 31-03-2025
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions (payable) /recoverable	0.80	(3.26)
Other financial assets	46.42	34.78
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.63	0.13
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.15
REC Foundation		
Other non-financial assets (Advance to REC Foundation)	0.15	1.67

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 Nil (previous year ₹0.74 Crore) sanctioned to Key Managerial Personnel (KMP) under schemes applicable generally to the employees of the Company.

56.3 Maximum amount of loans/ advances/ investments outstanding during the year

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Power Finance Corporation Limited (PFC)		
Other Financial Assets / (Liabilities)	2.82	3.83
Other Financial Liabilities- Unpaid Dividend	498.96	623.70
REC Power Development and Consultancy Limited (RECPDCL)		
Debt Securities	45.44	45.44
Other Financial Asset- Loans & Advances to Subsidiaries	10.14	7.18
Investment	0.10	0.10
Employment Benefit Trusts/ Funds		
Debt Securities	3.00	3.00
Subordinated Liabilities	3.70	3.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.97	0.41
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.15
REC Foundation		
Other non-financial assets (Advance to REC Foundation)	22.86	11.31

56.4 Transactions with the related parties :

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Power Finance Corporation Limited (PFC)		
Dividend Paid	3,215.51	2,952.17
Directors' Sitting Fee	0.08	0.11
Apportionment of Other Expenses/Administrative Expenses	2.40	4.12
REC Power Development and Consultancy Limited (RECPDCL)		
Apportionment of Employee Benefit and Other Expenses	21.88	17.35
Dividend Income	53.04	90.63
Rental Income	3.05	2.22
Other Income	1.62	3.75
Finance Costs - Interest Paid	3.70	3.70
Other Expenses	0.04	0.62
Employment Benefit Trusts/ Funds		
Contributions made by the Company	12.64	11.40

Notes to Accounts

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Provision settled by the Company	3.26	-
Redemption of the bonds of Company	1.00	-
Finance Costs - Interest Paid	3.11	3.04
Subscription to the bonds of Company	-	1.00
Key Managerial Personnel (KMP)		
Recovery of Staff Loans & Advances	0.35	0.22
Interest Income on Staff Loans	0.02	0.05
Finance Costs - Interest Paid	0.00	0.00
Employee Benefits Expense - Managerial Remuneration	5.35	3.78
Directors' Sitting Fee	0.31	0.35
Dividend paid	0.02	0.02
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Finance Cost	0.01	0.01
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	154.60	268.00

56.5 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 uniformally 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.

56.6 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

(₹ in Crores)

	Particulars	Year ended 31.03.2026	Year ended 31.03.2025
(i)	Short-term employee benefits	3.73	3.48
(ii)	Post employment benefits	1.62	0.30
	Total	**5.35**	**3.78**

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.

56.7 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 Corp

Nabinagar Power Generating Co. Pvt. Limited

Neyveli Uttar Pradesh Power Limited

NTPC Tamil Nadu Energy Company Limited

Patratu Vidyut Utpadan Nigam Limited

SJVN Thermal Pvt. Limited

TUSCO Limited

HPCL Rajasthan Refinery Limited

SJVN Limited

Energy Efficiency Services Limited

Rashtriya Ispat Nigam Limited

Chenab Valley Power Projects Private Limited

Power Foundation of India

Notes to Accounts

Aggregate transactions with such government related entities are as under:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Dividend Income	2.00	1.98
Disbursement of Loans	6,021.60	7,113.40
Interest income recognised	2,563.39	2,526.56
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 31-03-2026	As at 31-03-2025
Loan Assets	26,677.29	31,796.82
LoU & LoC (Non Fund Based)	-	2.33
Interest Accrued	49.12	60.66

Refer Note No. 12, 21, 23, 33 and 46 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.

56.8 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 31-03-2026	As at 31-03-2025
Sanction of Letter of Undertaking	-	5.61
Sanction of Loan	-	119.71
Disbursement of Loan	-	33.51
Repayment of Loan	-	98.99

57. Disclosures in respect of Ind AS 116 'Leases'

During the year ended 31st March, 2026, the expenses relating to short-term leases are ₹16.41 crore (previous year ₹12.44 Crore). The total cash outflow towards all leases, including Right-of-Use Assets is ₹16.41 crore (previous year ₹12.44 Crore).

58. Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits':

58.1 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 ₹9.61 crore (previous year ₹11.08 crore) towards defined contribution plans.

58.2 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 :

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation	319.18	313.05
Fair Value of Plan Assets	323.51	317.40
Net Defined Benefit (Asset)/ Liability	(4.33)	(4.35)

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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**313.05**	**297.79**	**317.40**	**298.03**	**(4.35)**	**(0.24)**
Included in profit or loss						
Current service cost	11.93	11.10	-	-	11.93	11.10
Past service cost	-	-	-	-	-	-
Interest cost / income	25.23	24.01	25.37	24.17	(0.14)	(0.16)
Total amount recognised in profit or loss	**37.16**	**35.11**	**25.37**	**24.17**	**11.79**	**10.94**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	0.70	1.36	(0.87)	5.31	1.57	(3.95)
Total amount recognised in OCI	**0.70**	**1.36**	**(0.87)**	**5.31**	**1.57**	**(3.95)**
Contribution by participants	16.41	16.98	16.41	16.98	-	-
Contribution by employers	-	-	11.92	11.10	(11.92)	(11.10)
Net Liability transferred In / (Out)	5.57	9.97	5.57	9.97	-	-
Benefits paid	(53.71)	(48.16)	(52.29)	(48.16)	(1.42)	-
Closing Balance	**319.18**	**313.05**	**323.51**	**317.40**	**(4.33)**	**(4.35)**

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 ₹0.25 crore 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 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation	25.45	28.54
Fair Value of Plan Assets	26.25	25.28
Net Defined Benefit (Asset)/ Liability	(0.80)	3.26

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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**28.54**	**27.31**	**25.28**	**27.18**	**3.26**	**0.13**
Included in profit or loss						
Current service Cost	1.92	1.34	-	-	1.92	1.34
Past service cost	0.01	2.73	-	-	0.01	2.73
Interest cost / income	1.83	1.78	1.71	1.93	0.12	(0.15)
Total amount recognised in profit or loss	**3.76**	**5.85**	**1.71**	**1.93**	**2.05**	**3.92**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(1.95)	0.76	-	-	(1.95)	0.76
- Actuarial loss (gain) arising from Experience adjustments	(0.64)	(0.64)	-	-	(0.64)	(0.64)
Return on plan assets excluding interest income	-	-	0.26	0.78	(0.26)	(0.78)

Notes to Accounts

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Total amount recognised in OCI	**(2.59)**	**0.12**	**0.26**	**0.78**	**(2.85)**	**(0.66)**
Contribution by employers	-	-	3.26	0.13	(3.26)	(0.13)
Benefits paid	(4.26)	(4.74)	(4.26)	(4.74)	-	-
Closing Balance	**25.45**	**28.54**	**26.25**	**25.28**	**(0.80)**	**3.26**

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 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation	187.82	176.86
Fair Value of Plan Assets	234.24	211.64
Net Defined Benefit (Asset)/ Liability	(46.42)	(34.78)

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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**176.86**	**171.28**	**211.63**	**194.83**	**(34.77)**	**(23.55)**
Included in profit or loss						
Current service Cost	8.51	6.60	-	-	8.51	6.60
Past service cost	-	-	-	-	-	-
Interest cost / income	11.70	11.86	14.29	13.81	(2.59)	(1.95)
Total amount recognised in profit or loss	**20.21**	**18.46**	**14.29**	**13.81**	**5.92**	**4.65**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(6.18)	(13.32)	-	-	(6.18)	(13.32)
- Actuarial loss (gain) arising from Experience adjustments	16.39	14.65	-	-	16.39	14.65
Return on plan assets excluding interest income	-	-	8.24	2.89	(8.24)	(2.89)
Total amount recognised in OCI	**10.21**	**1.33**	**8.24**	**2.89**	**1.97**	**(1.56)**
Contribution by participants	0.08	0.10	0.08	0.10	-	-
Contribution by employers	-	-	-	-	-	-
Benefits paid	(19.54)	(14.31)	-	-	(19.54)	(14.31)
Closing Balance	**187.82**	**176.86**	**234.24**	**211.63**	**(46.42)**	**(34.77)**

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 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation		
- ERS	7.19	6.70

Notes to Accounts

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**6.70**	**4.92**
Included in profit or loss		
Current service Cost	0.55	0.39
Interest cost / income	0.43	0.33
Total amount recognised in profit or loss	**0.98**	**0.72**
Included in OCI		
- Actuarial loss (gain) arising from changes in financial assumptions	(0.70)	0.25
- Actuarial loss (gain) arising from Experience adjustments	0.50	1.21
Total amount recognised in OCI	**(0.20)**	**1.46**
Benefits paid	(0.29)	(0.40)
Closing Balance	**7.19**	**6.70**

58.2.1 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/ Withdrawl risk

The present value of the defined benefit plan liability is calculated by reference to the expected withdrawl 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.

58.2.2 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 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
Cash & Cash Equivalents	**0.85**	**7.10**	**0.03**	**0.36**	**1.97**	**4.34**
Quoted Plan Assets						
Equity Instruments	22.51	23.81	0.96	1.02	-	-
State Government Debt Securities	135.23	127.60	10.19	10.22	50.54	41.76
Central Government Debt Securities	32.58	42.56	-	-	-	-
Corporate Bonds/ Debentures	132.34	116.33	9.41	9.34	181.73	165.54
Sub-total - Quoted Plan Assets	**322.66**	**310.30**	**20.56**	**20.58**	**232.27**	**207.30**
Unquoted Plan Assets						
Others - Insurer managed funds & T-bills	-	-	5.66	4.34	-	-
Sub-total - Unquoted Plan Assets	**-**	**-**	**5.66**	**4.34**	**-**	**-**
Total	**323.51**	**317.40**	**26.25**	**25.28**	**234.24**	**211.64**

Actual return on plan assets is ₹49.87 crore (previous year ₹43.58 Crore).

Notes to Accounts

58.2.3 Significant Actuarial Assumptions

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2026 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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Method Used	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM	PUCM
Discount Rate	7.57%	6.75%	7.57%	6.75%	7.57%	6.75%	7.57%	6.75%
Expected Return on Plan Assets, if funded	8.30%	8.26%	7.57%	6.75%	7.57%	6.75%	N/A	N/A
Future Salary Increase / medical inflation			6.00%	6.00%	5.00%	4.50%	6.00%	6.00%
Expected average remaining working lives of employees (years)			21.08	21.17	21.10	21.17	21.17	21.17
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.

58.2.4 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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(1.07)	1.16	(1.11)	1.21
- PRMS	(9.18)	10.09	(8.87)	9.77
- ERS	(0.38)	0.42	(0.36)	0.39
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.20	(0.17)	0.23	(0.15)
- PRMS	-	-	-	-
- ERS	0.26	(0.24)	0.24	(0.23)
Medical inflation Rate (0.50% movement)				
- PRMS	10.26	(9.39)	9.89	(9.04)
Medical Cost (10% movement)				
- PRMS	18.76	(18.75)	17.64	(17.54)

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.

58.2.5 Expected maturity analysis of the defined benefit plans in future years

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
Less than 1 year	4.92	5.99	18.15	16.23	1.16	1.10
From 1 to 5 years	10.77	11.47	100.76	90.62	3.46	3.09
Beyond 5 years	49.99	44.85	469.96	422.40	6.90	6.30
Total	**65.68**	**62.31**	**588.87**	**529.25**	**11.52**	**10.49**

Notes to Accounts

58.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Provident Fund		Gratuity		PRMF	
	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Expected contribution	-	-	0.98	5.14	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.61 years (as at 31.03.2025 is 12.51 years).

58.3 Other Long-term Employee Benefits

58.3.1 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 ₹5.26 crore (Previous year ₹10.85 crore) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

58.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to ₹0.21 crore (previous year ₹1.27 crore) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

58.4 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.

58.5 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.

58.6 Central Government has issued four separate notifications in the Official Gazette dated 21st November 2025 announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. Following the implementation of the these labour codes, the Central Government has pre-published the draft rules on 31st December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course.

There is no material impact from the enactment of New Labour Codes, 2025 on the financial statement of the Company in the current year (previous year N/A). Also, the Company continues to monitor the finalisation of Central/State Rules and clarifications from Government on other aspects of the Labour Codes and would provide appropriate accounting effect as required based on future developments.

59. 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 2nd 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 24th January, 2024 ordered the trifurcation of TANGEDCO into 3 entities i.e. (i) the existing company TANGEDCO would be renamed as Tamil Nadu Power Distribution Corporation Limited (TNPDCL) and continue to carry on distribution business (ii) Formation of Tamil Nadu Power Generation Company Limited (TNPGCL) for carrying out thermal & gas power generation business and (iii) Tamil Nadu Green Energy Corporation Limited (TNGECL) to carry out the green power generation business. Pursuant thereto, the two new entities viz. TNPGCL and TNGECL were formed on 09th February, 2024 and 10th February, 2024 respectively.

Further Government of Tamil Nadu in exercise of powers conferred by Section 131 and 133 of the Electricity Act, 2003 (Central Act 36 of 2003) notified Tamil Nadu Electricity Restructuring And Transfer Scheme, 2024 vide G.O. (MS) No.32 Energy (B2) Department dated 6th March, 2024,

Notes to Accounts

published in Tamil Nadu Government Gazette Extraordinary No.90 dated 6th March 2024, whereby Government of Tamil Nadu defined the property, interest in property, rights and liabilities of TANGEDCO to be allocated to TNPGCL and TNGECL with effect from 6th March 2024. As the notification dated 6th March 2024 issued by Government of Tamil Nadu was provisional for a period of one year, Company has initially executed provisional loan transfer agreements with the respective entities.

Pursuant to the issuance of final notification of Government of Tamil Nadu No. 40 dated 21st April, 2025 for confirming the transfer of assets and liabilities amongst the three companies as mentioned above, the necessary documentation has been completed by the Company by executing relevant document dated 24th March, 2026 and 30th March, 2026.

60. Modifications in the Material Accounting Policies

The company has continued to follow the same accounting policies as was followed during the financial year ended 31st March, 2025. 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.

61. Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(i)	Impairment Loss Allowance for loans*	189.89	886.24
(ii)	Impairment Loss Allowance for Investments	2.37	3.26
(iii)	Impairment Loss Allowance for Receivables	8.96	129.91
(iv)	Provision made for Income Tax	4,430.93	4,146.57

** includes ₹282.71 crore (Previous year Nil) towards impairment allowance on undrawn commitments.*

62. The Company's operation comprise of only one business segment - lending to power, logistic and infrastructure sector. Hence, there is no other reportable segement 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.

62.1 Information about Revenue from major products and services

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(A)	Income from Loan Assets	58,217.54	54,673.19
(B)	Fee for Implementation of Government Schemes	66.98	53.79
(C)	Income from Treasury Operations	783.65	730.62
	Total	**59,068.17**	**55,457.60**

62.2 The Company does not have any reportable geographical segment as the lending operations of the Company are carried out within the country.

62.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2025-26 and 2024-25.

62.4 In line with the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 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 ₹147.86 crore (Previous Year ₹2,163.17 Crore) has not been recognized.

63. Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in Crores)

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	45.36	-	54.69	-
(b)	Bank balances other than (a) above	881.52	-	1,695.15	-
(c)	Derivative financial instruments	5,288.21	14,672.73	2,637.20	14,794.98
(d)	Trade and Other Receivables	3.87	-	1.99	-
(e)	Loans	83,352.94	4,95,890.14	1,00,475.55	4,58,612.53
(f)	Investments	232.22	9,567.21	156.00	6,485.62
(g)	Other financial assets	363.25	24,188.85	432.51	24,171.17
	Total - Financial Assets (1)	**90,167.36**	**5,44,318.94**	**1,05,453.09**	**5,04,064.30**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	-	261.67	-	398.98
(b)	Deferred tax assets (net)	-	3,516.05	-	2,852.75
(c)	Investment Property	-	47.41	-	48.24
(d)	Property, Plant & Equipment	-	565.36	-	578.16
(e)	Capital Work-in-Progress	-	127.71	-	76.01
(f)	Other Intangible Assets	-	1.50	-	1.84
(g)	Other non-financial assets	39.41	30.89	59.54	22.56
	Total - Non-Financial Assets (2)	**39.41**	**4,550.59**	**59.54**	**3,978.54**

Notes to Accounts

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
(3)	**Assets classified as held for sale**	**0.01**	**-**	**0.01**	**-**
	Total ASSETS (1+2+3)	**90,206.78**	**5,48,869.53**	**1,05,512.64**	**5,08,042.84**
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	306.51	1,642.64	844.66	825.40
(b)	Trade and Other Payables	24.10	-	34.60	-
(c)	Debt Securities	64,489.96	2,45,539.52	33,578.27	2,58,896.66
(d)	Borrowings (other than debt securities)	36,425.29	1,58,890.32	51,565.83	1,42,734.33
(e)	Subordinated Liabilities	333.36	9,093.39	333.79	9,180.37
(g)	Other financial liabilities	2,187.82	34,916.62	13,415.36	24,109.30
	Total - Financial Liabilities (1)	**1,03,767.04**	**4,50,082.49**	**99,772.52**	**4,35,746.05**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	-	-	-	-
(b)	Provisions	528.01	70.64	70.22	66.57
(c)	Other non-financial liabilities	247.01	90.71	175.29	86.86
	Total - Non-Financial Liabilities (2)	**775.02**	**161.35**	**245.51**	**153.43**
	Total LIABILITIES (1+2)	**1,04,542.06**	**4,50,243.85**	**1,00,018.03**	**4,35,899.48**

64. Previous year figures have been reclassified/ regrouped to conform to the current classification.

65. There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

66. The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

67. The disclosures as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 have been made in Note No. 3, 8, 10, 11, 22.1, 27, 28.1, 45, 48, 49, 49.1.4 (M), 49.1.4 (N), 49.1.4 (O), 49.1.4 (P), 49.1.4 (Q), 49.1.4 (R), 49.1.4 (S), 49.1.4 (T), 49.1.4 (U), 49.1.4 (V), 49.1.4 (W), 49.1.4 (X), 49.2.2, 49.2.4, 49.3, 50, 51, 52, 53, 56, 60, 61, 62, 65, 66, 68, 70.

68. The appointment of Independent Directors is done by the Government of India. These standalone financial statements for the year ended 31st March, 2026 have been approved by the Board of Directors of the Company on the recommendation of the Audit Committee constituted without independent directors required under the Companies Act,2013.

69.1 No penalties have been levied on the company by any regulator during the year ended 31st March 2026 (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 ₹0.60 crore (previous year ₹0.18 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 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.

69.2 No complaints have been received by the Company from the customers or Offices of Ombudsman during the year ended 31st March 2026 (previous year Nil).

70. The Company does not have any transactions with the companies struck off u/s 248 of Companies Act, 2013 during the year ended 31st March 2026 (previous year Nil).

71. Figures in Rupees have been rounded off to the nearest crore with two decimals, unless expressly stated.

The Notes to Accounts 1 to 71 are an integral part of the Standalone Financial Statements.

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

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 2026

(As prescribed by Reserve Bank of India)

(Particulars set out in Annexure- I of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28.11.2025, as updated from time to time, in so far as they are applicable to the Company)

(₹ in Crores)

	Particulars	As at 31-03-2026		As at 31-03-2025	
		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	54,230.69	-	54,765.34	-
	- Unsecured	2,62,876.15	-	2,47,816.42	-
	(b) Term Loans				
	- Unsecured Loans from NSSF	10,325.12		10,325.12	
	- Unsecured Loans from Banks	64,474.24		41,887.00	
	- Unsecured Loans from Financial Institutions	-		2,500.00	
	(c) Commercial Paper	2,965.96	-	-	-
	(d) Other Loans				
	- Foreign Currency Borrowings	1,07,809.36	-	95,172.85	-
	- FCNR (B) Loans	8,142.31	-	43,200.30	-
	- Overdrafts from Bank	341.71	-	570.78	-
	- Short Term Loans/ Loans Repayable on Demand	5,035.97		1,600.32	
	- Lease Obligations	-		-	
	ASSETS SIDE :				
(2)	**Break-up of Loans and Advances including bills receivables**				
	(a) Secured		5,29,100.04		5,25,654.96
	(b) Unsecured		54,559.32		41,228.32
	Less: Impairment loss allowance		(6,893.45)		(10,795.76)
	Loans and advances (net of provision)		5,76,765.91		5,56,087.52
(3)	**INVESTMENTS :**				
	Investments carried at Cost/Amortised Cost:				
	Quoted:				
	(i) Shares : Equity		-		-
	(ii) Debentures and Bonds		4,752.53		3,346.91
	Less: Impairment Loss allowance		4.82		2.31
	Quoted Debentures and Bonds (net of provision)		4,747.71		3,344.60
	(iii) Government Securities		3,516.86		1,621.86
	Unquoted:				
	(i) Shares : Equity		0.10		0.10
	(ii) Debentures and Bonds		196.39		230.41
	Less: Impairment Loss allowance		0.81		0.95
	Unquoted Debentures and Bonds (net of provision)		195.58		229.46
	(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:				
	(i) Shares : Equity		147.16		176.68
	(ii) Invit Units		2.85		-
	(iii) Debentures and Bonds		955.58		968.18
	Unquoted:				
	(i) Shares : Equity		233.59		300.74
	(ii) Debentures and Bonds		-		-

(4) Borrower Group-wise classification of assets financed in (2) above:

(₹ in Crores)

Particulars	Amount Net of Provisions			
	Secured	Unsecured	Provision	Total
As at 31-03-2026				
1. Related Parties	**-**	**-**	**-**	**-**
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	5,29,100.04	54,559.32	(6,893.45)	5,76,765.91
Total	**5,29,100.04**	**54,559.32**	**(6,893.45)**	**5,76,765.91**
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**

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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	**9,962.29**	**9,799.33**	**6,884.59**	**6,641.52**
Total	**9,962.39**	**9,799.43**	**6,884.69**	**6,641.62**

(6) Other Information

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	**Gross Credit-impaired Assets**		
(a)	Related Parties	-	-
(b)	Other than related Parties	1,384.75	7,652.65
(ii)	**Net Credit-impaired Assets**		
(a)	Related Parties	-	-
(b)	Other than related Parties	676.77	2,163.17
(iii)	**Asset acquired in satisfaction of debts**	-	130.43

For and on behalf of the Board

Dinesh Garg	**Rajesh Kumar**	**Jitendra Srivastava**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN-06941428	DIN-06817799

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.	**For SCV & Co. LLP**
Chartered Accountants	Chartered Accountants
Firm Reg. No.: 112318W	Firm Reg. No.: 000235N/N500089
Saurabh Chouhan	**Abhinav Khosla**
Partner	Partner
M.No. : 167453	M.No. : 087010

Place: Delhi
Date: April 28, 2026

Independent Auditors' Report

To
The Members of
REC Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated 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, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of such subsidiary, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2026, 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 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 on the Consolidated Financial Statements.

Emphasis of Matter

We draw your attention to Note No. 73 of the Consolidated Financial Statements with respect to constitution of audit committee and adoption of Consolidated Financial Statements.

Our opinion is not modified in respect of this matter.

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 financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matter	Auditor's Response
1.	**Impairment allowance of Loan Assets –** (Refer Note No. 52.1.4 to the Consolidated 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. In view of significance and impact on the financial statements we have considered the impairment allowance of loan assets a key audit matter.	**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 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. c) Evaluation of key internal control over classification of derivative instruments. d) The Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on March 31, 2026, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under cash flow hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109.

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 21st April, 2026 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.- 12 "Trade Receivable") Account receivables is a significant item in the Company's financial statements as at 31st March 2026 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment, of the estimated credit losses basis credit risk, project status, past history, latest discussion/correspondence with the customer. Given the relative significance of these receivables to the Financial Statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter. **b. Accuracy and Completeness of Trade Payable's Balances** The accuracy and completeness of Trade Payable as at 31st March 2026 was considered a key audit matter due to the significance of the balance and the associated risk.	**Principal Audit Procedures** Our audit incorporated the following procedure with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the Company. • We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable. • For Material balances, the basis of provision was discussed with the management. • Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time. • Reviewed 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 27 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 Financial Statements and Auditors' Report thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated 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 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 Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated 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 statement of 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 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 Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated 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 Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our 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 ₹1135.62 crores (₹1,000.76 crores as at 31st March 2025) as at 31st March 2026, total revenues of ₹448.61 crores (Previous year ₹511.60 crores) and net cash flows amounting to ₹69.16 crores (Previous year ₹(37.63) crores) for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the subsidiary's share of net profit after tax of ₹78.95 crores (Previous Year ₹261.65 crores) and total comprehensive income of ₹78.95 crores (Previous Year ₹261.65 crores) as considered in the Consolidated Financial Statements. 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 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on consideration of reports of other auditors on separate Financial Statements of subsidiary as noted in the other matters paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the 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 Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (e) As per Notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors are not applicable to the Holding Company and its subsidiary, since it is a Government Company.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A".

   (g) As per Notification no. 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 Company and its subsidiary, 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:

      i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 47 to the Consolidated Financial Statements.

      ii) According to the information and explanations given to us, the Group does 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 Holding Company and its subsidiary company.

      iv) (a) The respective Managements of the Holding 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 Holding Company and its subsidiary (refer Note No. 22.4), 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 Group is in compliance with Section 123 of the Act.

   (vi) Based on our examination which included test checks and based on consideration of reports of other auditors on separate Financial Statements of subsidiary, the Group 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 Group 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 Holding 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.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Saurabh Chouhan
Partner
Membership Number: 167453
UDIN: 26167453TWTUOO5660

Place: New Delhi
Date: 28th April 2026

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010RHUMIK9883

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 Financial Statements of the Company as of and for the year ended 31st March 2026, 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 Financial Statements.

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 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:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. 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 Company; and

c. 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 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 2026, 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: 26167453TWTUOO5660

Place: New Delhi
Date: 28th April 2026

M/s SCV & Co. LLP
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Abhinav Khosla
Partner
Membership Number: 087010
UDIN: 26087010RHUMIK9883

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 2026

The preparation of consolidated financial statements of REC Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 28 April 2026.

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 2026 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the standalone financial statements of REC Limited and REC Power Development Consultancy Limited. 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 (Power)

Place: New Delhi
Date: 03 July 2026

Consolidated Balance Sheet as at 31st March 2026

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-03-2026	As at 31-03-2025
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	**6**	293.39	233.57
(b)	Bank balances other than (a) above	**7**	1,317.70	2,109.80
(c)	Derivative financial instruments	**8**	19,960.94	17,432.18
(d)	Receivables	**9**		
	-Trade receivables		293.21	235.13
	-Other receivables		3.87	1.99
(e)	Loans	**10**	5,79,243.08	5,59,088.08
(f)	Investments	**11**	9,831.45	6,673.64
(g)	Other financial assets	**12**	24,556.23	24,604.19
	Total - Financial assets (1)		**6,35,499.87**	**6,10,378.58**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	**13**	280.15	407.07
(b)	Deferred tax assets (net)	**14**	3,539.59	2,868.70
(c)	Investment property	**15**	0.98	1.01
(d)	Property, plant & equipment	**16**	612.51	625.99
(e)	Capital work-in-progress	**16**	127.71	76.01
(f)	Other intangible assets	**16**	2.01	1.84
(g)	Other non-financial assets	**17**	79.64	138.75
	Total - Non-financial assets (2)		**4,642.59**	**4,119.37**
(3)	**Assets classified as held for sale**	**18**	15.54	3.88
	Total Assets (1+2+3)		**6,40,158.00**	**6,14,501.83**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial liabilities			
(a)	Derivative financial instruments	**8**	1,949.15	1,670.06
(b)	Payables	**19**		
	Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises		0.03	0.12
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		179.67	133.75
	Other payables			
	- Total outstanding dues of micro enterprises and small enterprises		2.07	6.52
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		14.21	17.28
(c)	Debt securities	**20**	3,09,982.83	2,92,428.27
(d)	Borrowings (other than debt securities)	**21**	1,95,315.61	1,94,300.16
(e)	Subordinated liabilities	**22**	9,426.75	9,514.16
(f)	Other financial liabilities	**23**	37,290.26	37,646.72
	Total - Financial liabilities (1)		**5,54,160.57**	**5,35,717.04**
(2)	**Non-financial liabilities**			
(a)	Provisions	**24**	599.88	137.51
(b)	Other non-financial liabilities	**25**	343.14	271.22
	Total - Non-financial liabilities (2)		**943.02**	**408.73**
(3)	**EQUITY**			
(a)	Equity share capital	**26**	2,633.22	2,633.22
(b)	Instruments entirely equity in nature	**27**	558.40	558.40
(c)	Other equity	**28**	81,862.79	75,184.44
	Total - Equity (3)		**85,054.41**	**78,376.06**
	Total - Liabilities and Equity (1+2+3)		**6,40,158.00**	**6,14,501.83**
	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

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

Consolidated Statement of Profit and Loss for the year ended 31st March 2026

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2026	Year ended 31-03-2025
	Revenue from operations			
(i)	Interest income	**29**	57,860.49	55,105.20
(ii)	Dividend income	**30**	10.17	8.42
(iii)	Fees and commission income	**31**	1,264.93	393.74
(iv)	Net gain/ (loss) on fair value changes	**37**	-	348.22
(v)	Sale of Services	**32**	448.57	510.97
I.	**Total revenue from operations (i to v)**		**59,584.16**	**56,366.55**
II.	Other income	**33**	44.19	67.48
III.	**Total income (I+II)**		**59,628.35**	**56,434.03**
	Expenses			
(i)	Finance costs	**34**	36,238.12	34,131.29
(ii)	Net translation/ transaction exchange loss	**35**	272.60	208.15
(iii)	Fees and commission expense	**36**	15.62	13.66
(iv)	Net loss on fair value changes	**37**	962.46	-
(v)	Impairment on financial instruments	**38**	231.40	1021.58
(vi)	Cost of services rendered	**39**	301.16	162.62
(vii)	Employee benefit expenses	**40**	271.51	268.13
(viii)	Depreciation and amortization	**41**	27.05	24.70
(ix)	Corporate social responsibility expenses	**42**	342.99	291.53
(x)	Other expenses	**43**	180.83	194.90
IV.	**Total expenses (i to x)**		**38,843.74**	**36,316.56**
V.	**Profit before Exceptional Items and Tax (III-IV)**		**20,784.61**	**20,117.47**
VI.	Exceptional Items	**44**	18.28	-
VII.	**Profit before Tax (V-VI)**		**20,766.33**	**20,117.47**
VIII.	**Tax expense**	**45**		
(i)	**Current tax**			
	- Current year		3,752.67	4,098.91
	- Earlier years		0.33	(0.25)
(ii)	**Deferred tax**		705.16	134.58
	Total tax expense (i+ii)		**4,458.16**	**4,233.24**
IX.	**Profit for the year (VII-VIII)**		**16,308.17**	**15,884.23**
X.	**Other comprehensive income/(loss)**			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		1.09	0.76
	- Tax impact on above		(0.27)	(0.19)
(b)	Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)		(75.76)	(23.85)
	- Tax impact on above		-	-
	Sub-total (i)		**(74.94)**	**(23.28)**
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective portion of gains and loss on hedging instruments in cash flow hedges		(6424.40)	1223.51
	- Tax impact on above		1616.89	(307.93)
(b)	Cost of hedging reserve		956.95	(3219.35)
	- Tax impact on above		(240.85)	810.25
	Sub-total (ii)		**(4,091.41)**	**(1493.52)**
	Other comprehensive income/(loss) for the year (i+ii)		**(4,166.35)**	**(1,516.80)**
XI.	**Total comprehensive income for the year (IX+X)**		**12,141.82**	**14,367.43**
XII.	**Basic earnings per equity share of ₹10 each (in ₹)**	**46**		
(1)	For continuing operations		61.81	60.20
(2)	For discontinued operations		-	-
(3)	For continuing and discontinued operations		61.81	60.20
XIII.	**Diluted earnings per equity share of ₹10 each (in ₹)**	**46**		
(1)	For continuing operations (in ₹)		61.81	60.20
(2)	For discontinued operations (in ₹)		-	-
(3)	For continuing and discontinued operations (in ₹)		61.81	60.20
	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

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

Consolidated Statement of Changes in Equity for the year ended 31st March 2026

A. Equity share capital

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
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 26 for detail

B. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
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 27 for detail

C. Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus								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) (viia)(c) 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	Retained Earnings				
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**
Profit for the year	-	-	-	-	-	-	-	15,884.23	-	-	-	15,884.23
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,884.79**	**(23.85)**	**915.58**	**(2,409.10)**	**14,367.42**

(₹ in Crores)

Particulars	Reserves & Surplus								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) (viia)(c) 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	Retained Earnings				
Transferred to/ (from) Retained Earnings	3,550.57	841.80	3,142.64	-	-	-	750.00	(8,285.01)	-	-	-	-
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
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**	**(81.84)**	**(931.35)**	**(718.46)**	**75,184.44**

(₹ in Crores)

Particulars	Reserves & Surplus								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) (viia) (c) 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	Retained Earnings				
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**	**(81.84)**	**(931.35)**	**(718.46)**	**75,184.44**
Profit for the year	-	-	-	-	-	-	-	16,308.17	-	-	-	16,308.17
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	0.82	-	-	-	0.82
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(75.76)	(4,807.51)	716.10	(4,167.17)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,308.99**	**(75.76)**	**(4,807.51)**	**716.10**	**12,141.82**
Transferred to/ (from) Retained Earnings	3,383.02	778.61	3,256.45	-	-	-	2,080.00	(9,498.08)	-	-	-	-
Transferred to/ (from) General Reserve	-	(841.80)	-	-	-	-	841.80	-	-	-	-	-
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	-	-	-	-	-	(657.61)	-	-	-	-	-	(657.61)
Amortisation during the year	-	-	-	-	-	388.56	-	-	-	-	-	388.56

(₹ in Crores)

Particulars	Reserves & Surplus								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) (viia) (c) 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	Retained Earnings				
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	(33.30)	-	-	-	(33.30)
Sub-total	**3,383.02**	**(63.19)**	**3,256.45**	**-**	**-**	**(269.05)**	**2,921.80**	**(9,531.38)**	**-**	**-**	**-**	**(302.35)**
Dividends	-	-	-	-	-	-	-	(5,161.12)	-	-	-	(5,161.12)
Sub-Total- Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,161.12)**	**-**	**-**	**-**	**(5,161.12)**
Balance as at 31-03-2026	**34,978.42**	**778.61**	**17,228.08**	**1,577.53**	**-**	**(880.70)**	**16,395.83**	**17,683.86**	**(157.60)**	**(5,738.86)**	**(2.36)**	**81,862.79**

Refer Note No. 28.1 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

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

आर ई सी REC
Energising Lives. Empowering India.
Endless energy. Limitless possibilities.
A MAHARATNA COMPANY

Consolidated Statement of Cash Flows for the year ended 31st March 2026

(₹ in Crores)

S. No.	Particulars	Year ended 31-03-2026		Year ended 31-03-2025	
A.	**Cash Flow from Operating Activities :**				
	Net Profit before Tax	**20,766.33**		**20,117.47**	
Adjustments for:					
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	10.58		7.62	
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	-		(6.03)	
3.	Depreciation & Amortization	27.05		24.70	
4.	Impairment losses on Financial Instruments	231.40		1,021.59	
5.	Loss/ (Gain) on Fair Value Changes (net)	(241.37)		(346.30)	
6.	Effective Interest Rate (EIR) in respect of Loan Assets and Borrowings	446.47		214.60	
7.	Interest on Commercial Paper	126.42		-	
8.	Interest Accrued on Zero Coupon Bonds	174.74		83.14	
9.	Unrealised Foreign Exchange Translation Loss/ (Gain)	(1,386.30)		(2,131.32)	
10.	Provision made for unspent CSR created	163.71		-	
11.	Provision/ Provision written back (others)	(8.57)		2.84	
12.	Interest on Investments & others	(60.11)		(36.65)	
Operating profit before Changes in Operating Assets & Liabilities		**20,250.35**		**18,951.65**	
Inflow / (Outflow) on account of :					
1.	Loan Assets	(20,570.50)		(59,996.87)	
2.	Derivatives	7,012.50		643.90	
3.	Other Financial and Non- Financial Assets	1,373.53		(645.22)	
4.	Other Financial and Non- Financial Liabilities & Provisions	1,521.37		6,214.99	
Cash flow from Operations		**9,587.25**		**(34,831.56)**	
1.	Income Tax Paid (including TDS and Income Tax Refund)	(3,615.68)		(4,232.52)	
Net Cash Flow from Operating Activities			**5,971.57**		**(39,064.08)**
B.	**Cash Flow from Investing Activities**				
1.	Sale/ (Purchase) of Property, Plant & Equipment	(23.00)		(3.96)	
2.	Sale of assets held for sale	-		6.07	
3.	Investment in Property, Plant & Equipment (including CWIP & Capital Advances)	(45.81)		(77.31)	
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.83)		(1.61)	
5.	Finance Costs Capitalised	(6.39)		(3.02)	
6.	Redemption/ (Investment) in High Quality Liquid Assets (HQLAs)/Initial Margin pledged with CCIL (net)	(3,283.48)		(1,418.90)	
7.	Redemption/ (Investment) in Debt Securities other than HQLAs (net)	39.59		352.22	
8.	Sale/(Investment) of/in shares of associate/subsidiary companies (Net)	(11.66)		16.28	
9.	Interest income from investment	47.72		-	
10.	Maturity/(Investment) of/in Corporate and Term deposits	(23.80)		(171.81)	
Net Cash Flow from Investing Activities			**(3,307.66)**		**(1,302.04)**
C.	**Cash Flow from Financing Activities**				
1.	Issue/ (Redemption) of Rupee Debt Securities (net)	10,769.67		30,748.97	
2.	Issue/ (Redemption) of Commercial Paper (net)	2,839.54		-	
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Banks/ FIs (net)	23,454.23		(23,558.76)	
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	(33,284.88)		36,501.65	
5.	Raising/ (Redemption) of Subordinated Liabilities (net)	-		1,995.01	
6.	Coupon payment on Perpetual Debt Instruments entirely equity in nature	(44.50)		(44.50)	
7.	Payment of Dividend on Equity Shares	(6,109.08)		(5,608.77)	
Net Cash flow from Financing Activities			**(2,375.02)**		**40,033.60**
Net Increase/Decrease in Cash & Cash Equivalents			**288.89**		**(332.52)**
Cash & Cash Equivalents as at the beginning of the year			**(337.21)**		**(4.69)**
Cash & Cash Equivalents as at the end of the year			**(48.32)**		**(337.21)**

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 ₹10.17 crore (previous year ₹8.42 crore). Further, during the year, the Group has paid an amount of ₹171.25 crore (previous year ₹291.72 crore) towards Corporate Social Responsibility.

Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

Particulars	Year ended 31-03-2026		Year ended 31-03-2025	
- Cash on Hand (including imprest)		0.03		0.02
- Balances with Banks		233.16		51.47
- Short-term Deposits with Scheduled Banks		60.20		182.08
- Bank Overdraft		(341.71)		(570.78)
Total Cash & Cash Equivalents		**(48.32)**		**(337.21)**

Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	Opening Balance	Cash Flows during the period (net)	Movements in Interest Accrued*	Other Adjustments		Closing Balance
				Exchange Differences	IndAS Adjustments	
Year ended 31-03-2026						
Rupee Debt Securities	**2,64,228.91**	10,769.67	946.12	-	(45.01)	**2,75,899.70**
Commercial Paper	**-**	2,839.54	-	-	126.42	**2,965.96**
Rupee Term Loans/ WCDL	**56,883.21**	23,225.16	68.66	-	-	**80,177.03**
Foreign Currency Debt Securities & other Borrowings	**1,65,616.31**	(33,284.88)	38.91	13,527.69	357.72	**1,46,255.75**
Subordinated Liabilities	**9,514.16**	-	(0.44)	-	(86.97)	**9,426.75**
Total	**4,96,242.59**	**3,549.49**	**1,053.25**	**13,527.69**	**352.16**	**5,14,725.19**
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**

** 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.

The accompanying notes 1 to 76 forms integral part of Consolidated Financial Statements.

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

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 Infra & Logistic 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 2026 were authorized and approved by the Board of Directors on 28th April, 2026.

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 here 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 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/Invits 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 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 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 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.

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 and investments

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 (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company expects to be owed at the time of default.

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.

The Company measures impairment on commitments under LoC/ LoU and investments qualifying for subsequent measurement at amortised cost or Fair Value through OCI on similar basis as in case of Loan assets.

Financial assets other than Loans and investments

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 (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.

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. MCA has also notified the amendments to Ind AS-1, which is effective for annual reporting periods beginning on or after 1st April 2026. The company would need to adopt these amendments to the standards, when they become effective. 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.

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 31-03-2026	As at 31-03-2025
Cash on hand (including imprest)	0.03	0.02
Balances with banks in current accounts	233.16	51.47
Bank deposits with original maturity of 3 months or less	60.20	182.08
Total	**293.39**	**233.57**

7. Bank Balances (other than Cash and Cash Equivalents)*

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Earmarked Balances with Banks		
- Unspent Corporate Social Responsibility Account(refer note 42.2)	163.71	-
- Unpaid dividends	91.62	1,079.07
- For Government funds for onward disbursement as grant	49.17	60.13
- Funds under Government schemes for further disbursement	100.00	-
Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.77	**0.72**
Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	**525.42**	**595.88**
Bank deposits with original maturity greater than 3 months	**387.01**	**374.00**
Total	**1,317.70**	**2,109.80**

**There are no repatriation restrictions with respect to Cash & Cash Equivalents and Bank Balances (other than Cash & Cash Equivalents) as at 31st March 2026 (Previous Year Nil).*

8. Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. In case of Foreign Currency Borrowings, denominated in currencies other than USD, in certain cases, separate currency derivatives have been taken for that currency vis-à-vis USD and USD vis-à-vis INR, with notional and corresponding fair value assets/liabilities considered for each such derivative. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Part I

(₹ in Crores)

Particulars		As at 31-03-2026			As at 31-03-2025		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Currency swaps	29,207.78	833.30	700.58	57,533.07	269.52	1,084.25
	- Others						
	- Seagull Options	2,04,429.00	17,834.20	482.43	2,53,994.26	16,097.00	301.86
	Sub-total (i)	**2,33,636.78**	**18,667.50**	**1,183.01**	**3,11,527.33**	**16,366.52**	**1,386.11**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	1,09,843.89	1,293.44	766.14	1,11,154.86	1,065.66	283.95
	Sub-total (ii)	**1,09,843.89**	**1,293.44**	**766.14**	**1,11,154.86**	**1,065.66**	**283.95**
	Total - Derivative Financial Instruments (i+ii)	**3,43,480.67**	**19,960.94**	**1,949.15**	**4,22,682.19**	**17,432.18**	**1,670.06**

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

Particulars		As at 31-03-2026			As at 31-03-2025		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Fair Value Hedging**						
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	11,995.70	18.86	136.06	13,995.70	22.92	76.48
	Sub-total (i)	**11,995.70**	**18.86**	**136.06**	**13,995.70**	**22.92**	**76.48**

Consolidated Notes to Accounts

Particulars		As at 31-03-2026			As at 31-03-2025		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(ii)	**Cash Flow Hedging**						
	- Currency Derivatives						
	- Currency Swaps	29,207.78	833.30	700.58	57,533.07	269.52	1,084.25
	- Others						
	- Seagull Options	2,04,429.00	17,834.20	482.43	2,53,994.26	16,097.00	301.86
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	92,848.19	1,066.47	601.69	90,459.16	655.25	207.47
	Sub-total (ii)	**3,26,484.97**	**19,733.97**	**1,784.70**	**4,01,986.49**	**17,021.77**	**1,593.58**
(iii)	**Undesignated Derivatives**	5,000.00	208.11	28.39	6,700.00	387.49	-
	Total - Derivative Financial Instruments (i+ii+iii)	**3,43,480.67**	**19,960.94**	**1,949.15**	**4,22,682.19**	**17,432.18**	**1,670.06**

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. 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 31-03-2026	As at 31-03-2025
(A)	**Trade Receivables**		
(i)	Unsecured, Considered good	223.02	179.93
	Less: Allowance for Expected Credit Loss	(22.19)	(1.89)
		200.83	**178.04**
(ii)	Trade receivables which have significant increase in credit risk	106.44	70.07
	Less: Allowance for Expected Credit Loss	(23.62)	(20.65)
		82.82	**49.42**
(iii)	Credit impaired receivables	81.64	73.48
	Less: Allowance for Expected Credit Loss	(72.08)	(65.81)
		9.56	**7.67**
	Sub-Total (A)	**293.21**	**235.13**
(B)	**Other Receivables**		
(i)	Unsecured, Considered good	4.06	2.26
	Less: Allowance for Expected Credit Loss	(0.19)	(0.27)
		3.87	**1.99**
	Sub-Total (B)	**3.87**	**1.99**
	Total Receivables (A+B)	**297.08**	**237.12**

9.1 Trade Receivables ageing schedule

(₹ in Crores)

Particulars		Outstanding as at 31-03-2026						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**- Undisputed Trade receivables**							
	- considered good	134.71	23.94	84.75	-	-	-	243.40
	- which have significant increase in credit risk	-	-	-	48.09	13.16	-	61.25
	- credit impaired	-	-	-	-	-	106.45	106.45
	total	**134.71**	**23.94**	**84.75**	**48.09**	**13.16**	**106.45**	**411.10**

Consolidated Notes to Accounts

(₹ in Crores)

Particulars		Outstanding as at 31-03-2025						
		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
	total	**57.25**	**67.32**	**55.35**	**27.52**	**42.55**	**73.48**	**323.48**

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 31-03-2026		As at 31-03-2025	
	Trade Receivable	Other Receivable	Trade Receivable	Other Receivable
Opening balance	88.35	0.27	86.61	0.92
Add: Created during the year	30.18	-	2.12	-
Less: Reversed/ Adjusted during the year	0.64	0.08	0.39	0.65
Closing balance	**117.89**	**0.19**	**88.35**	**0.27**

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 31-03-2026		As at 31-03-2025	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	5,46,441.96	5,48,754.98	5,03,711.30	5,06,320.65
(ii)	Working Capital Term Loans	37,217.40	37,381.55	63,171.99	63,563.19
	Total (A) - Gross Loans	**5,83,659.36**	**5,86,136.53**	**5,66,883.29**	**5,69,883.84**
	Less: Impairment loss allowance	(6,893.45)	(6,893.45)	(10,795.76)	(10,795.76)
	Total (A) - Net Loans	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,95,868.96	2,96,520.00	2,71,337.02	2,72,035.63
(ii)	Covered by Government Guarantees	2,33,231.08	2,34,676.60	2,54,317.95	2,56,407.38
(iii)	Unsecured	54,559.32	54,939.93	41,228.32	41,440.83
	Total (B) - Gross Loans	**5,83,659.36**	**5,86,136.53**	**5,66,883.29**	**5,69,883.84**
	Less: Impairment loss allowance	(6,893.45)	(6,893.45)	(10,795.76)	(10,795.76)
	Total (B) - Net Loans	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**
(C)(I)	**Loans in India**				
(i)	Public Sector	4,94,595.93	4,97,122.74	4,94,578.16	4,97,757.68
(ii)	Private Sector	89,063.43	89,013.79	72,305.13	72,126.16
	Total (C)(I) - Gross Loans	**5,83,659.36**	**5,86,136.53**	**5,66,883.29**	**5,69,883.84**
	Less: Impairment loss allowance	(6,893.45)	(6,893.45)	(10,795.76)	(10,795.76)
	Total (C)(I) - Net Loans	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**
(C)(II)	**Loans outside India**	**-**	**-**	**-**	**-**
	Less: Impairment loss allowance	-	-	-	-
	Total (C)(II) - Net Loans	**-**	**-**	**-**	**-**
	Total (C)(I) and (C)(II)	**5,76,765.91**	**5,79,243.08**	**5,56,087.53**	**5,59,088.08**

Consolidated Notes to Accounts

10.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Net Loans	**5,79,243.08**	**5,59,088.08**
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(275.00)	(886.34)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(2,764.95)	(2,657.54)
Add: Allowance for Expected Credit Loss (ECL) netted off as per Ind-AS	6,893.45	10,795.76
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	562.78	543.33
Gross Loans	**5,83,659.36**	**5,66,883.29**

10.2 Movement of Impairment Loss Allowance in respect of Loans:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**10,795.76**	**12,380.52**
Add: Impairment loss allowance provided during the year (Refer Note 38)	(107.88)	899.78
Less: Allowance utilised towards write-off of loans including Technical write-off	(3,794.43)	(2,484.54)
Closing Balance	**6,893.45**	**10,795.76**

10.3 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring/Technical-write off, the Company has written off loans amounting to ₹3,794.43 crore (Previous Year ₹2,484.54 crore). The details of write-offs are as below:

(i) During the current year

(a) Pursuant to Restructuring Agreement executed on 24th March 2025 and implementation of the same during the current financial year, in respect of TRN Energy Private Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets"dated 07th June 2019, the company has restructured outstanding loan amount of ₹1,504.07 crore for ₹1,112.07 crore and written off an amount of ₹392.00 crore with corresponding reversal of ECL of ₹272.00 crore.

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 10th December 2025 in respect of Bhadreshwar Vidyut Private Limited, the company has written off an amount of ₹709.78 crore after appropriating cash recoveries of ₹283.18 crore with corresponding reversal of ECL of ₹59.54 crore.

(c) Pursuant to the One Time Settlement executed on 10th March 2026 in respect of Bhavnagar Biomass Power Projects Private Limited, the company has recovered entire principal amount of ₹13.77 crore with corresponding reversal of ECL of ₹2.75 crore.

(d) Pursuant to the Resolution Plan approved under IBC proceedings executed on 25th February 2026 in respect of Sinnar Thermal Power Limited, the company has written off an amount of ₹1,295.07 crore after appropriating cash recoveries of ₹1,036.26 crore with corresponding reversal of ECL of ₹569.99 crore.

(e) In accordance with Company's policy on technical write off, five loan assets with total amount of ₹1,397.58 crore in respect of Ind-Barath Power (Madras) Limited, Jas Infrastructure Capital Private Limited, Konaseema Gas Power Limited, Lanco Vidarbah Thermal Power Limited and Shree Maheshwar Hydel PCL have been technically written off.

(ii) During the previous year

(a) 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 crore after appropriating recoveries of ₹836.11 crore (Cash of ₹721.34 crore and Other Financial Asset in the form of Recoverable of ₹114.77 crore) with corresponding reversal of ECL of ₹1,406.47 crore.

(b) 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 crore after appropriating cash recoveries of ₹1.02 crore with corresponding reversal of ECL of ₹1.96 crore.

(c) 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 crore after appropriating recoveries of ₹189.49 crore (Cash of ₹59.05 crore and Other Financial Asset in the form of Recoverable of ₹130.43 crore) with corresponding reversal of ECL of ₹398.79 crore.

(d) 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 crore after appropriating the cash recoveries of ₹63.00 crore with corresponding reversal of ECL of ₹797.00 crore.

(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 ₹2,596.36 crore and ₹976.46 crore on account of overdue interest after appropriating the cash recoveries of ₹3,572.82 crore with corresponding reversal of ECL of ₹1,361.09 crore.

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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	%	Amount	%	Amount
Gross Loan Book		5,83,659.36		5,66,883.29
Loan Assets for which balance confirmations have been received from borrowers	99.54%	5,80,986.25	95.48%	5,41,262.29

Consolidated Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	%	Amount	%	Amount
Loan Assets for which balance confirmations are yet to be received from borrowers	0.46%	2,673.11	5.00%	25,621.00
Loans secured by tangible assets	52.26%	1,397.00	50.00%	12,824.31
Loans covered by Government Guarantee/ Loans to Government	47.53%	1,270.40	28.00%	7,271.98
Unsecured loans	0.21%	5.11	22.00%	5,524.71

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) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11. Investments

(₹ in Crores)

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, 2026							
Government Securities	3,516.86	-	-	-	3,516.86	-	3,516.86
Debt Securities	4,981.04	-	955.58	-	5,936.62	-	5,936.62
Equity Instruments							
- Subsidiaries	-	-	-	-	-	-	-
- Others	-	313.62	69.98	-	383.60	-	383.60
Preference Shares	28.72	-	-	-	28.72	-	28.72
Total - Gross (A)	**8,526.62**	**313.62**	**1,025.56**	**-**	**9,865.80**	**-**	**9,865.80**
Investments outside India	-	-	-	-	-	-	-
Investments in India	8,526.62	313.62	1,025.56	-	9,865.80	-	9,865.80
Total - Gross (B)	**8,526.62**	**313.62**	**1,025.56**	**-**	**9,865.80**	**-**	**9,865.80**
Total Investments	8,526.62	313.62	1,025.56	-	9,865.80	-	9,865.80
Less: impairment loss allowance (C)	(34.35)	-	-	-	(34.35)	-	(34.35)
Total - Net (D=A-C)	**8,492.27**	**313.62**	**1,025.56**	**-**	**9,831.45**	**-**	**9,831.45**
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**

Consolidated Notes to Accounts

11.1 Details of investments

(₹ in Crores)

Particulars		Investment measured at	As at 31-03-2026		As at 31-03-2025	
			Number	Amount	Number	Amount
(A) (i)	**Total - Central/ State Government Securities- Quoted (HQLAs)***	Amortised Cost	**23,93,83,500**	**2,436.74**	**15,86,33,000**	**1,621.86**
(A) (ii)	**Total - Central/ State Government Securities- Quoted (pledged with CCIL)****	Amortised Cost	**10,60,17,100**	**1,080.12**	**-**	**-**
(B)	**Debt Securities**	-	**-**	**-**	**-**	**-**
(i)	**Corporate Bonds- Quoted (HQLAs)***	-	**-**	**4,258.57**		**2,853.35**
	- 9.95% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	3,325	297.08	3,700	335.15
	- 9.62% Andhra Pradesh State Beverages Corporation Limited (APSBCL)	Amortised Cost	1,235	126.68	1,235	127.30
	- 9.70% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	550	56.19	550	56.53
	- 8.49% Green Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	4,998	51.00	4,998	51.00
	- 9.10% Domestic Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	69,846	699.31	69,846	699.31
	- 9.50% Delhi International Airport Limited (DIAL)	Amortised Cost	1,25,650	1,254.27	1,25,650	1,256.75
	- 9.30% Andhra Pradesh Mineral Development Corporation (APMDCL)	Amortised Cost	1,48,149	1,500.35	-	-
	- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	1,000	102.97	1,000	102.97
	- 7.05% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	850	88.00	850	88.04
	- 6.65% Bonds of Food Corporation of India (FCI)	Amortised Cost	200	20.59	200	20.60
	- 7.19% Bonds of THDC India Limited (THDC)	Amortised Cost	250	26.26	250	26.27
	- 8.69% Bonds of Damodar Valley Corporation (DVC)	Amortised Cost	140	14.40	200	20.74
	- 7.30% Bonds of Power Grid Corporation of India Limited (PGCIL)	Amortised Cost	200	21.47	200	21.73
	- 5.78% Bonds of Chennai Petroleum Corporation Limited (CPCL)	Amortised Cost	-	-	150	15.61
	- 6.11% Bonds of Bharat Petroleum Corporation Limited (BPCL)	Amortised Cost	-	-	100	10.45
	- 7.30% Bonds of NMDC Steel Limited (NMDC steel)	Amortised Cost	-	-	200	20.90
(ii)	**Debt Securities (other than HQLAs)**			**1,678.05**		**1,724.27**
	- 10%Non- Convertible Debentures of GMR Goa International Airport Limited - Quoted	Amortised Cost	49,488	493.96	49,488	493.56
	- 7.99% Perpetual Bonds of Canara Bank- Quoted	Fair value through profit or loss	200	207.80	200	207.78
	- 9.50% Perpetual Bonds of UCO Bank- Quoted	Fair value through profit or loss	228	234.85	228	239.55
	- 8.55% Perpetual Bonds of Punjab National Bank- Quoted	Fair value through profit or loss	500	512.93	500	520.85
	- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,00,76,285	159.92	2,50,95,356	189.65
	- 8.50% Non- Convertible Debentures (NCDs) of Jhabua Power Limited- Unquoted	Amortised Cost	36,46,524	36.47	42,90,030	40.76
	- 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	-

Consolidated Notes to Accounts

Particulars		Investment measured at	As at 31-03-2026		As at 31-03-2025	
			Number	Amount	Number	Amount
	- 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	-
	- 0.01% Optionally Convertible Debentures (OCD) Series A of TRN Energy Private Limited-Unquoted***	Fair value through profit or loss	3,92,00,000	-	-	-
	- 0.01% Optionally Convertible Debentures (OCD) Series B of TRN Energy Private Limited-Unquoted***	Fair value through profit or loss	3,74,46,000	-	-	-
	- 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	8.81
	- 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	6.22
	- 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	1.41
	- 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)			**5,936.62**		**4,577.62**
(C)	**Equity Instruments**					
(i)	**Total - Subsidiary**					
(ii)	**Others**					
	- NHPC Limited- Quoted	Fair value through other comprehensive income	1,04,69,555	77.18	1,04,69,555	86.06
	- Energy Efficiency Services Limited- Unquoted	Fair value through other comprehensive income	21,81,00,000	30.28	21,81,00,000	120.39
	- 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	180.62	2,78,85,211	171.51
	- JSW Energy (Utkal) Limited- Unquoted	Fair value through other comprehensive income	127	22.69	127	8.84
	- Rattan India Power Limited- Quoted	Fair value through profit or loss	9,25,68,105	69.98	9,25,68,105	90.62
	- KSK Mahanadi Limited - Unquoted***	Fair value through other comprehensive income	2,287	-	-	-
	- R.K.M PowerGen Private Limited- Unquoted ***	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
	- TRN Energy Private Limited- Unquoted ***	Fair value through other comprehensive income	10,00,68,661	-	-	-
	- Units of Raajmarg Infra Investment Trust-2026 Invit - Quoted	Fair value through other comprehensive income	2,58,783	2.85	-	-
	Total - Others			**383.60**		**477.42**
	Total (C)- Equity Instruments (i+ii)			**383.60**		**477.42**
(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**

Consolidated Notes to Accounts

Particulars		Investment measured at	As at 31-03-2026		As at 31-03-2025	
			Number	Amount	Number	Amount
(E)	**Total Investments (A to D)**			**9,865.80**		**6,705.62**
(F)	Less: impairment loss allowance			(34.35)		(31.98)
(G)	**Total - Net (E-F)**			**9,831.45**		**6,673.64**

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 Companies – Asset Liability Management) Directions, 2025.*

*** Securities with a face value of ₹1,060.17 crore (previous years Nil) have been pledged as collateral towards initial margin with Clearing Corporation of India Limited in compliance with the Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024 Dated May 08, 2024.*

**** 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 Movement of Impairment Loss Allowance in respect of Investments:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**31.98**	**28.72**
Add: Impairment loss allowance	2.37	3.26
Less: Allowance utilised towards write-off of Investments	-	-
Closing Balance	**34.35**	**31.98**

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) **<u>During the current year:</u>**

(a) Pursuant to Restructuring Agreement in respect of TRN Energy Private Limited, the Company has been alloted 10,00,68,661 no. of equity shares having face value of ₹10/- each, 3,92,00,000 no. of 0.01% Optionally-Convertible Debentures- Series A having face value of ₹100/- each and 3,74,46,000 no. of 0.01% Optionally-Convertible Debentures-Series B having face value of ₹100/- each.

(b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Bhadreshwar Vidyut Private Limited, the Company was alloted 66,11,47,610 no. of equity shares having face value of ₹0.10/- each which have been derecognised pursuant to cash settlement under the resolution plan.

(c) Pursuant to IBC procedings in respect of KSK Mahanadi Ltd, the company has been allotted 2287 no. equity shares having face value of ₹10/each.

(ii) **<u>During the previous year:</u>**

(a) Pursuant to the Resolution Plan approved under IBC proceedings in respect of KSK Mahanadi Power Company Limited, IDBI Trusteeship Services Limited has been alloted 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%.

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 2025-26			FY 2024-25		
	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
Bhadreshwar Vidyut Private Limited	661147610.00	6.61	0.00	Nil		

Dividend income earned on equity/Invit investments designated at FVOCI is ₹10.17 crore for current financial year (previous year ₹8.42 crore).

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.

Consolidated Notes to Accounts

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 31-03-2026	As at 31-03-2025
(A)	**Loans to Employees**	99.87	78.07
(B)	**Advances to Employees**	0.26	0.43
(C)	**Recoverable from Holding Company**	-	2.82
(D)	**Security Deposits**	3.07	2.46
(E)	**Advance paid towards variation margin**	63.32	0.63
(F)	**Recoverable from Government of India**		
	- Towards GoI Fully Serviced Bonds (Refer Note 23.5)	24,318.29	24,318.29
(G)	**Other amounts recoverable**	195.93	351.20
	Less: Impairment Loss allowance (Refer Note 12.2)	(124.51)	(149.71)
	Other Amounts Recoverable (Net)	**71.42**	**201.49**
	Total (A to G)	**24,556.23**	**24,604.19**

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 31-03-2026	As at 31-03-2025
(A)	**Secured Loans**		
	- To Key Managerial Personnel	0.38	0.01
	- To employees Other than Key Managerial Personnel	34.91	36.33
	Sub-total (A)	**35.29**	**36.34**
(B)	**Unsecured Loans**		
	- To Key Managerial Personnel	0.25	0.12
	- To employees Other than Key Managerial Personnel	64.33	41.61
	Sub-total (B)	**64.58**	**41.73**
	Total (A+B)	**99.87**	**78.07**

The figures above include interest accrued on such loans amounting to ₹15.71 crore (Previous year ₹12.92 crore).

12.2 Movement of impairment loss allowance on other financial assets

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance	**149.71**	**39.93**
Add: Created during the year	8.96	129.91
Less: Reversed/ Adjusted during the year	(34.16)	(20.13)
Closing balance	**124.51**	**149.71**

13. Current tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Advance Income-tax & TDS	4,021.96	4,403.41
Provision for Income Tax	(3,742.54)	(4,001.29)
Sub-Total (A)	**279.42**	**402.12**
Tax Deposited on income tax demands under contest	0.96	5.20
Provision for income tax for demand under contest	(0.23)	(0.25)
Sub-Total (B)	**0.73**	**4.95**
Current tax assets - Net (A+B)	**280.15**	**407.07**

14. Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Deferred Tax Assets (Net)	3,539.59	2,868.69

Consolidated Notes to Accounts

14.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2026 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	2,577.68	(889.64)	-	-	1,688.04
Provision for Earned Leave	9.89	0.73	-	-	10.62
Provision for Medical Leave	5.90	0.03	-	-	5.93
Provision for Gratuity	-	0.08	-	-	0.08
Provision for Other Expenses	(0.04)	0.05	-	-	0.01
Fair Valuation of Investments	(10.34)	8.46	-	-	(1.88)
Fair Valuation of Derivatives	699.31	193.66	1,376.04	-	2,269.01
Total Deferred Tax Assets (A)	**3,282.40**	**(686.63)**	**1,376.04**	**-**	**3,971.81**
Deferred Tax Liabilities					
Depreciation and Amortisation	35.23	0.70	-	-	35.93
Unamortised Foreign Currency Exchange Fluctuations	168.34	66.50	-	-	234.84
Financial assets and liabilities measured at amortised cost	207.91	(79.65)	-	-	128.26
Fair Valuation of Debt Securities	2.22	30.97	-	-	33.19
Total Deferred Tax Liabilities (B)	**413.70**	**18.52**	**-**	**-**	**432.22**
Total Deferred Tax Assets - Net (A-B)	**2,868.69**	**(705.15)**	**1,376.04**	**-**	**3,539.59**

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
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
Others	-	-	-	-	-
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**

15. Investment Property

(₹ in Crores)

Particulars	Opening Balance	Additions / transfer during the year	Disposals/Transfers during the year	Closing balance
As at 31-03-2026				
Gross Carrying Value	2.46	-	-	2.46
Accumulated depreciation	(1.45)	(0.03)	-	(1.48)
Net Carrying Value	**1.01**	**(0.03)**	**-**	**0.98**
As at 31-03-2025				
Gross Carrying Value	-	2.46	-	2.46
Accumulated depreciation	-	(1.45)	-	(1.45)
Net Carrying Value	**-**	**1.01**	**-**	**1.01**

Consolidated Notes to Accounts

15.1 The Company's investment properties consist of buildings situated in Delhi and Gurugram, India. During the year, there has been no reclassification from/to Investment Property (previous year Gross Carrying value of ₹2.46 crore reclassified from Property, Plant and Equipment (PPE) of the Company).

15.2 The rental income from these investment properties is ₹16.01 crore during the year (previous year ₹14.97 crore) . There were no direct operating expenses arising from the investment properties.

15.3 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.

15.4 Fair value of investment property:

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Carrying Value	0.98	1.01
Fair Value	165.28	163.00

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 10th March, 2026 on the basis of Income Approach. All resulting fair value estimates for investment property are included in Level 2.

Consolidated Notes to Accounts

16. Property, Plant & Equipment, Capital Work-in-Progress and Other Intangible Assets

(₹ in Crores)

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
Gross carrying value												
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	-	-	(2.46)	-	(4.82)	(5.76)	(10.22)	(0.46)	(23.71)	-	-	-
As at 31-03-2025 (A)	**110.39**	**1.59**	**454.44**	**20.45**	**67.04**	**38.44**	**27.74**	**0.50**	**720.58**	**76.01**	**-**	**16.32**
As at 31-03-2025	**110.39**	**1.59**	**454.44**	**20.45**	**67.04**	**38.44**	**27.74**	**0.50**	**720.58**	**76.01**	**-**	**16.32**
Additions	-	-	1.36	-	3.29	6.19	12.41	0.25	23.50	46.96	-	0.83
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	6.39	-	-
Disposals/ Transfers	-	(0.13)	-	(0.08)	(5.45)	(5.97)	(8.43)	(0.17)	(20.23)	(1.65)	-	(0.02)
As at 31-03-2026 (B)	**110.39**	**1.46**	**455.80**	**20.37**	**64.87**	**38.66**	**31.72**	**0.58**	**723.85**	**127.71**	**-**	**17.13**
Accumulated depreciation/ amortisation												
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	-	-	(0.65)	-	(3.07)	(3.79)	(6.36)	(0.39)	(14.26)	-	-	-
As at 31-03-2025 (C)	**-**	**0.50**	**33.59**	**4.82**	**23.27**	**22.31**	**10.00**	**0.07**	**94.58**	**-**	**-**	**14.48**
As at 31-03-2025	**-**	**0.50**	**33.59**	**4.82**	**23.27**	**22.31**	**10.00**	**0.07**	**94.58**	**-**	**-**	**14.48**
Charge for the year	-	0.01	7.19	1.29	6.06	6.87	4.89	0.06	26.37	-	-	0.65
Adjustment for disposals/transfers	-	(0.13)	-	(0.02)	(1.72)	(3.75)	(3.92)	(0.06)	(9.60)	-	-	(0.02)
As at 31-03-2026 (D)	**-**	**0.38**	**40.78**	**6.09**	**27.61**	**25.43**	**10.97**	**0.07**	**111.34**	**-**	**-**	**15.12**
Net block as at 31-03-2025 (A-C)	**110.39**	**1.09**	**420.85**	**15.63**	**43.76**	**16.12**	**17.73**	**0.43**	**625.99**	**76.01**	**-**	**1.84**
Net block as at 31-03-2026 (B-D)	**110.39**	**1.08**	**415.02**	**14.28**	**37.27**	**13.24**	**20.75**	**0.51**	**612.51**	**127.71**	**-**	**2.01**

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 2026

(₹ 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	1.76	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 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.

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 31-03-2026	As at 31-03-2025
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.21	2.26

16.3 Capital Work in Progress (CWIP)

(a) CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31-03-2026					As at 31-03-2025				
	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	48.03	52.42	20.87	2.72	124.04	52.42	20.87	1.24	1.48	76.01
- Renovation Works at Office Building	3.67	-	-	-	3.67	-	-	-	-	-
Total	**51.70**	**52.42**	**20.87**	**2.72**	**127.71**	**52.42**	**20.87**	**1.24**	**1.48**	**76.01**

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 31-03-2026					As at 31-03-2025				
	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	124.04	-	-	-	124.04	76.01	-	-	-	76.01
-Renovation Works at Office Building	3.67	-	-	-	3.67	-	-	-	-	-
Total	**127.71**	**-**	**-**	**-**	**127.71**	**76.01**	**-**	**-**	**-**	**76.01**

Consolidated 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 ₹6.39 crore (previous year ₹3.02 crore) borrowing costs on account of general borrowings at an average rate of borrowings of 7.11% (previous year 7.13%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

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 31-03-2026	As at 31-03-2025
	Unsecured, considered good		
(A)	Other Advances	8.63	71.20
(B)	Balances with Government Authorities	35.36	21.70
(C)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	-	5.53
(D)	Prepaid Expenses	1.56	15.74
(E)	Deferred Employee Benefits	34.09	24.58
	Total (A to E)	**79.64**	**138.75**

18. Assets Classified as Held for Sale

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Disposal Group**		
	(i) Investment in associates	1.20	0.30
	(ii) Loans to associates	14.33	3.57
	Sub-Total (A)	**15.53**	**3.87**
(B)	Assets Classified as Held for Sale-Building	0.01	0.01
	Total (B)	**0.01**	**0.01**
	Grand Total (A+B)	**15.54**	**3.88**
	Net Assets held for sale (A+B-C)	**15.54**	**3.88**

The assets held for sale as on 31.03.2026 for ₹0.01 crore is under litigation pending the outcome, the asset cannot be re-auctioned (previous year ₹0.01 crore).

18.1 Investments in associates

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Investments in Equity Instruments of associates (fully paid up)		
equity shares of ₹10/- each		
Luhri Power Transmission Limited	0.05	0.05
Shongtong Power Transmission Limited	0.05	0.05
Kankani Power Transmission Limited	0.05	0.05
Tuticorin Power Transmission Limited	0.05	0.05
Rajgarh III Power Transmission Limited	-	0.05
WRNES Tale Gaon Power Transmission Limited	-	0.05
Apta Power Transmission Limited	0.05	-
Dholpur Power Transmission Limited	0.05	-
Ambernath Power Transmission Limited	0.05	-
Hampapura Power Transmission Ltd.	0.05	-
Jalna Power Transmission Limited	0.05	-
Mekhali Power Transmission Ltd.	0.05	-
Robertsganj PTL	0.05	-
Ryapte Power Transmission Ltd.	0.05	-
Sakoli Power Transmission Limited	0.05	-

Consolidated Notes to Accounts

Particulars	As at 31-03-2026	As at 31-03-2025
Sharavathi Power Transmission Ltd.	0.05	-
Balsane Power Transmission Limited	0.05	-
Barmer HVDC PTL	0.05	-
Kempegowda PTL	0.05	-
WR-ER Part A Power Transmission Limited	0.05	-
Jaisalmer Power Transmission Limited	0.05	-
Munak Power Transmission Limited	0.05	-
Musalgaon Power Transmission Limited	0.05	-
Ranipur Chunar Power Transmission Ltd	0.05	-
Vizag Power Transmission Limited	0.05	-
WR-ER Part C Power Transmission Limited	0.05	-
Total	**1.20**	**0.30**

18.2 Loans to Associates

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Receivable from SPV-Under Incorporation	(0.11)	(0.22)
Shongtong Power Transmission Limited	2.19	1.30
Luhri Power Transmission Limited	1.39	1.39
Kankani Power Transmission Limited	0.42	0.01
Tuticorin Power Transmission Limited	1.07	0.41
WRNES Tale Gaon Power Transmission Limited	0.01	0.29
Rajgarh III Power Transmission Limited	-	0.17
Velegaon Power Transmission Limited	-	0.11
Jejuri Hinjewadi Power Transmission Limited	-	0.11
Robertsganj Power Transmission Limited	0.78	-
Hampapura Power Transmission Limited	0.85	-
Mekhali Power Transmission Limited	0.68	-
Ryapte Power Transmission Limited	0.79	-
Sharavathi Power Transmission Limited	0.71	-
Jalna Power Transmission Limited	0.75	-
Sakoli Power Transmission Limited	0.62	-
Barmer HVDC Power Transmission Ltd.	0.64	-
Kempegowda Power Transmission Ltd.	0.32	-
WRER Part A Power Transmission Limited	0.48	-
WRER Part C Power Transmission Limited	0.34	-
Musalgaon Power Transmission Ltd	0.40	-
Ranipur Chunar Power Transmission Limited	0.38	-
Balsane Power Transmisison Limuted	0.31	-
Ambernath Power Transmission Limited	0.25	-
Apta Power Transmission Limited	0.27	-
Dholpur Power Transmission Limited	0.22	-
Vizag Power Transmission Limited	0.21	-
Munak Power Transmission Limited	0.16	-
Jaisalmer Power Transmission Limited	0.19	-
Total	**14.33**	**3.57**

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, the Company has disposed residential building units through e-auction process. During the year, the carrying value Nil (previous year ₹0.04 crore) has been disposed, classified under "Assets classified as held for sale" as required under Ind-AS 105 with resultant gain of Nil (previous year ₹6.03 crore) (refer note 33).

Consolidated Notes to Accounts

19. Payable

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises	0.03	0.12
	Total outstanding dues of creditors other than micro enterprises and small enterprises	179.67	133.75
	Sub-total (A)	**179.70**	**133.87**
(B)	**Other payables**		
	Total outstanding dues of micro enterprises and small enterprises	2.07	6.52
	Total outstanding dues of creditors other than micro enterprises and small enterprises	14.21	17.28
	Sub-total (B)	**16.28**	**23.80**
	Total (A+B)	**195.98**	**157.67**

19.1 Trade Payables ageing schedule

(₹ in Crores)

	Particulars	Outstanding as at 31-03-2026						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	0.03	-	-	-	-	-	0.03
	Sub-total (i)	**0.03**	**-**	**-**	**-**	**-**	**-**	**0.03**
(ii)	**Other than MSME**							
	- Disputed	-	-	-	-	-	-	-
	- Others	7.77	-	106.92	38.18	15.99	10.80	179.67
	Sub-total (ii)	**7.77**	**-**	**106.92**	**38.18**	**15.99**	**10.80**	**179.67**
	Total (i+ii)	**7.80**			**38.18**	**15.99**	**10.80**	**179.70**

(₹ 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**
(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**

19.2 Disclosure as per Section 22 of MSME Act, 2006

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(a)	The principal amount payable to suppliers at the year end	2.10	6.64
(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 31-03-2026		As at 31-03-2025	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	54EC Capital Gain Tax Exemption Bonds#	43,170.96	44,704.60	43,235.69	44,768.80
(ii)	Tax Free Bonds	8,547.33	8,870.10	8,953.27	9,281.67
(iii)	54EC Bond Application Money pending allotment	525.42	522.70	595.88	594.63
	Sub-total (A)	**52,243.71**	**54,097.40**	**52,784.84**	**54,645.10**
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	2,12,114.09	2,18,826.62	2,00,803.29	2,06,783.97
(ii)	Infrastructure Bonds	3.96	10.88	3.96	10.06
(iii)	Zero Coupon Bonds	2,970.38	2,964.80	2,795.64	2,789.78
(iv)	Foreign Currency Bonds	31,069.93	31,117.17	28,286.04	28,199.36
	Sub-total (B)	**2,46,158.36**	**2,52,919.47**	**2,31,888.93**	**2,37,783.17**
(C)	**Unsecured Short-Term Debt Securities**				
(i)	Commercial Paper	3,000.00	2,965.96	-	-
	Sub-total (C)	**3,000.00**	**2,965.96**	**-**	**-**
	Total - Debt Securities (A+B+C)	**3,01,402.07**	**3,09,982.83**	**2,84,673.77**	**2,92,428.27**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	2,70,332.14	2,78,865.64	2,56,387.73	2,64,228.89
(ii)	Debt Securities outside India	31,069.93	31,117.17	28,286.04	28,199.36
	Total - Debt Securities	**3,01,402.07**	**3,09,982.83**	**2,84,673.77**	**2,92,428.27**

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost.

#renamed as Capital Gain Tax Exemption (CGTE) Bonds issued under Section 85 of Income Tax Act, 2025

20.1 Details of Secured Long-Term Debt Securities - *Refer Note 21.6 for details of the security*

(i) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XIV (2020-21) - 5.75% and 5% Redeemed at par during financial year 2025-26	-	-	5,312.07	5,518.37
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	7,312.80	7,586.18	7,312.80	7,582.92
Series XVI (2022-23) - 5% Redeemable at par during financial year 2027-28	12,152.39	12,598.11	12,152.39	12,595.84
Series XVII (2023-24) - 5.25% Redeemable at par during financial year 2028-29	11,419.07	11,856.27	11,419.57	11,851.53
Series XVIII (2024-25) - 5.25% Redeemable at par during financial year 2029-30	7,634.21	7,920.11	7,038.86	7,220.14
Series XIX (2025-26) - 5.25% Redeemable at par during financial year 2030-31	4,652.49	4,743.93	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	**43,170.96**	**44,704.60**	**43,235.69**	**44,768.80**

(ii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Series 5A	-	-	300.00	306.48
7.17% payable annually Redeemed on 23.07.2025				
Series 2011-12	2,160.33	2,291.25	2,160.33	2,290.33
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				

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Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2012-13 Series 2A & 2B	245.00	251.35	245.00	251.27
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	862.79	842.04	862.47
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	50.90	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	1,196.30	1,141.00	1,195.81
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 Tranche 1	2,835.54	2,911.97	2,835.55	2,910.73
Redeemable at par. Bonds amounting to ₹2,810.26 crore are redeemable on 25.09.2028 and ₹55.28 crore are redeemable on 26.09.2033 with interest rates varying from 8.37% to 8.71% payable annually				
Series 2013-14 Series 4A & 4B	45.00	46.75	45.00	46.73
Redeemable at par. Bonds amounting to ₹45.00 crore are redeemable on 11.10.2028 with interest rates of 8.54% payable annually				
Series 2013-14 Tranche 2	638.08	655.73	638.08	655.29
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	590.63	603.04	696.56	711.67
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	**8,547.33**	**8,870.10**	**8,953.27**	**9,281.67**

(iv) Bond Application Money Pending Allotment

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds 5.25% Redeemable at par after 5 years from the deemed date of allotment	525.42	522.70	595.88	594.63
Total - Bond Application Money Pending Allotment	**525.42**	**522.70**	**595.88**	**594.63**

20.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
133rd Series - 8.30% Redeemed on 10.04.2025	-	-	2,396.00	2,453.75
94th Series - 8.75% Redeemed on 09.06.2025	-	-	1,250.00	1,339.00
95-II Series - 8.75% Redeemed on 11.07.2025	-	-	1,800.00	1,913.49
136th Series - 8.11% Redeemed on 07.10.2025	-	-	2,585.00	2,672.14
229A Series - 7.79% Redeemed on 29.11.2025	-	-	1,033.00	1,059.81
203B Series - 5.85% Redeemed on 20.12.2025	-	-	2,777.00	2,822.16

Consolidated Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
204B Series - 5.81% Redeemed on 31.12.2025	-	-	2,082.00	2,112.04
205B Series - 5.94 % Redeemed on 31.01.2026	-	-	2,000.00	2,022.91
214A Series - 7.32% Redeemed on 28.02.2026	-	-	500.00	503.19
219th Series - 7.60 % Redeemed on 28.02.2026	-	-	3,148.70	3,169.58
223A Series - 7.44% Redeemable at par on 30.04.2026	3,000.00	3,168.13	3,000.00	3,167.71
228A Series - 7.80% Redeemable at par on 30.05.2026	1,679.00	1,788.39	1,679.00	1,788.15
218A Series - 7.56 % Redeemable at par on 30.06.2026	3,000.00	3,170.81	3,000.00	3,170.55
225th Series - 7.64% Redeemable at par on 30.06.2026	2,210.00	2,337.14	2,210.00	2,336.85
221st Series - 7.51% Redeemable at par on 31.07.2026	2,848.00	2,990.88	2,848.00	2,990.60
234A Series - 7.70% Redeemable at par on 31.08.2026	2,500.00	2,612.17	2,500.00	2,661.37
227A Series - 7.77% Redeemable at par on 30.09.2026	2,670.00	2,773.83	2,670.00	2,773.48
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,230.73	1,200.00	1,230.67
237th Series - 7.55% Redeemable at par on 31.10.2026	2,000.00	2,062.67	2,000.00	2,062.33
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,158.58	2,100.00	2,170.00
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,055.37	3,000.00	3,061.81
230A Series- 7.71% Redeemable at par on 26.02.2027	3,685.00	3,715.05	3,685.00	3,720.31
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,743.91	2,745.00	2,757.74
249A Series - 6.37% Redeemable at par on 31.03.2027	3,000.00	3,000.16	-	-
231A Series - 7.64% Redeemable at par on 30.04.2027	2,875.00	3,076.78	2,875.00	3,076.42
232A Series- 7.59% Redeemable at par on 31.05.2027	3,183.00	3,385.57	3,183.00	3,342.34
250A Series - 6.60% Redeemable at par on 30.06.2027	4,000.00	4,201.71	-	-
236B Series - 7.56% Redeemable at par on 31.08.2027	3,000.00	3,131.64	3,000.00	3,131.18
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,614.75	3,533.00	3,614.62
248A Series - 6.52% Redeemable at par on 31.01.2028	3,000.00	3,031.34	-	-
251 Series - 6.95% Redeemable at par on 18.02.2028	2,835.00	2,855.60	-	-
245A Series - 7.44% Redeemable at par on 29.02.2028	3,000.00	3,018.82	3,000.00	3,006.85
216A Series - 7.55 % Redeemable at par on 31.03.2028	1,701.50	1,701.53	1,701.50	1,701.39
220A Series - 7.77 % Redeemable at par on 31.03.2028	2,000.00	2,000.13	2,000.00	2,000.00
223B Series - 7.46% Redeemable at par on 30.06.2028	2,993.60	3,160.77	2,993.60	3,160.35
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.52	2,500.00	2,637.48
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.16	2,500.00	2,628.12
168th Series - 8.56% payable semi-annually, Redeemable at par on 29.11.2028	2,552.40	2,625.87	2,552.40	2,625.82
169th Series - 8.37% payable semi-annually, Redeemable at par on 07.12.2028	2,554.00	2,621.17	2,554.00	2,621.12
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,736.13	1,600.70	1,736.01
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,175.85	1,097.00	1,174.17
234B Series - 7.58% Redeemable at par on 31.05.2029	2,500.00	2,657.02	2,500.00	2,657.70
180B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,185.36	2,070.90	2,180.89
184A Series - 8.25% Redeemable at par on 26.09.2029	1,451.00	1,512.25	1,451.00	1,512.23
249B Series - 6.70% Redeemable at par on 31.12.2029	1,922.50	1,953.57	-	-
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.92	2,382.00	2,396.76
188B Series - 7.89% Redeemable at par on 30.03.2030	3,100.00	3,132.10	3,100.00	3,138.62
189th Series - 7.92% Redeemable at par on 30.03.2030	3,054.90	3,055.18	3,054.90	3,055.11
240B Series - 7.34% Redeemable at par on 30.04.2030	2,901.00	3,095.59	2,901.00	2,983.29
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,990.53	3,740.00	3,990.35
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,674.06	1,569.00	1,673.97
247A Series - 6.87% Redeemable at par on 31.05.2030	3,000.00	3,188.00	-	-
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.11	3,500.00	3,627.08

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.47	5,000.00	5,094.38
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,528.03	2,500.00	2,527.97
252 Series - 7.19% Redeemable at par on 15.03.2031	3,000.00	3,010.28	-	-
201B Series - 6.90% Redeemable at par on 31.03.2031	2,415.00	2,495.23	2,415.00	2,490.29
213th Series - 6.92% Redeemable at par on 20.03.2032	3,380.00	3,341.43	3,380.00	3,335.48
218B Series - 7.69 % Redeemable at par on 31.01.2033	2,004.40	2,029.00	2,004.40	2,028.92
214B Series - 7.50% Redeemable at par on 28.02.2033	4,947.60	4,952.73	4,947.60	4,949.83
220B Series - 7.69 % Redeemable at par on 31.03.2033	1,600.10	1,600.16	1,600.10	1,600.13
217th Series - 7.53 % Redeemable at par on 31.03.2033	500.00	500.04	500.00	500.04
227B Series - 7.71% Redeemable at par on 31.10.2033	2,818.70	2,906.66	2,818.70	2,906.42
228B Series - 7.71% Redeemable at par on 30.11.2033	2,899.69	2,972.80	2,899.69	2,972.65
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	3,988.10	3,889.00	3,988.08
230B Series -7.64% Redeemable at par on 31.01.2034	3,000.00	3,036.20	3,000.00	3,036.07
231B Series-7.47% Redeemable at par on 28.02.2034	2,500.00	2,514.96	2,500.00	2,514.83
232B Series - 7.45% Redeemable at par on 29.04.2034	2,935.00	3,134.60	2,935.00	3,145.24
233rd Series - 7.53% Redeemable at par on 31.05.2034	3,000.00	3,186.32	3,000.00	3,196.63
235th Series - 7.35% payable semi-annually, Redeemable at par on 31.07.2034	4,000.00	4,045.92	4,000.00	4,045.71
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,314.72	5,063.00	5,314.70
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.30	3,028.00	3,163.28
242nd Series - 7.20% Redeemable at par on 15.01.2035	2,297.00	2,322.65	2,297.00	2,329.78
245B Series - 7.32% Redeemable at par on 28.02.2035	2,780.00	2,795.93	2,780.00	2,785.19
241st Series - 7.10% Redeemable at par on 30.04.2035	1,620.00	1,724.97	1,620.00	1,651.47
247B Series - 6.86% Redeemable at par on 31.05.2035	2,000.00	2,125.26	-	-
250B Series - 7.06% Redeemable at par on 30.06.2035	2,865.00	3,018.13	-	-
236A Series - 7.45% Redeemable at par on 31.08.2035	3,000.00	3,127.30	3,000.00	3,127.08
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,641.95	4,589.90	4,641.89
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.62	3,613.80	3,625.57
248B Series - 6.81% Redeemable at par on 30.04.2036	2,635.00	2,786.06	-	-
216B Series - 7.67 % Redeemable at par on 30.11.2037	2,000.00	2,050.83	2,000.00	2,050.80
229B Series - 7.67% Redeemable at par on 30.11.2038	3,539.40	3,627.32	3,539.40	3,627.19
238th Series - 7.31% Redeemable at par on 30.09.2039	2,145.00	2,222.72	2,145.00	2,222.69
240A Series - 7.09% Redeemable at par on 30.11.2039	3,575.00	3,653.40	3,575.00	3,663.83
243rd Series - 7.28% Redeemable at par on 20.02.2040	2,595.00	2,608.67	2,595.00	2,616.32
246 Series - 7.02% Redeemable at par on 30.04.2040	2,625.00	2,802.01	-	-
Total - Institutional Bonds	**2,12,114.09**	**2,18,826.62**	**2,00,803.29**	**2,06,783.97**

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	10.88	3.96	10.06
Total - Infrastructure Bonds	**3.96**	**10.88**	**3.96**	**10.06**

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31-03-2026	As at 31-03-2025	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

Consolidated Notes to Accounts

(iii) Zero Coupon Bonds

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value*	Amortised Cost	Face Value*	Amortised Cost
ZCB-Bond Series 239 (Net of unamortised discount, 5,00,000 bonds with face value of ₹1,00,000 each redeemable at par on 03.11.2034)	2,970.38	2,964.80	2,795.64	2,789.78
Total - Zero Coupon Bonds	**2,970.38**	**2,964.80**	**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 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
2.25% US $500 Mn Bonds - Redeemable at par on 01.09.2026	4,732.72	4,739.99	4,279.07	4,282.25
2.75% US $400 Mn Bonds - Redeemable at par on 13.01.2027	3,786.17	3,807.39	3,423.26	3,440.91
3.875% US $450 Mn Green Bonds - Redeemable at par on 07.07.2027	4,259.44	4,192.69	3,851.16	3,715.94
4.625% US $300 Mn Bonds - Redeemable at par on 22.03.2028	2,839.63	2,765.30	2,567.44	2,464.82
5.625% US $750 Mn Bonds - Redeemable at par on 11.04.2028	7,099.07	7,280.51	6,418.61	6,579.48
1.76% JPY 31000 Mn Bonds - Redeemable at par on 19.01.2029	1,836.75	1,841.23	1,759.25	1,762.88
1.41% JPY 27400 Mn Bonds - Redeemable at par on 19.04.2029	1,623.45	1,608.17	1,554.95	1,534.10
4.75% USD 500 Mn Bonds - Redeemable at par on 27.09.2029	4,732.72	4,721.46	4,279.07	4,265.34
2.20% JPY 2700 Mn Bonds - Redeemable at par on 19.01.2034	159.98	160.43	153.23	153.64
Total - Foreign Currency Bonds	**31,069.93**	**31,117.17**	**28,286.04**	**28,199.36**

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 31-03-2026	For the year ended 31-03-2025
Funds raised during the year under GMTN Programme	Nil	USD 0.50 Billion
Cumulative amount raised under GMTN Programme	USD 6.07 Billion	USD 6.07 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.32 Billion	USD 3.32 Billion

The amounts raised 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.

20.3 Details of Unsecured Short-Term Debt Securities

(i) Commercial Paper

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Commercial Paper	3,000.00	2,965.96	-	-

Details of Commercial Paper outstanding:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Face Value	Amortised Cost	Face Value	Amortised Cost
69th Series - 6.25% Repayable on 10.06.2026	3,000.00	2,965.96	-	-
Total	**3,000.00**	**2,965.96**	**-**	**-**

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 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	64,406.69	64,474.24	41,879.47	41,886.99
(ii)	Term Loans from Financial Institutions	-	-	2,500.00	2,500.00
(iii)	Term Loan in Foreign Currency	1,07,178.07	1,06,996.27	94,571.40	94,216.65
(iv)	FCNR (B) Loans	4,732.72	4,733.40	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)	**1,86,317.48**	**1,86,529.03**	**1,53,229.94**	**1,53,208.55**
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	3,408.01	3,408.90	38,902.89	38,920.51
(ii)	Short Term Loans/ Loans repayable on demand from Banks	3,527.00	3,535.67	1,600.00	1,600.32
(iii)	Short Term Loans/ Loans repayable on demand from Financial Institutions	1,500.00	1,500.30	-	-
(iv)	Overdrafts/ Cash Credit repayable on demand from Banks	341.71	341.71	570.78	570.78
	Sub-total (B)	**8,776.72**	**8,786.58**	**41,073.67**	**41,091.61**
	Total - Borrowings (other than Debt Securities) (A to B)	**1,95,094.20**	**1,95,315.61**	**1,94,303.61**	**1,94,300.16**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	87,916.13	88,319.34	99,732.21	1,00,083.51
(ii)	Borrowings outside India	1,07,178.07	1,06,996.27	94,571.40	94,216.65
	Total - Borrowings (other than Debt Securities)	**1,95,094.20**	**1,95,315.61**	**1,94,303.61**	**1,94,300.16**

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 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Bank of Baroda	7,249.89	7,251.16	2,624.91	2,625.44
₹2249.91 crore repayable in 3 annual instalments next installment repayable on 30.09.2026, final instalment repayable on 30.09.2028 and balance ₹4999.98 crore repayable on 22.09.2028.				
- Jammu & Kashmir Bank	299.94	299.94	299.94	299.94
₹299.94 crore repayable on 28.10.2026				
- South Indian Bank	499.88	499.97	499.89	499.99
₹299.93 crore repayable on 08.11.2026 and ₹199.95 crore repayable on 04.08.2027				
- Punjab National Bank	8,299.10	8,300.17	8,962.44	8,963.76
₹1,999.63 crore repayable on 11.11.2026, ₹999.64 crore repayable in 4 equal annual installments of ₹200 crore starting from 29.03.2028 and last installment of ₹199.64 crore on 29.12.2031, ₹1,199.99 crore repayable on 03.11.2028, ₹1,999.98 crore repayable on 27.12.2028 and ₹2,099.86 crore repayable on 19.06.2029				
- HDFC Bank	17,850.00	17,856.06	17,850.00	17,853.65
₹850 crore repayable on 17.11.2026, ₹2,000 crore repayable on 31.03.2027, ₹2,000 crore repayable on 07.09.2027, ₹2,500 crore repayable on 29.12.2027, ₹2,500 crore repayable on 27.02.2028,₹1,000 crore repayable on 27.06.2028, ₹1,500 crore repayable on 29.06.2028, ₹4,000 crore repayable on 30.09.2028 and ₹1,500 crore repayable on 28.12.2028				
- Central Bank of India	928.49	928.49	899.99	899.99
₹428.49 crore repayable in 6 annual instalments next instalment repayable on 30.03.2027, final instalment on 30.03.2032 and ₹500 crore repayable on 28.08.2028				

Consolidated Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Union Bank of India	9,999.40	10,001.13	3,999.41	4,000.20
₹1,999.65 crore repayable in 5 annual instalments of ₹400 crore each starting from 31.03.2027, final installment on 31.03.2031, ₹499.87 crore repayable on 29.09.2028, ₹499.88 crore repayable on 05.11.2028, ₹2,000 crore loan repayable on 16.12.2028 and ₹5,000 crore loan repayable on 30.12.2030				
- State Bank of India	10,197.00	10,252.77	709.92	709.92
₹2,697 crore repayable in 8 equal semi annual installments of ₹299.67 crore starting from 27.12.2027 and balance 9th installment of ₹299.64 crore on 27.12.2031, ₹1,157 crore repayable on 12.11.2030, ₹3,500 crore repayable on 18.01.2031 and ₹2,843 crore repayable on 01.02.2031				
- ICICI Bank	8,583.00	8,584.56	5,533.00	5,534.13
₹1,533 crore repayable on 15.05.2028, ₹2,050 crore repayable on 29.08.2028, ₹2,000 crore repayable on 09.03.2029 and ₹3,000 crore repayable on 23.01.2030				
- Karnataka Bank	499.99	499.99	499.97	499.97
₹499.99 crore repayable on 27.05.2028				
Total - Unsecured Term Loans from Banks	**64,406.69**	**64,474.24**	**41,879.47**	**41,886.99**

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL)	-	-	2,500.00	2,500.00
₹1500 crore repaid on 13.06.2025 and ₹1000 crore repaid on 27.02.2026				
Total - Unsecured Term Loans from Others - Financial Institutions	**-**	**-**	**2,500.00**	**2,500.00**

(iii) Foreign Currency Borrowings

(₹ in Crores)

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
(1)	**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 15.05.2026	1,135.85	1,154.20	1,232.37	1,255.83
	KfW-V Loan - Repayable in equal half-yearly instalments of US $8.92 Mn till 15.05.2034, next instalment falling due on 15.05.2026	1,435.51	1,460.37	1,450.60	1,479.93
	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	1,085.03	1,102.85	622.63	629.63
	KfW-VII Loan - Repayable in equal half-yearly instalments of €10.53 Mn till 15.05.2037, first instalment falling due on 15.05.2028	980.46	982.99	-	-
	Sub-Total (1)	**4,636.85**	**4,700.41**	**3,305.60**	**3,365.39**
(2)	**Bilateral/ Syndicated Loans**				
	US $75 Mn - Repaid on 02.04.2025	-	-	641.86	651.58
	JPY ¥ 10.519 Bn - Repaid on 25.09.2025	-	-	596.95	595.88
	US $170 Mn - $100 Mn repaid on 26.03.2025 and $ 70 Mn repaid on 06.10.2025	-	-	599.07	600.57
	US $425 Mn - Repaid on 16.03.2026	-	-	3,637.21	3,634.16
	US $600 Mn - Repayable on 25.08.2026	5,679.26	5,699.12	5,134.88	5,137.56
	US $75 Mn - Repayable on 07.10.2026	709.91	726.79	641.86	656.56
	US $1175 Mn - Repayable on 29.12.2026	11,121.88	11,080.67	10,055.81	9,978.86
	JPY ¥ 37.506 Bn - Repayable on 03.03.2027	2,222.27	2,217.26	2,128.50	2,115.64
	US $100 Mn - Repayable on 13.06.2027	946.54	945.81	855.81	853.04

Consolidated Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US $45 Mn - Repayable on 02.07.2027	425.94	427.79	385.12	386.94
US $200 Mn - Repayable on 28.07.2027	1,893.09	1,902.48	1,711.63	1,717.47
US $150 Mn - Repayable on 13.09.2027	1,419.81	1,417.74	1,283.72	1,278.74
SGD 213.21 Mn - Repayable on 27.10.2027	1,568.26	1,564.17	1,358.36	1,353.58
€ 254.19 Mn - Repayable on 31.10.2027	2,770.88	2,771.70	2,346.84	2,342.96
€ 349.83 Mn - Repayable on 27.03.2028	3,813.37	3,790.51	3,229.79	3,199.82
US $50 Mn - Repayable on 09.04.2028	473.27	474.83	-	-
US $25 Mn - Repayable on 09.04.2028	236.64	237.31	-	-
JPY ¥ 38.624 Bn - Repayable on 20.04.2028	2,288.49	2,288.16	2,191.93	2,181.58
JPY 10.495 Bn - Repayable on 26.06.2028	621.84	619.93	595.60	591.29
US $505 Mn - Repayable on 03.08.2028	4,780.04	4,768.67	4,321.86	4,297.39
US $645 Mn - Repayable on 31.08.2028	6,105.20	6,068.41	5,520.00	5,465.21
US $100 Mn - Repayable on 14.09.2028	946.54	948.62	855.81	857.81
JPY ¥ 68.485 Bn - Repayable on 21.09.2028	4,057.75	4,012.53	3,886.54	3,824.80
US $100 Mn - Repayable on 25.09.2028	946.54	937.33	855.81	843.90
JPY ¥ 14.358 Bn - Repayable on 09.01.2029	850.74	854.35	814.84	817.66
US $100 Mn - Repayable on 06.02.2029	946.54	944.02	855.81	851.32
JPY ¥ 22.101 Bn - Repayable on 15.02.2029	1,309.48	1,299.59	1,254.23	1,240.19
US $200 Mn - Repayable on 07.03.2029	1,893.09	1,874.73	1,711.63	1,688.89
JPY ¥ 22.041 Bn - Repayable on 19.03.2029	1,305.93	1,293.65	1,250.83	1,235.03
JPY ¥ 14.847 Bn - Repayable on 21.03.2029	879.68	874.18	842.57	835.43
US $225 Mn - Repayable on 27.03.2029	2,129.72	2,102.36	1,925.58	1,893.38
JPY ¥ 60.536 Bn - Repayable on 25.04.2029	3,586.76	3,537.06	3,435.42	3,361.97
JPY ¥ 9.376 Bn - Repayable on 17.05.2029	555.50	555.56	532.07	532.09
US $300 Mn - Repayable on 04.06.2029	2,839.63	2,857.65	2,567.44	2,581.13
US $90 Mn - Repayable on 13.06.2029	851.89	856.77	770.23	774.23
JPY ¥ 32.222 Bn - Repayable on 28.06.2029	1,909.15	1,900.40	1,828.60	1,813.54
US $300 Mn - Repayable on 10.07.2029	2,839.63	2,840.61	2,567.44	2,564.53
JPY ¥ 31.964 Bn - Repayable on 30.07.2029	1,893.87	1,903.00	1,813.96	1,820.99
US $125 Mn - Repayable on 30.10.2029	1,183.18	1,197.01	1,069.77	1,082.36
JPY ¥ 12.80 Bn - Repayable on 13.11.2029	758.40	758.72	726.40	722.57
US $75 Mn - Repayable on 05.12.2029	709.91	721.60	641.86	653.83
JPY ¥ 45.02 Bn - Repayable on 06.12.2029	2,667.41	2,648.88	2,554.86	2,518.16
US $250 Mn - Repayable on 26.12.2029	2,366.36	2,374.14	2,139.54	2,144.83
US $320 Mn - Repayable on 22.01.2030	3,028.94	3,028.89	2,738.60	2,732.25
US $250 Mn - Repayable on 07.02.2030	2,366.36	2,356.33	2,139.54	2,123.61
JPY ¥ 29.642 Bn - Repayable on 19.03.2030	1,756.29	1,747.00	1,682.18	1,670.32
US $300 Mn - Repayable on 02.06.2030	2,839.63	2,900.35	2,567.44	2,627.61
US $ 150 Mn- Repayable on 03.07.2030	1,419.81	1,416.46	-	-
US $ 300 Mn- Repayable on 04.09.2030	2,839.63	2,808.52	-	-
US $150 Mn - Repayable on 12.12.2030	1,419.81	1,401.37	-	-
US $250 Mn - Repayable on 25.03.2031	2,366.36	2,342.83	-	-
Sub-Total (2)	**1,02,541.22**	**1,02,295.86**	**91,265.80**	**90,851.26**
Total - Foreign Currency Borrowings (1+2)	**1,07,178.07**	**1,06,996.27**	**94,571.40**	**94,216.65**

Consolidated Notes to Accounts

(iv) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US $500 Mn - Repayable on 10.12.2027	4,732.72	4,733.40	4,279.07	4,279.79
Total - FCNR (B) Loans	**4,732.72**	**4,733.40**	**4,279.07**	**4,279.79**

(v) Term Loans from Government of India - National Small Savings Fund (NSSF)

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
US $148.039 Mn - Repaid on 03.04.2025	-	-	1,266.94	1,267.86
US $62.01 Mn - Repaid on 03.04.2025	-	-	530.69	531.08
US $150 Mn - Repaid on 08.04.2025	-	-	1,283.72	1,283.96
US $ 85.547 Mn - Repaid on 17.04.2025	-	-	732.13	732.67
US $100 Mn - Repaid on 23.04.2025	-	-	855.81	855.98
US $150 Mn - Repaid on 25.04.2025	-	-	1,283.72	1,283.97
US $200 Mn - Repaid on 02.05.2025	-	-	1,711.63	1,711.96
US $150 Mn - Repaid on 06.05.2025	-	-	1,283.72	1,283.97
US $ 240.103 Mn - Repaid on 23.05.2025	-	-	2,054.84	2,055.17
US $124.099 Mn - Repaid on 23.05.2025	-	-	1,062.06	1,062.84
US $75.15 Mn - Repaid on 23.05.2025	-	-	643.14	643.62
US $75 Mn - Repaid on 06.06.2025	-	-	641.86	642.33
US $44 Mn - Repaid on 11.06.2025	-	-	376.56	376.84
US $49 Mn - Repaid on 12.06.2025	-	-	419.35	419.63
US $119.793 Mn - Repaid on 27.06.2025	-	-	1,025.20	1,025.20
US $120 Mn - Repaid on 27.06.2025	-	-	1,026.98	1,027.14
US $125 Mn - Repaid on 03.07.2025	-	-	1,069.77	1,069.97
US $200 Mn - Repaid on 09.07.2025	-	-	1,711.63	1,711.95
US $150 Mn - Repaid on 17.07.2025	-	-	1,283.72	1,283.96
US $250 Mn - Repaid on 22.08.2025	-	-	2,139.54	2,139.91
US $200 Mn - Repaid on 04.09.2025	-	-	1,711.63	1,711.92
US $60 Mn - Repaid on 15.10.2025	-	-	513.49	513.83
US $150 Mn - Repaid on 16.10.2025	-	-	1,283.72	1,283.94
US $100 Mn - Repaid on 07.11.2025	-	-	855.81	856.38
US $100 Mn - Repaid on 25.11.2025	-	-	855.81	855.96
US $100 Mn - Repaid on 26.11.2025	-	-	855.81	855.96
US $200 Mn - Repaid on 05.12.2025	-	-	1,711.63	1,712.76
US $141 Mn - Repaid on 11.12.2025	-	-	1,206.70	1,207.50
US $75 Mn - Repaid on 12.12.2025	-	-	641.86	642.28
US $225 Mn - Repaid on 17.12.2025	-	-	1,925.58	1,925.91

Consolidated Notes to Accounts

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
JPY ¥ 34.229 Bn - Repaid on 18.12.2025	-	-	1,942.50	1,942.50
US $100 Mn - Repaid on 14.01.2026	-	-	855.81	859.96
US $150 Mn - Repaid on 13.02.2026	-	-	1,283.72	1,283.94
US $100 Mn - Repaid on 18.03.2026	-	-	855.81	857.66
US $210.05 Mn - Repayable on 02.04.2026	1,988.20	1,988.86	-	-
US $150 Mn - Repayable on 09.04.2026	1,419.81	1,420.04	-	-
Total - FCNR (B) Loans	**3,408.01**	**3,408.90**	**38,902.89**	**38,920.51**

(ii) Short Term Loan/ Loans repayable on demand

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-KEB Hana Bank	-	-	100.00	100.02
₹100 crore repaid on 13.11.2025				
-HDFC Bank	-	-	1,500.00	1,500.30
₹1,500 crore repaid on 24.11.2025				
-South Indian Bank	150.00	150.02	-	-
₹150 crore Repayable on 03.04.2026				
-Punjab National Bank	209.00	209.04	-	-
₹209 crore Repayable on 10.05.2026				
-Indian Bank	550.00	550.00	-	-
₹550 crore Repayable on 28.06.2026				
-State Bank Of India	1,618.00	1,626.45	-	-
₹1,618 crore Repayable on 01.08.2026				
-Bank of Baroda	1,000.00	1,000.16	-	-
₹700 crore repayable on 24.09.2026, ₹125 crore repayable on 29.09.2026 , ₹175 crore repayable on 30.09.2026				
Total - Short Term Loans/ Loans repayable on demand from Banks	**3,527.00**	**3,535.67**	**1,600.00**	**1,600.32**

(iii) Short Term Loans/ Loans repayable on demand from Financial Institutions

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Principal Outstanding	Amortised Cost	Principal Outstanding	Amortised Cost
-India Infrastructure Finance Company Ltd. (IIFCL)	1,500.00	1,500.30	-	-
-₹1,500 crore Repayable on 26.03.2027				
Total - Short Term Loans/ Loans repayable on demand from Financial Institutions	**1,500.00**	**1,500.30**	**-**	**-**

21.3 Term Loans from banks/ financial institutions/ Government as mentioned in Note No. 21.1 (i), (ii), (v) have been raised at interest rates ranging from 5.32% to 8.29% (previous year 7.05% to 8.29%) payable on monthly/quarterly/semi annual rests.

21.4 Foreign Currency Borrowings in Note No. 21.1(iii) and (iv) have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210 bps) over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned.

21.5 The Company has not borrowed any loans from 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 crore of Maharashtra State Electricity Distribution Company Limited in favour of Vistra ITCL (India) Limited. (formerly known as IL&FS Trust Company Limited).

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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. 584P, 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 XV, XVI, XVII, XVIII and XIX of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

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 31-03-2026		As at 31-03-2025	
		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	2,100.50	2,151.20	2,136.98
(ii)	**199th Series - Subordinate Tier-II Bonds -** 7.96% Redeemable at par on 15.06.2030	1,999.50	2,042.18	1,999.50	2,093.18
(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	2,144.79	2,000.00	2,144.57
(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	1,132.75	1,090.00	1,132.65
(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	2,006.53	1,995.00	2,006.78
	Total - Subordinated Liabilities	**9,235.70**	**9,426.75**	**9,235.70**	**9,514.16**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	9,235.70	9,426.75	9,235.70	9,514.16
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**9,235.70**	**9,426.75**	**9,235.70**	**9,514.16**

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 Borowings	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 2026				
Total Amount as per Ind-AS	**3,09,982.83**	**1,95,315.61**	**9,426.75**	**5,14,725.19**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(9,089.07)	(1,034.50)	(333.35)	(10,456.92)
Add: Ind-AS Adjustments including EIR	508.31	813.09	142.30	1,463.70
Total Borrowings Outstanding	**3,01,402.07**	**1,95,094.20**	**9,235.70**	**5,05,731.97**
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**

Consolidated Notes to Accounts

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.

22.4 The Company has not received any fund from any party(s) including foreign entities (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 Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23. Other Financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Unpaid Dividends (Refer Note 23.1)**	**91.62**	**1,079.07**
(B)	**Unpaid Principal & Interest on Bonds (Refer Note 23.1)**		
	- Unclaimed Matured Bonds	24.43	26.99
	- Unclaimed Interest on Bonds	12.17	13.03
	Sub-total (B)	**36.60**	**40.02**
(C)	**Payable to Holding Company**	0.42	-
(D)	**Advance received towards variation margin**	11,089.41	10,579.60
(E)	**Funds Received from Government of India for Disbursement as Subsidy/ Grant (cumulative)**	96,643.01	97,304.79
	Add: Interest on such funds (net of refund)	11.40	8.29
	Less: Disbursed to Beneficiaries (cumulative)/Refunded to GOI	(96,597.99)	(97,246.84)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	56.42	66.24
(F)	**Payables towards Bonds Fully serviced by Government of India**	24,318.29	24,318.29
(G)	**Funds Received from Government of India for Disbursement under Payment Security Mechanism-PM Surya Ghar Muft Bijli Yojana**	100.01	-
(H)	**Other Liabilities***	1,597.49	1,563.50
	Total (A to H)	**37,290.26**	**37,646.72**

**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 2026 is ₹1.06 crore (₹0.83 crore as at 31st March 2025) which has been transferred within the prescribed time limit.

Further, Unpaid Dividend also includes an amount of Nil (previous year ₹947.96 crore) pertaining to Interim Dividend declared by the company for which balance has been transfered in earmarked bank account but yet to be paid to the shareholders.

23.2 Status of 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.

Net amount of Nil as at 31st March 2026 (₹0.79 crore as at 31st March 2025) represents the balance amount of interest subsidy fund, which has been refunded to Ministry of Power, Government of India and comprises of the following :-

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance of Interest Subsidy Fund	0.79	0.77
Add: Interest earned during the year	-	0.02
Less: Interest subsidy passed on to the borrower/Refunded to GOI	0.79	-
Closing Balance of Interest Subsidy Fund	**-**	**0.79**

23.3 Government of India has appointed the Company, 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". During the year, undisbursed funds of ₹10.72 crore under such schemes, being closed, has been refunded to Ministry of Power, Government of India (previous year Nil).

Consolidated Notes to Accounts

23.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	8.29	31.68
Add: Interest earned during the year	3.11	4.58
Less: Amount refunded to Government during the year	(3.66)	(27.97)
Closing Balance	**7.74**	**8.29**

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 31-03-2026	As at 31-03-2025
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. Provisions

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
	Provisions for		
(A)	**Employee Benefits**		
	Gratuity	0.31	3.26
	Earned Leave Liability	42.19	39.29
	Medical Leave Liability	23.55	23.44
	Settlement Allowance	2.33	2.56
	Economic Rehabilitation Scheme	7.19	6.70
	Long Service Award	4.89	5.17
	Incentive	38.75	37.81
	Others	0.71	0.80
	Sub-total (A)	**119.92**	**119.03**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort	33.54	18.48
	Expected Credit Loss on Undrawn Commitments	282.71	-
	Unspent Corporate Social Responsibility (CSR) Account	163.71	-
	Sub-total (B)	**479.96**	**18.48**
	Total (A+B)	**599.88**	**137.51**

24.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance	18.48	32.02
Add: Created during the year	30.06	16.90
Less: Reversed/ Adjusted during the year	(15.00)	(30.44)
Closing Balance	**33.54**	**18.48**

Consolidated Notes to Accounts

24.2 The Company has maximum credit risk exposure of ₹6,234.25 crore (previous year ₹7,990.22 crore) (net of Impairment Loss Allowances) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

24.3 Movement of Expected Credit Loss provision on Undrawn Commitments

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance	-	-
Add: Created during the year	282.71	-
Less: Reversed/ Adjusted during the year	-	-
Closing balance	**282.71**	**-**

25. Other Non-Financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	Sundry Liabilities Account (Funded Interest Capitalisation)	44.73	46.67
(B)	Unbilled Liability towards Capital Account	48.38	48.38
(C)	Unamortised Fee on Undisbursed Loans	134.87	75.14
(D)	Advance received from Government towards Government Schemes	-	0.08
(E)	Statutory Dues	115.15	100.95
(F)	Other Liabilities	0.01	-
	Total (A to F)	**343.14**	**271.22**

26. Equity Share Capital

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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**

26.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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**

26.2 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 crore out of the sum standing to the credit of 'Securities Premium Account'.

26.3 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.

26.4 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.

26.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date

Name of the Shareholder	As at 31-03-2026		As at 31-03-2025	
	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%

Consolidated Notes to Accounts

26.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Name of the Company	As at 31-03-2026		As at 31-03-2025	
	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%

26.7 Details of equity shares held by the promoter

Name of the Promoter	As at 31-03-2026			As at 31-03-2025		
	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%	-

26.8 A proposal to restructure Power Finance Corporation Limited (PFC) and REC Limited (REC) was announced in the Union Budget on 1st February 2026 with the objective of achieving scale and improving efficiency among Public Sector NBFCs. Further, the Board of Directors of the company in its meeting held on 6th February, 2026 have accorded in-principle approval for restructuring in the form of a merger of REC and PFC and to formulate a detailed proposal in accordance with applicable laws and regulations, ensuring that the merged entity continues to remain as a "Government Company" under the Companies Act, 2013 and other applicable laws.

27. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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**

27.1 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	**5,584**	**558.40**	**5,584**	**558.40**

27.2 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 31-03-2026		As at 31-03-2025	
	Number	Percentage	Number	Percentage
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

27.3 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.

28. Other Equity

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	34,978.42	31,595.40
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia)(c) of the Income Tax Act, 1961	778.61	841.80
(iii)	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	17,228.08	13,971.63
(iv)	Securities Premium Account	1,577.53	1,577.53
(v)	Foreign Currency Monetary Item Translation Difference Account	(880.70)	(611.65)
(vi)	General Reserve	16,395.84	13,474.04

Consolidated Notes to Accounts

	Particulars	As at 31-03-2026	As at 31-03-2025
(B)	**Retained Earnings**	17,683.83	16,067.34
(C)	**Other Comprehensive Income (OCI)**		
	- Equity Instruments through Other Comprehensive Income	(157.60)	(81.84)
	- Effective Portion of Cash Flow Hedges	(5,738.86)	(931.35)
	- Cost of Hedging reserve	(2.36)	(718.46)
	Total - Other Equity (A+B+C)	**81,862.79**	**75,184.44**

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

28.1 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) <u>During the financial year 2025-26</u>

₹841.80 crore from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

(ii) <u>During the financial year 2024-25</u>

₹687.76 crore from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

28.2 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**31,595.40**	**28,044.83**
Add: Transferred from Retained Earnings	3,383.02	3,550.57
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**34,978.42**	**31,595.40**

28.3 Reserve for Bad and doubtful debts u/s 36(1)(viia)(c) of the Income Tax Act, 1961

Reserve for Bad and doubtful debts u/s 36(1)(viia)(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)(viia)(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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**841.80**	**687.76**
Add: Transferred from Retained Earnings	778.61	841.80
Less: Transferred to General Reserve	(841.80)	(687.76)
Balance as at the end of the year	**778.61**	**841.80**

28.4 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**13,971.63**	**10,828.99**
Add: Transferred from Retained Earnings	3,256.45	3,142.64
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**17,228.08**	**13,971.63**

Consolidated Notes to Accounts

28.5 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining 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**

28.6 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(611.65)**	**(675.14)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(657.61)	(120.43)
Less: Amortisation during the year	388.56	183.92
Balance as at the end of the year	**(880.70)**	**(611.65)**

28.7 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**13,474.03**	**12,036.27**
Add: Transferred from Retained Earnings	2,080.00	750.00
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) (c) of the Income Tax Act, 1961	841.80	687.76
Balance as at the end of the year	**16,395.83**	**13,474.03**

28.8 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 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(81.84)**	**(57.99)**
Add: Recognition through Other Comprehensive Income (net of taxes)	(75.76)	(23.85)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-
Balance as at the end of the year	**(157.60)**	**(81.84)**

28.9 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.

Consolidated Notes to Accounts

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(931.35)**	**(1,846.93)**
Add: Recognition through Other Comprehensive Income (net of taxes)	(4,807.51)	915.58
Balance as at the end of the year	**(5,738.86)**	**(931.35)**

28.10 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

(₹ in Crores)

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**(718.46)**	**1,690.64**
Add: Recognition through Other Comprehensive Income (net of taxes)	716.10	(2,409.10)
Balance as at the end of the year	**(2.36)**	**(718.46)**

28.11 Detail of Movement in Retained Earnings during the year

(₹ in Crores)

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Balance as at the begining of the year	**16,067.34**	**13,872.66**
Add: Profit for the year	16,308.17	15,884.23
Add: Remeasurement of Defined Benefit Plans (net of taxes)	0.82	0.57
Less: Transferred to General Reserve	(2,080.00)	(750.00)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,383.02)	(3,550.57)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia)(c) of the Income Tax Act, 1961	(778.61)	(841.80)
Less: Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(3,256.45)	(3,142.64)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	-
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)
Less: Dividend during the year	(5,161.12)	(5,371.78)
Balance as at the end of the year	**17,683.86**	**16,067.34**

28.12 Dividend declared/ proposed by the Company for Equity Shares of ₹10/- each

Particulars	For the year ended 31-03-2026		For the year ended 31-03-2025	
	Dividend per Equity Share (₹)	Dividend Amount (₹in crores)	Dividend per Equity Share (₹)	Dividend Amount (₹in crores)
No. of Equity Share at the end of the year	2,63,32,24,000		2,63,32,24,000	
Interim Dividend	17.00	4,476.48	15.40	4,055.16
Final/ Proposed Dividend	1.55	408.15	2.60	684.64
Total Dividend	**18.55**	**4,884.63**	**18.00**	**4,739.80**

The Board of Directors at its meeting held on April 28, 2026 recommended final dividend of ₹1.55 per equity share (on face value of ₹10/- each) for the financial year 2025-26, subject to approval of Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year is ₹18.55/-per equity share (on face value of ₹10/- each) including total interim dividend of ₹17.00 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

29. Interest Income

(₹ in Crores)

	Particulars	Year ended 31-03-2026			Year ended 31-03-2025		
		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	-	53,486.27	-	-	49,611.60	-
(ii)	Short term financing	-	3,223.77	-	-	4,414.82	-
	Sub-total (A)	**-**	**56,710.04**	**-**	**-**	**54,026.42**	**-**
(B)	**Interest Income from Investments**						
(i)	Interest from Long Term Investments	-	566.31	81.02	-	411.28	81.43
	Sub-total (B)	**-**	**566.31**	**81.02**	**-**	**411.28**	**81.43**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	179.61	-	-	270.22	-
	Sub-total (C)	**-**	**179.61**	**-**	**-**	**270.22**	**-**
(D)	**Other Interest Income**						
(i)	Interest on Delayed Payments by Borrowers	-	296.92	-	-	294.46	-
(ii)	Interest from Staff Advances	-	8.53	-	-	6.11	-
(iii)	Interest on Mobilisation Advance	-	0.05	-	-	0.14	-
(iv)	Interest on unwinding of receivable on account of stressed loans assets	-	12.63	-	-	12.36	-
(v)	Interest from SPVs/Associates	-	0.73	-	-	0.70	-
(vi)	Interest on Advance to parties	-	4.65	-	-	2.08	-
	Sub-total (D)	**-**	**323.51**	**-**	**-**	**315.85**	**-**
	Total - Interest Income (A to D)	**-**	**57,779.47**	**81.02**	**-**	**55,023.77**	**81.43**

30. Dividend Income

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Dividend from Long-Term Investments	10.17	8.42
Total - Dividend Income	**10.17**	**8.42**

30.1 Details of dividend income recognised on Other Investments :

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Dividend on Equity Investments measured at FVOCI		
- Investments held at the end of the year	10.17	8.42
- Investments derecognized during the year	-	-
Total	**10.17**	**8.42**

31. Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Fees based Income	215.61	201.20
Prepayment Premium	982.34	138.75
Fee for Implementation of Government Schemes	66.98	53.79
Total - Fees and Commission Income	**1,264.93**	**393.74**

Consolidated Notes to Accounts

32. Sale of services

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Consultancy Engineering Services	448.57	510.97
Total	**448.57**	**510.97**

33. Other Income

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
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
Recoveries against written off financial assets	-	12.15
Rental Income	16.18	15.12
Liabilities/Provision Written Back	1.77	2.89
Fees from Training Courses	0.48	1.34
Interest from Income Tax Refund	1.38	0.64
Miscellaneous Income	24.38	29.30
Total - Other Income	**44.19**	**67.48**

34. Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(i)	**Interest on Borrowings**		
	- Loans from Government of India (NSSF)	822.50	822.50
	- Loans from Banks/ Financial Institutions	3,600.74	4,590.64
	- External Commercial Borrowings	6,018.03	6,602.12
	Sub-Total (i)	**10,441.27**	**12,015.26**
(ii)	**Interest on Debt Securities**		
	- Domestic Debt Securities	19,172.75	17,773.04
	- Foreign Currency Debt Securities	1,336.65	1,334.12
	- Commercial Paper	126.42	-
	Sub-Total (ii)	**20,635.82**	**19,107.16**
(iii)	**Interest on Subordinated Liabilities**		
	- Subordinate Bonds	758.75	687.76
	Sub-Total (iii)	**758.75**	**687.76**
(iv)	**Other Interest Expense**		
	- Swap Premium	**3,900.99**	**1,796.86**
	- Interest on Variation Margin	504.58	524.81
	- Interest on Advance Income Tax	0.54	-
	- Interest on liability towards employee benefits	2.56	2.46
	Sub-Total (iv)	**4,408.67**	**2,324.13**
	Total - Finance Costs (i+ii+iii+iv)	**36,244.51**	**34,134.31**
	Less: Finance Costs Capitalised	**(6.39)**	**(3.02)**
	Total - Finance Costs (Net)	**36,238.12**	**34,131.29**

35. Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Net translation/ transaction exchange loss/ (gain)	272.60	208.15
Total	**272.60**	**208.15**

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 ₹388.56 crore (Previous year ₹183.92 crore).

Consolidated Notes to Accounts

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:

Exchange Rates	USD/INR	JPY/INR	EUR/INR	SGD/INR
As at 31st March 2026	94.6543	0.5925	109.0064	73.5548
As at 31st March 2025	85.5814	0.5675	92.3246	63.7098

**as on 30th March 2026 and 28th March 2025 being the last working day.*

36. Fees and commission expense

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(i)	Guarantee Fee	-	0.14
(ii)	Listing and Trusteeship Fee	0.03	0.03
(iii)	Agency Fees	2.56	2.49
(iv)	Credit Rating Expenses	4.58	4.26
(v)	Other Finance Charges	8.45	6.74
	Total (i to v)	**15.62**	**13.66**

37. Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
A	**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	(928.82)	80.95
	- Changes in fair value of Long Term Investments	(33.64)	265.35
	- Changes in fair value of Short-term MF investments	-	1.92
	Sub-total (ii)	**(962.46)**	**348.22**
	Total	**(962.46)**	**348.22**
	Breakup of Fair Value Changes		
	- Realised	(721.09)	388.64
	- Unrealised	(241.37)	(40.42)
	Total Net Gain/ (loss) on Fair Value Changes	**(962.46)**	**348.22**

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

38. Impairment on financial instruments

(₹ in Crores)

	Particulars	Year ended 31-03-2026		Year ended 31-03-2025	
		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 *	-	189.89	-	886.24
(ii)	Investments	-	2.37	-	3.26
(iii)	Others**	-	39.14	-	132.08
	Total (i+ii+iii)	**-**	**231.40**	**-**	**1,021.58**

** includes ₹15.06 crore (Previous year ₹-13.54 crore) towards impairment allowance on Letter of Comfort.*

** includes ₹282.71 crore (Previous year Nil) towards impairment allowance on undrawn commitments.*

*** this represents the impairment allowance on recoverable towards expenditure on stressed loan assets (refer note 12.2 above).*

39. Cost of services rendered

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Project Expenses	301.16	162.62
Total	**301.16**	**162.62**

Consolidated Notes to Accounts

40. Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Salaries and Allowances	174.24	174.54
- Contribution to Provident and Other Funds	32.43	33.43
- Rent towards Residential Accomodation for Employees	13.96	10.45
- Staff Welfare Expenses	50.55	49.71
- Gratuity Expenses	0.33	-
Total	**271.51**	**268.13**

41. Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Depreciation on Property, Plant & Equipment	26.37	24.01
- Depreciation on Investment Property	0.03	0.40
- Amortization on Intangible Assets	0.65	0.29
Total	**27.05**	**24.70**

42. Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Direct Expenditure	333.70	282.05
- Overheads	9.29	9.48
Total	**342.99**	**291.53**

42.1 The Ministry of Corporate Affairs (MCA) has prescribed Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified w.e.f. 22.01.2021, 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 within thirty days from the end of the financial year, to be utilised within a period of three financial years from the date of such transfer, after which any unspent CSR amount, if any shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. 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.

42.2 Details of Gross Amount required to be spent by the Group:

(a) Gross amount required to be spent by the company during the year is ₹342.99 crore (previous year ₹291.53 crore).

(b) Amount approved by the Board to be spent during the year is ₹342.99 crore (previous year ₹291.53 crore).

(c) Refer Note no. 59 for related party transactions related to CSR.

(d) Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(A)	**Opening Balance - (Excess amount spent) / Unspent**	**(5.53)**	**(5.34)**
(B)	Amount required to be spent during the year	342.99	291.53
	Amount approved by the Board out of (b) above to be spent during the year	342.99	291.53
(C)	Amount spent during the year*	171.25	291.72
	- From Company's bank A/c	171.25	291.72
	- From Separate CSR Unspent A/c	-	-
	Amount required to be spent after set off excess spent of earlier years (B-A)	337.46	286.19
(D)	**Closing Balance - (Excess amount spent)**/ Unspent*** (A+B-C)**	**166.21**	**(5.53)**
	- with Company *	**-**	**-**
	- In Separate CSR Unspent A/c	**166.21**	**-**

** 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*

****Unspent CSR amount of ₹163.71 crore (Previous year Nil) pertains to multi-year (ongoing) projects where payment is made in tranches upon achievement of milestone. Accordingly, the said amount has been deposited in unspent CSR Account with scheduled bank as per requirements of Section 135(6) of Companies Act, 2013. The cumulative amount of unspent CSR expense as on 31.03.2026 is ₹163.71 crore (previous year Nil).*

Consolidated Notes to Accounts

42.3 Amount spent during the year:

(₹ in Crores)

	Particulars	Year ended 31-03-2026			Year ended 31-03-2025		
		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**						
a	Health/Sanitation / Waste Management / Drinking water	90.40	-	90.40	129.50	-	129.50
b	Education/ Vocational/ Skill Development	26.23	-	26.23	16.31	-	16.31
c	Environmental Sustainability	4.74	-	4.74	7.01	-	7.01
d	Sports	2.56	-	2.56	38.98	-	38.98
e	Art & Culture	2.77	-	2.77	-	-	-
f	Contribution to PM CARES Fund	-	-	-	51.70	-	51.70
g	Others (Rural Development, Benefits of Armed Forces/ Incubators/ Disaster Management)	35.26	-	35.26	38.74	-	38.74
h	Impact Assessment	0.11	-	0.11	0.28	-	0.28
i	Administrative overheads including training etc.	9.19	-	9.19	9.20	-	9.20
(iii)	**Total (i+ii)**	**171.25**	**-**	**171.25**	**291.72**	**-**	**291.72**
(iv)	Add: Transferred to Unspent CSR Account	166.21	-	166.21	-	-	-
(v)	Add : Excess amount adjusted	5.53	-	5.53	5.34	-	5.34
(vi)	Less: Excess amount spent	-	-	-	(5.53)	-	(5.53)
(vii)	**CSR Expenses charged to Statement of Profit and Loss (iii+iv+v+vi)**	**342.99**	**-**	**342.99**	**291.53**	**-**	**291.53**

42.4 Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:

Opening Balance		Amount required to be spent during the year	Interest earned on balance in Unspent CSR	Amount spent		Closing Balance	
With Company	In Separate CSR Unspent A/c			From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	**342.99**	-	**176.78**	-	-	**166.21**

43. Other Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Travelling and Conveyance	30.60	31.24
- Publicity & Promotion Expenses	23.29	30.84
- Repairs and Maintenance	31.36	36.36
- Rent, taxes and energy costs	7.01	8.63
- Insurance Charges	0.06	0.56
- Communication costs	7.35	7.23
- Printing & stationery	1.23	1.50
- Director's sitting fees	0.42	0.50
- Auditors' fees and expenses	1.96	1.84
- Legal & Professional Charges	16.76	21.30
- Donations & Charity	-	0.01
- Net Loss on Disposal of Property, Plant & Equipment	10.58	7.61
- Training And Conference Expense	6.51	5.98
- Government Scheme Monitoring Expenses	13.47	16.49
- Other Expenditure	30.23	24.82
Total	**180.83**	**194.90**

43.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Fees paid to statutory auditors :		
- for audit fees	0.87	0.79
- for taxation matters	0.18	0.18
- for company law matters/ limited review fees	0.40	0.37
- for other services	0.19	0.18
- for reimbursement of expenses	0.18	0.20
Sub-total	**1.82**	**1.72**
Non-recoverable tax credit in respect of fees paid to auditors	**0.14**	**0.13**
Total - Auditor's fees and expenses	**1.96**	**1.85**

Consolidated Notes to Accounts

44 Exceptional Items

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Exceptional Items	18.28	-
Total	**18.28**	**-**

45. Tax Expense

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
- Current tax expense	3,752.67	4,098.91
- Current tax expense/ (benefit) pertaining to earlier years	0.33	(0.25)
Sub-total - Current Tax	**3,753.00**	**4,098.66**
- Deferred tax expense/ (credit)	705.16	134.58
Total	**4,458.16**	**4,233.24**

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 31-03-2026	Year ended 31-03-2025
Profit before Tax	**20,766.33**	**20,117.47**
Statutory income tax rate	25.168%	25.168%
Expected income tax expense	5,226.47	5,063.16
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(851.43)	(893.61)
Non-allowability of CSR expenses & other adjustments	84.63	72.01
Income not Taxable	(15.91)	(28.04)
Other non-deductible expenses	1.43	(5.02)
Non Taxable Income	13.35	22.81
Tax Expense Earlier Years	(0.38)	1.93
Tax expense	**4,458.16**	**4,233.24**

46. Earnings per Share

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crore)*	16,274.87	15,850.93
Profit for the year from discontinued operations as per Statement of Profit and Loss (₹ in Crore)*	-	-
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crore)*	16,274.87	15,850.93
Denominator		
Weighted average Number of equity shares	2,63,32,24,000	2,63,32,24,000
Basic Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	61.81	60.20
Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	61.81	60.20
Basic Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Basic Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	61.81	60.20
Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	61.81	60.20

** The profit denotes Proft after Tax less coupon expenses (net of taxes) of ₹33.30 crore (Previous year ₹33.30 crore) on Perpetual Debt Instruments entrirely 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 31-03-2026	As at 31-03-2025
(A)	**Claims against the Company not acknowledged as debts**	55.57	38.11
(B)	**Taxation Demands**		
(i)	- Demands raised by the Income Tax Department	36.26	62.79
(ii)	- Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	0.90	162.12
(iii)	- Demands raised in respect of GST	63.57	48.84
(C)	**Guarantees**	3.33	4.45
(D)	**Others**		
(i)	- Arbitration Proceedings through Project Management Consultant (PMC) (counter claim of ₹45.73 crores (previous year ₹41.66 crores)	513.36	441.28
(ii)	- Fine imposed by Stock Exchanges	0.60	0.18
(iii)	- Letters of Comfort	6,267.79	7,990.22

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 crore towards the GST refund appeal filed by the company. Apart from this, ₹14.76 crore 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 ₹68.09 crore (previous year ₹229.42 crore) as referred in B(i)/(ii)/(iii) above, Company has paid or adjudicating authority has adjusted ₹19.61 crore (previous year ₹163.91 crore) under protest and remaining ₹48.48 crore (previous year ₹65.51 crore) is unpaid as on 31st March, 2026.

The amount referred to in D(i) above represent arbitration matters (a) between the contractor and PMC appointed by the company and (b) between company and Chelsea West Architects, PLLC. 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 interest @ 12% p.a. on ₹8.80 crore and 18% p.a. on ₹317.38 crore on the claim amount till 31st March, 2026.

The amount referred to in D(ii) above represents the fine imposed by National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of ₹0.60 crore (previous year ₹0.18 crore), 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 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 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 31-03-2026	As at 31-03-2025
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	15.64	25.64
- Towards Intangible Assets	-	1.78
- Other Commitments		
- CSR Commitments	250.88	448.71

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 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.

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 on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹3,03,758 crore over 7 years i.e. FY 2021-22 to FY 2027-28 including an estimated Government Budgetary Support (GBS) of ₹97,631 crore.

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 Prime Minister's Development Plan (PMDP)

Government of UT of Jammu & Kashmir and Government of UT of Ladakh, through their respective company / department have appointed RECPDCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commsioning of all the material and services works to be taken-up for execution of transmission projects under PMDP in J&K state and Ladakh on nomination basis, as per actual cost to be discovered through competitive biddings.

49.5 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.

50. Capital Management

The Company manages its capital to ensu re 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 31-03-2026	As at 31-03-2025
Net debt	5,05,438.58	4,87,979.50
Net worth	85,054.41	78,376.06
Debt-equity ratio	**5.94**	**6.23**

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, net worth of the Company, additional investments in subsidiaries/ associates of the Company and applicable taxes if any, 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, Fraud Risk Management policy, 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.

Consolidated Notes to Accounts

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 31-03-2026			As at 31-03-2025			% Variance**
		Numerator* (₹ in Crore)	Denominator* (₹ in Crore)	%	Numerator* (₹ in Crore)	Denominator* (₹ in Crore)	%	
(i)	CRAR	93,687.72	4,05,414.19	23.11%	86,963.54	3,34,562.05	25.99%	-11.11%
	CRAR-Tier I Captial	86,159.96	4,05,414.19	21.25%	79,491.30	3,34,562.05	23.76%	-10.53%
	CRAR-Tier II Captial	7,527.76	4,05,414.19	1.86%	7,472.24	3,34,562.05	2.23%	-17.10%
(ii)	Liquidity Coverage Ratio (LCR) (Refer Note 53.2.4(vi))	5,846.84	3,123.25	187.20%	4,214.07	2,809.00	150.02%	24.79%

The amount of Perpetual Debt Instrument of the Tier-I capital is 6.55% (previous year 7.10%)

**For CRAR-Numerator being Tier-I & Tier-II capital majorily consists of Equity (Refer Note no. 26, 27 and 28) and Denominator being Risk Weighted Assets majorily 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 31-03-2026	Year ended 31-03-2025
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount of Perpetual Debt Instruments raised as Tier-I capital*	-	1,995.00

** Refer Note No. 22 on Subordinated Liabilities.*

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 16th May, 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.CSITEG/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 accordingly, appointed the CISO in compliance of the RBI Directions.

Consolidated Notes to Accounts

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 31-03-2026	As at 31-03-20245
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	293.39	233.57
	Bank balances (other than cash and cash equivalents)	1,317.70	2,109.80
	Loans *	5,77,231.42	5,21,767.83
	Investments (excluding equity investments)	9,453.48	6,199.48
	Trade and Other Receivables	227.08	182.19
	Other financial assets	24,556.23	24,604.19
(ii)	**Moderate credit risk**		
	Loans *	11,310.98	45,471.51
	Trade and Other Receivables	106.44	70.07
(iii)	**High credit risk**		
	Loans *	1,384.75	7,652.65
	Investments in Preference Share #	28.72	28.72
	Trade and Other Receivables #	81.64	73.48
	Other financial assets #	124.51	149.71

** 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.

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.

Consolidated Notes to Accounts

- 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:

(₹ in Crores)

Particulars	As at 31-03-2026			As at 31-03-2025		
	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	293.39	-	293.39	233.57	-	233.57
Bank balances (other than cash and cash equivalents)	1,317.70	-	1,317.70	2,109.80	-	2,109.80
Trade and other receivable #	415.16	118.08	297.08	325.74	88.62	237.12
Other financial assets *	24,680.74	124.51	24,556.23	24,753.90	149.71	24,604.19

 # 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

** The impairment allowance has been provided in full on 'Other financial assets' considered as credit-impaired.*

52.1.3 Expected Credit Loss for investment

In case of Investments, securities with a rating equal to or higher than (BBB-) and DPD of less than 30 days are considered to have a low credit risk and hence will form a part of Stage 1 assets. Likewise, securities with DPD beyond 30 days (and upto 90 days) or if the rating of the instrument falls below the lowest investment grade i.e., (BBB-), an investment is considered to have experienced a significant increase in credit risk and is classified as a Stage 2 asset.

An investment is classified as credit-impaired or Stage 3 asset when the issuer company defaulted on discharging its contractual payment obligation for a period beyond 90 days "OR" the rating of the borrower company downgraded to junk status/defaulted or the company has filed for bankruptcy.

- For Investment in G-Sec, State Development loans and Debt Securities - Considering that the investments are in debt securities including Governemnet 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.

Details of expected credit loss on investments is disclosed as follows:

(₹ in Crores)

Particulars	As at 31-03-2026			As at 31-03-2025		
	Gross Carrying Amount (A)	ECL (B)	Net Carrying amount C= (A-B)	Gross Carrying Amount (D)	ECL (E)	Net Carrying amount(F =D-E)
Investments* (excluding equity investments)	9,516.55	34.35	9,482.20	6,228.20	28.72	6,199.48

** The impairment allowance has been provided in full on 'Investments in Reedemable Prefernce Shares' of RattanIndia Power Limited considered as credit-impaired.*

52.1.4 Expected Credit Loss for loans

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.

(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: For all category of borrowers: -

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. Rating/Grading downgraded in rating family of borrower by two or more notches (even if the borrower is in Stage 1 on DPD basis)

Additional factors for private sector borrowers: -

i. Downgrade in the credit rating of borrower to 'C -',

ii. Delay in the date of commencement of commercial operation of project by more than 3 years.

(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.

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- EAD represents the amounts, including the principal outstanding (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company expects to be owed at the time of default.
- LGD represents 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.

For State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated. MoP and external rating agencies use different rating nomenclatures. Therefore, both nomenclatures are mapped to convey the same result in terms of credit risk, ensuring consistency and accuracy in PD assignment.

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

(i) The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

(ii) EAD represents the amounts, including the principal outstanding (along with Credit Conversation Factor (CCF) applied undrawn portion thereof), interest accrued, interest overdue on financial asset and outstanding Letters of Comfort/Letter of Undertaking that the Company expects to be owed at the time of default.

(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 31-03-2026				As at 31-03-2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	2,67,788.14	9,966.88	-	2,77,755.02	2,27,156.98	41,032.49	-	2,68,189.47
Good (BBB | BB | B)	2,36,005.71	343.46	-	2,36,349.17	1,78,400.70	4,088.70	-	1,82,489.40
Average (C)	73,437.57	10.01	-	73,447.58	1,16,210.15	-	-	1,16,210.15
Fair (D)	-	990.63	-	990.63	-	350.32	-	350.32
Non- Performing (D)	-	-	1,384.75	1,384.75	-	-	7,652.65	7,652.65
Gross Exposure	**5,77,231.42**	**11,310.98**	**1,384.75**	**5,89,927.15**	**5,21,767.83**	**45,471.51**	**7,652.65**	**5,74,891.99**
Loss allowance (including LoC)	6,040.53	178.48	707.98	6,926.99	4,822.81	501.95	5,489.48	10,814.24
Net Exposure	**5,71,190.89**	**11,132.50**	**676.77**	**5,83,000.16**	**5,16,945.02**	**44,969.56**	**2,163.17**	**5,64,077.75**

(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.

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:

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(₹ in Crores)

For the Year ended 31st March 2026	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	**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**
Transfer to 12 months ECL	34,098.14	382.46	(34,098.14)	(382.46)	-	-	-	-
Transfer to life time ECL not credit impaired	(384.83)	(1.10)	1,496.90	361.14	(1,112.07)	(360.04)	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	73.87	-	(240.35)	-	30.83	-	(135.65)
New Financial assets originated or purchased (including further disbursements in existing assets)	2,16,516.97	2,101.22	3.30	-	-	-	2,16,520.27	2,101.22
Financial Assets that have been derecognised (including recoveries in existing assets)	(1,94,766.69)	(1,338.73)	(1,562.59)	(61.80)	(1,361.39)	(657.85)	(1,97,690.67)	(2,058.38)
Technical Write offs	-	-	-	-	(1,397.58)	(1,397.58)	(1,397.58)	(1,397.58)
Write offs other than those given above	-	-	-	-	(2,396.86)	(2,396.86)	(2,396.86)	(2,396.86)
Closing Balance	**5,77,231.42**	**6,040.53**	**11,310.98**	**178.48**	**1,384.75**	**707.98**	**5,89,927.15**	**6,926.99**

(₹ 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)
Technical Write offs	-	-	-	-	-	-	-	-
Write offs other than those given above	-	-	-	-	(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**

(K) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31-03-2026				As at 31-03-2025			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	5,77,231.42	11,310.98	1,384.75	5,89,927.15	5,21,767.83	45,471.51	7,652.65	5,74,892.00
Impairment Allowance	6,040.53	178.48	707.98	6,926.99	4,822.81	501.95	5,489.48	10,814.24
ECL %	1.05%	1.58%	51.13%	1.17%	0.92%	1.10%	71.73%	1.88%

Consolidated Notes to Accounts

(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 sector or private sector.

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Gross Amount	ECL*	Gross Amount	ECL
Concentration by industry				
Generation	1,46,100.18	3,310.43	1,55,078.89	6,762.83
Renewables	80,052.82	769.99	63,665.96	1,013.41
Transcos	45,822.78	71.93	47,874.68	41.35
Discoms	2,56,317.63	2,486.18	2,34,130.98	2,942.82
Power Infrastructure	36,803.63	249.85	50,953.11	43.35
Infrastructure & Logistics	22,610.12	38.58	20,638.62	10.44
Government Loans	2,219.99	0.03	2,549.75	0.04
Total	**5,89,927.15**	**6,926.99**	**5,74,891.99**	**10,814.24**
Concentration by ownership				
State Sector (i.e., entities under the control of state and /or central government)	4,94,595.93	5,335.33	4,94,580.49	4,612.58
Private Sector	95,331.22	1,591.66	80,311.50	6,201.66
Total	**5,89,927.15**	**6,926.99**	**5,74,891.99**	**10,814.24**

** Including ECL of ₹33.54 crore (as at 31.03.2025 ₹18.48 crore) on Letter of Comfort & Letter of Undertaking amounting ₹6267.79 crore (as at 31.03.2025 ₹8008.70 Crore).*

(M) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Infrastructure Sector	**0.24%**	**1.35%**
- Power	0.24%	1.35%

N) Movement of Credit-impaired Assets

(₹ in Crores)

	Particulars	Year ended 31st March 2026	Year ended 31st March 2025
(i)	Gross Credit-impaired Assets to Gross Advances (%)	0.24%	1.35%
(ii)	Net Credit-impaired Assets to Gross Advances (%)	0.12%	0.38%
(iii)	Net Credit-impaired Assets to Net Advances (%)	0.12%	0.39%
(iv)	Movement of Credit-impaired Assets (Gross)		
(a)	Opening balance	7,652.65	13,810.33
(b)	Additions during the year	-	14.89
(c)	Reductions during the year	(2,473.46)	(3,688.03)
(d)	Technical Write offs during the year	(1,397.58)	-
(e)	Write offs other than those given above during the year	(2,396.86)	(2,484.54)
(f)	Closing balance	**1,384.75**	**7,652.65**
(v)	**Movement of Credit-impaired Assets (Net)**		
(a)	Opening balance	2,163.17	4,356.53
(b)	Additions during the year	(30.83)	12.89
(c)	Reductions during the year	(1,455.57)	(2,206.25)
(d)	Technical Write offs during the year	-	-
(e)	Write offs other than those given above during the year	-	-
(f)	Closing balance	**676.77**	**2,163.17**
(vi)	**Movement of provisions for Credit-impaired Assets**		
(a)	Opening balance	5,489.48	9,453.80
(b)	Provisions made during the year	30.83	2.00
(c)	Write-back of excess provisions during the year	(1,017.89)	(1,481.78)
(d)	Technical Write offs during the year	(1,397.58)	-
(e)	Write offs other than those given above during the year	(2,396.86)	(2,484.54)
(f)	Closing balance	**707.98**	**5,489.48**

(O) In accordance with Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, 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 2.19% (previous year 3.62%) and Net NPA to Net Loans would have been 1.92% (previous year 2.56%) as at 31st March 2026.

(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) Techincal write off

The Company has a board approved Technical Write off policy in compliance of the RBI circular on "Resolution of Stressed Assets Direction 2025" dated 28 November 2025. Technical Write offs are the Stage-III loans assets which remains outstanding at borrowers' loan account level but are written-off (fully or partially) by the Company, only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same. The policy covers the conditions precedent to the Technical write offs, prudential treatment and process to be followed for such write offs. During the year, the company has technically written off 5 nos. (previous year Nil) of loan accounts amounting to ₹1,397.58 crores (previous year Nil), which were classified as Stage-III asset with 100% impairment loss allowance.

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance of technical / prudential write-offs	-	-
Technical / Prudential write-offs during the year	1,397.58	-
Recoveries made from previously technically / prudentially written-off accounts during the year	-	-
Sacrifice made from previously technical / prudential written-off accounts during the year	-	-
Closing balance of technical / prudential write-offs	1,397.58	-

(R) 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/infrastructure 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 instruments 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 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.

(S) 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'.

(T) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil)

(U) There is Nil case of loans transferred (previous year one) and NIL for acquired during the FY 2025-26 (previous year Nil) under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025. Details of such transferred case to ARC is as under :

(₹ in Crores)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
No: of accounts	NIL	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)		-
Aggregate consideration		63.00
Additional consideration realized in respect of accounts transferred in earlier years		-

During the year, the excess provisions reversed to the profit and loss account on account of sale of stressed assets is Nil (previous year ₹63 crore).

(V) Disclosure in respect of Projects under Implementation

In view of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November, 2025 and also as per Reserve Bank of India (Non-Banking Financial Companies-Resolution of Stressed Assets) Direction, 2025 dated 28th November, 2025, quarter-wise movement of projects under implementation is as follows :

	Item Description	For the quarter ended 31.03.2025		For the quarter ended 31.03.2026	
		No. of accounts	Total outstanding (in ₹ Crore)*	No. of accounts	Total outstanding (in ₹ Crore)*
1	Projects under implementation accounts at the beginning of the quarter*	**10**	**4,164.13**	**6**	**3,530.94**
2	Projects under implementation accounts sanctioned during the quarter	2	511.69	17	13,433.29
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-	1	5,222.04
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	12	4,675.82	22	11,742.19
5	Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked	11	4,225.82	22	11,742.19
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented	5	847.18	7	4,269.29

Consolidated Notes to Accounts

	Item Description	For the quarter ended 31.03.2025		For the quarter ended 31.03.2026	
		No. of accounts	Total outstanding (in ₹ Crore)*	No. of accounts	Total outstanding (in ₹ Crore)*
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation	6	3,378.63	15	7,472.90
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked due to change in scope and size of the project	-	-	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	1**	450.00	1	387.37
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be has been invoked	-	-	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented	-	-	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation	-	-	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed	-	-	-	-

Note :

** Total outstanding is the amount as at the quarter end.*

*** COD in this case has been extended prior to 01st October 2025 and cost overrun has been sanctioned during the quarter ended 31st December 2025.*

(W) Comparison between provision required as per Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 (Updated as on February 13, 2026) and Impairment Allowance as per Ind-AS

(₹ in Crores)

For the Year ended 31st March 2026 Asset Classification as per RBI Norms	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
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	5,60,535.30	5,62,758.20	5,130.04	5,57,628.16	4,014.07	1115.97
	Stage 2	10,320.35	10,559.90	54.85	10,505.05	41.28	13.57
Sub Total (1)		**5,70,855.65**	**5,73,318.10**	**5,184.89**	**5,68,133.21**	**4,055.35**	**1129.54**
Non-Performing Assets							
Substandard Assets							
	Stage 1	630.34	632.93	20.73	612.20	63.03	(42.30)
	Stage 2	-	-	-	-	-	-
Subtotal for substandard assets		**630.34**	**632.93**	**20.73**	**612.20**	**63.03**	**(42.30)**
Doubtful Assets							
Up to 1 year	Stage 1	9,420.85	9,423.62	843.63	8,579.99	1,884.17	(1,040.54)
More than 3 years	Stage 1	377.14	377.24	12.59	364.65	166.31	(153.72)
1 to 3 years	Stage 2	990.63	999.88	123.63	876.25	303.95	(180.32)
More than 3 years	Stage 3	1,384.75	1,384.75	707.98	676.77	694.73	13.25
Subtotal for doubtful assets		**12,173.37**	**12,185.49**	**1,687.83**	**10,497.66**	**3,049.16**	**(1361.33)**
Loss Assets							
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
Subtotal for loss assets		-	-	-	-	-	-
Sub-total for NPA (2)		**12,803.71**	**12,818.42**	**1,708.56**	**11,109.86**	**3,112.19**	**(1403.63)**
Total Loan Assets		**5,83,659.36**	**5,86,136.52**	**6,893.45**	**5,79,243.07**	**7,167.54**	**(274.09)**
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms							
	Stage 1	-	-	307.38	(307.38)	-	307.38

Consolidated Notes to Accounts

For the Year ended 31st March 2026 Asset Classification as per RBI Norms	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
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
	Stage 2	-	-	8.87	(8.87)	-	8.87
	Stage 3	-	-	-	-	-	-
Sub-Total (3)		**-**	**-**	**316.25**	**(316.25)**	**-**	**316.25**
Total	**Stage 1**	**5,70,963.63**	**5,73,191.99**	**6,323.24**	**5,66,877.62**	**6,127.58**	**186.79**
	Stage 2	**11,310.98**	**11,559.78**	**178.48**	**11,381.30**	**345.23**	**(157.88)**
	Stage 3	**1,384.75**	**1,384.75**	**707.98**	**676.77**	**694.73**	**13.25**
	Total	**5,83,659.36**	**5,86,136.52**	**7,209.70**	**5,78,935.69**	**7,167.54**	**42.16**

(₹ in Crores)

For the Year ended 31st March 2025 Asset Classification as per RBI Norms	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
(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
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 (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms							
	Stage 1	8,008.70	8,008.70	18.48	7,990.22	-	18.48
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
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**	**1939.16**

(X) There has been no divergence in Asset Classification and Provisioning assessed during last annual inspection conducted by the RBI for the FY 2024-25 vis-à-vis as reported by the company (Nil for FY 2023-24).

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. Further, the Company has implemented a Board-approved Contingency Funding Plan ("CFP"), which provides a structured framework of early warning indicators, alternative funding sources and escalation procedures to manage liquidity under severe stress scenarios, in line with the applicable regulatory guidelines.

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 and, wherever required, may use measures envisaged under the CFP to supplement routine liquidity management under stressed conditions.

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 31st March 2026	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	-	-	3,435.04	2,016.12	8,717.90	9,839.93	22,905.08	71,430.40	59,913.59	92,074.08	2,70,332.14
- Interest	-	-	1,639.51	1,787.54	3,797.83	3,182.33	7,984.05	28,876.39	19,924.39	30,507.92	97,699.96
Other Borrowings											
- Principal	359.01	245.30	646.40	1,618.00	2,500.00	625.00	5,920.48	41,849.87	25,140.96	870.39	79,775.41
- Interest	317.15	-	210.55	364.59	753.95	1,088.72	2,371.49	7,394.34	2,059.74	33.45	14,593.98
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	2,151.20	1,999.50	5,085.00	9,235.70
- Interest	-	-	159.60	-	156.83	87.53	406.99	1,625.53	1,216.58	1,380.10	5,033.16
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	4,732.72	3,786.17	16,034.90	6,356.17	159.98	31,069.93
- Interest	-	199.11	-	-	-	381.53	528.05	1,323.99	106.07	10.53	2,549.28
Other Borrowings											
- Principal	1,988.20	1,419.81	-	198.03	-	5,679.26	14,252.08	51,203.33	39,154.02	1,424.07	1,15,318.80
- Interest	12.43	24.68	85.50	161.94	465.96	1,069.51	1,684.63	4,441.44	1,474.18	88.78	9,509.05
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	-	2.28	168.88	198.35	396.64	766.15
Currency derivatives	204.10	100.14	-	-	-	-	-	794.88	83.89	-	1,183.01

(₹ in Crores)

As at 31st 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	75,117.23	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 swaps	-	-	-	-	-	-	-	10.52	197.92	73.89	**282.33**
Currency swaps	53.31	30.33	90.31	215.99	51.87	242.02	160.83	100.85	442.22	-	**1,387.73**

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:

(₹ in Crores)

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
As at 31st March 2026											
Principal	2,247.20	153.83	5,342.02	4,780.28	6,734.97	19,686.23	41,447.00	1,27,443.21	1,09,244.51	2,59,686.65	**5,76,765.91**
Interest	2,412.93	42.72	1,548.01	3,828.06	6,259.67	13,417.63	25,190.65	84,474.72	60,475.48	1,16,520.27	**3,14,170.15**
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**

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.

Consolidated Notes to Accounts

52.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)

As at 31st March 2026	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
Loan Assets	3,169.40	1,075.33	6,414.96	4,861.22	6,758.51	19,667.00	41,406.51	1,27,318.72	1,09,137.80	2,59,433.62	**5,79,243.08**
Investments	9.15	51.73	-	-	9.15	50.80	111.40	2,324.32	1,183.96	6,090.95	**9,831.45**
Rupee Borrowings											
Debt Securities	-	-	4,609.33	3,432.59	11,415.53	11,565.39	24,675.12	71,389.38	59,835.01	91,943.27	**2,78,865.62**
Other Borrowings	359.01	245.30	804.21	1,618.00	2,581.28	625.00	6,083.50	41,849.44	25,140.96	870.39	**80,177.09**
Subordinated Liabilities	-	-	146.92	-	126.46	43.88	16.09	2,098.38	1,915.72	5,079.29	**9,426.74**
Foreign Currency Borrowings											
Debt Securities	-	-	-	-	-	4,731.12	4,060.87	15,842.90	6,322.56	159.74	**31,117.19**
Other Borrowings	2,006.15	1,420.50	60.14	326.70	175.57	5,920.74	14,199.19	50,825.61	38,779.88	1,424.08	**1,15,138.55**

(₹ in Crores)

As at 31st 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
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	1,392.43	4,354.30	**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	1,05,326.60	**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	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**

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 31-03-2026	As at 31-03-2025
Expiring within one year		
- Fixed rate	-	-
- Floating rate	12,936.63	14,291.72
Expiring beyond one year		
- Fixed rate	-	-
- Floating rate	1,199.67	1,222.19

52.2.4 Additional Disclosures in accordance with Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 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 31-03-2026	As at 31-03-2025
Number of significant counterparties*	15	15
Amount (₹ in crores)	2,45,808.46	2,40,439.89
% of Total Liabilities	44.28%	44.85%

(ii) Top 10 borrowings

	Particulars	Amount (₹in Crores)	% of Total borrowings
	As at 31-03-2026		
1	Term Loan from HDFC Bank	17,850.00	3.53%
2	54EC- Series XVI (2022-23)	12,152.39	2.40%
3	54EC- Series XVII (2023-24)	11,419.07	2.26%
4	Foreign Currency Borrowings- US $1175 Mn	11,121.88	2.20%
5	Term Loan from State Bank of India	10,197.00	2.02%
6	Term Loan from Government of India- National Small Savings Fund (NSSF)	10,000.00	1.98%
7	Term Loan from Union Bank of India	9,999.40	1.98%
8	Term Loan from ICICI Bank	8,583.00	1.70%
9	Term Loan from Punjab National Bank	8,299.10	1.64%
10	54EC- Series XVIII (2024-25)	7,634.21	1.51%
	Total	**1,07,256.05**	**21.21%**

	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	54EC- Series XVIII (2024-25)	7,038.86	1.44%
9	Foreign Currency Bond - US $ 750 Mn	6,418.61	1.31%
10	Term Loan from ICICI Bank	5,533.00	1.13%
	Total	**96,743.48**	**19.82%**

Consolidated Notes to Accounts

(iii) Funding Concentration based on significant instrument/ product

	Name of significant instrument/ product*	As at 31-03-2026		As at 31-03-2025	
		Amount (₹in Crores)	% of Total Liabilities	Amount (₹in Crores)	% of Total Liabilities
1	**Debt Securities**				
	Institutional Bonds	2,12,114.09	38.21%	2,00,803.29	37.45%
	54EC Capital Gain Tax Exemption Bonds	43,696.38	7.87%	43,831.57	8.18%
	Foreign Currency Bonds	31,069.93	5.60%	28,286.04	5.28%
	Tax Free Bonds	8,547.33	1.54%	8,953.27	1.67%
	Sub-Total (1)	**2,95,427.73**	**53.22%**	**2,81,874.17**	**52.58%**
2	**Borrowings (Other than Debt Securities)**				
	Foreign Currency Borrowings	1,07,178.07	19.31%	94,571.40	17.64%
	Term Loans from Banks	64,406.69	11.60%	41,879.47	7.81%
	Term Loans from Government of India (NSSF)	10,000.00	1.80%	10,000.00	1.87%
	FCNR (B) Loans	8,140.73	1.47%	43,181.96	8.05%
	Loans repayable on demand from Banks	3,527.00	0.64%	1,600.00	0.30%
	Term Loans from Financial Institutions	-	0.00%	2,500.00	0.47%
	Sub-Total (2)	**1,93,252.49**	**34.81%**	**1,93,732.83**	**36.14%**
3	**Subordinated Liabilities**	**9,235.70**	**1.66%**	**9,235.70**	**1.72%**
	Total (1+2+3)	**4,97,915.92**	**89.70%**	**4,84,842.70**	**90.43%**

**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 31-03-2026				As at 31-03-2025			
	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	3,000.00	0.59%	0.54%	0.47%	-	-	-	-
Other Short-Term liabilities	12,041.89	2.38%	2.17%	1.88%	55,031.52	11.27%	10.26%	8.96%

(v) Refer Note 53.2 for institutional set-up for management of liquidity risk in the Company.

(vi) Liquidity Coverage Ratio (LCR)

Reserve Bank of India, vide its Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of ₹5,000 crore or more. 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,

(i) 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.

(ii) 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.

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and majorily 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 AAA/AA Corporate bonds are the highest proportion of HQLA followed by Government Securities and auto swap balances. The position of HQLA holding is as follows:

HQLA Items	As at 31-03-2026	As at 31-03-2025
	% of Overall	% of Overall
Assets without Haircut	**40.06%**	**39.79%**
- G-Sec and SDLs	40.06%	39.79%
Assets with 15% Haircut	**59.94%**	**59.96%**
- Corporate Bonds	59.94%	59.96%
Assets with 50% Haircut	**0.00%**	**0.25%**
- Corporate Bonds	0.00%	0.25%
Total	**100.00%**	**100.00%**

Consolidated Notes to Accounts

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 30-09-2025		Quarter ended 30-06-2025		Quarter ended 31-03-2025		Quarter ended 31-12-2025		Quarter ended 31-03-2026	
	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)	**5,764.13**	**5,115.38**	**4,665.40**	**4,222.93**	**4,648.08**	**4,214.07**	**5,686.72**	**5,049.02**	**6,481.91**	**5,846.84**
- AA/AAA Corporate Bonds	4,281.85	3,633.10	2,902.95	2,460.48	2,846.51	2,412.51	4,251.34	3,613.64	4,233.79	3,598.72
- G-SEC Bonds/ State Development Loans (SDLs)	1,482.28	1,482.28	1,603.71	1,603.71	1,593.99	1,593.99	1,203.02	1,203.02	2,248.12	2,248.12
- Cash and Cash equivalents	-	-	158.74	158.74	207.58	207.58	232.36	232.36	-	-
Cash Outflows										
Other contractual funding obligations	6,583.90	7,571.00	9,965.76	11,461.00	9,573.09	11,009.00	10,660.93	12,260.00	10,461.36	12,031.00
Other contingent funding obligations	389.87	448.00	374.74	431.00	197.53	227.00	486.24	559.00	401.60	462.00
Total Cash Outflows	**6,973.77**	**8,019.00**	**10,340.50**	**11,892.00**	**9,770.62**	**11,236.00**	**11,147.17**	**12,819.00**	**10,862.96**	**12,493.00**
Cash Inflows										
Inflows from fully performing exposures	13,867.72	10,401.00	13,493.19	10,120.00	14,246.58	10,685.00	11,570.81	8,678.00	11,567.09	8,675.00
Other cash inflows	12,785.03	9,589.00	10,155.62	7,617.00	16,202.92	12,152.00	19,287.57	14,466.00	15,679.15	11,759.00
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	**26,652.75**	**6,014.25**	**23,648.81**	**8,919.00**	**30,449.50**	**8,427.00**	**30,858.38**	**9,614.25**	**27,246.24**	**9,369.75**
Total Adjusted Value										
Total HQLA (A)		**5,115.38**		**4,222.93**		**4,214.07**		**5,049.02**		**5,846.84**
Total Net Cash Outflows (B)		**2,004.75**		**2,973.00**		**2,809.00**		**3,204.75**		**3,123.25**
Liquidity Coverage Ratio (A / B)		**255.16%**		**142.04%**		**150.02%**		**157.55%**		**187.20%**
% Variance (from previous period)		**80%**		**-5%**				**-38%**		**19%**

** For average daily observation during the respective quarter has been considered.*

*** The average holding of HQLA during the year has been above the regulatory requirement of 100%. This has been due to increase in HQLA Investment securities and decrease in the net cash outflow.*

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 2026 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹Crores)

Currency	As at 31-03-2026			As at 31-03-2025		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD $	11,301.34	11,186.71	114.63	14,904.99	14,832.24	72.75
INR Equivalent	1,06,972.02	1,05,886.99	1,085.03	1,27,559.03	1,26,936.40	622.63
JPY ¥	5,11,117.97	5,11,117.97	-	5,55,865.90	5,55,865.90	-
INR Equivalent	30,283.74	30,283.74	-	31,545.39	31,545.39	-
EURO €	693.97	604.02	89.95	604.02	604.02	-
INR Equivalent	7,564.71	6,584.25	980.46	5,576.63	5,576.63	-
SGD $	213.21	213.21	-	213.21	213.21	-
INR Equivalent	1,568.26	1,568.26	-	1,358.36	1,358.36	-
Total INR Equivalent	**1,46,388.73**	**1,44,323.24**	**2,065.49**	**1,66,039.41**	**1,65,416.78**	**622.63**

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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Favorable	Adverse	Favorable	Adverse
USD/INR	40.60	(40.60)	23.30	(23.30)
JPY/INR	-	-	-	-
EUR/INR	36.68	(36.68)	-	-

** 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.

The table below shows the overall exposure of the Company to the liabilities linked with floating interest rates as at 31st March 2026 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹Crores)

Currency	As at 31-03-2026			As at 31-03-2025		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	64,406.69	-	64,406.69	44,379.47	-	44,379.47
USD $	8,041.29	6,986.66	1,054.63	8,166.15	7,533.40	632.75
INR Equivalent	76,114.26	66,131.72	9,982.54	69,887.05	64,471.86	5,415.19
JPY ¥	4,40,642.36	4,40,642.36	-	4,85,390.31	4,51,161.24	34,229.07
INR Equivalent	26,108.06	26,108.06	-	27,545.90	25,603.40	1,942.50
EURO €	693.97	-	693.97	604.02	-	604.02
INR Equivalent	7,564.71	-	7,564.71	5,576.63	-	5,576.63
SGD $	213.21	-	213.21	213.21	-	213.21
INR Equivalent	1,568.26	-	1,568.26	1,358.36	-	1,358.36
Total INR Equivalent	**1,75,761.98**	**92,239.78**	**83,522.20**	**1,48,747.41**	**90,075.26**	**58,672.15**

Consolidated Notes to Accounts

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 ₹11,995.70 crore as on 31st March 2026 (Previous year ₹13,955.70 Crore) 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 31-03-2026	As at 31-03-2025
Rupee Loans	5,64,697.12	5,48,015.73

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 31-03-2026		As at 31-03-2025	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(312.51)	312.51	(219.53)	219.53
Interest Rate Swaps	(44.88)	44.88	(52.37)	52.37
Floating/ semi-fixed Rate Loan Assets	2,112.87	(2112.87)	2,050.46	(2050.46)

** Holding all other variables constant*

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

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, 2026 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31-03-2026		As at 31-03-2025	
	Amount (₹in Crores)	Amount (USD Mn Equivalent)	Amount (₹in Crores)	Amount (USD Mn Equivalent)
3M Term SOFR	1,893.09	200.00	4,365.53	510.10
6M Term SOFR	8,389.10	886.29	8,611.65	1,006.25
Overnight SOFR	65,832.07	6,955.00	56,909.87	6,649.79
3M EURIBOR	2,770.88	292.74	2,346.84	274.22
6M EURIBOR	4,793.83	506.46	3,229.79	377.39
Overnight TONA	26,108.06	2,758.25	27,545.90	3,218.68
Overnight SORA	1,568.26	165.68	1,358.36	158.72
Total	**1,11,355.29**	**11,764.42**	**1,04,367.94**	**12,195.15**

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

(i) 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.

(ii) For other interest rate swaps (in cases of late designation), the Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

(iii) For option structures, 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.

Consolidated Notes to Accounts

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

As at 31st March 2026		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 13,556.76	12,535.48	20.30	Apr 2026 - May 2034	1:1	83.20	4,463.59	(4,463.59)
		EUR 1,208.05	1,303.02	-	Nov 2027 - Mar 2028	1:1	85.86	569.83	(569.83)
		JPY 9,84,729.20	3,594.27	462.13	Mar 2027 - Jan 2034	1:1	0.56	(1,136.08)	1,136.08
		SGD 426.420	401.43	-	Oct-27	1:1	58.26	150.05	(150.05)
(ii)	Principal only swaps	USD 300.00	372.95	-	Jun-30	1:1	75.55	264.29	(264.29)
(iii)	Cross Currency Swaps	USD 2,620.05	460.35	572.52	Apr 2026 - Dec 2030	1:1	4.48%	(1,781.82)	1,781.82
		SGD 213.210	-	128.06	Oct-27	1:1	1.68%	(68.95)	68.95
(iv)	Interest Rate Swaps	USD 6,866.66	508.12	89.31	Aug 2026 - May 2034	1:1	3.22%	602.57	(602.57)
		JPY 4,40,637.76	558.35	-	March 2027- Mar 2030	1:1	1.53%	248.24	(248.24)
		INR 55,280.00	-	512.38	Aug 2028 - Sep 2034	1:1	8.44%	(456.27)	456.27

(₹ in Crores)

As at 31st 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 20,931.08	10,539.15	98.61	Apr 2025 - May 2034	1:1	85.02	810.21	(810.21)
		EUR 1,208.05	733.20	-	Oct 2027 - Mar 2028	1:1	82.39	53.73	(53.73)
		JPY 10,63,706.18	4,573.26	203.25	Sep 2025 - Jan 2034	1:1	0.56	(1,211.19)	1,211.19
		SGD 426.419	251.39	-	Oct-27	1:1	58.26	18.78	(18.78)
(ii)	Principal only swaps	USD 375.00	87.12	-	Apr 2025 - Jun 2030	1:1	75.41	(18.43)	18.43
(iii)	Cross Currency Swaps	USD 6,188.89	182.40	1,006.78	Apr 2025 - Jun 2029	1:1	2.78%	294.33	(294.33)
		SGD 213.211	-	77.47	Apr 2025 - Oct 2027	1:1	3.01%	17.55	(17.55)
(iv)	Interest rate swaps	USD 7,008.50	391.39	173.66	Apr 2025 - May 2034	1:1	3.25%	149.95	(277.79)
		JPY 4,51,156.76	263.86	8.42	Sep 2025 - Mar 2030	1:1	1.51%	194.73	(58.81)
		SGD -	-	-	Matured in March 2025	1:1	0.00%	(15.09)	(58.81)
		INR 55,280.00	-	25.39	Jun 2025 - Sep 2034	1:1	8.44%	(10.41)	10.40

Consolidated Notes to Accounts

(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 31-03-2026				
-Currency risk and interest rate risk	2855.45	-	(12,955.28)	Net translation/ transaction exchange loss/ (gain)
			3,900.99	Finance cost
			731.39	Net (Gain)/ loss on Fair Value Changes
Year ended 31-03-2025				
-Currency risk and interest rate risk	284.16	-	(4,076.86)	Net translation/ transaction exchange loss/ (gain)
			1,796.86	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Effective portion of Cash Flow Hedges		
Opening Balance	**(931.35)**	**(1846.93)**
Changes in intrinsic value of currency derivatives	7093.15	7304.05
Changes in fair value of interest rate swaps	443.33	305.62
Amounts reclassified to profit or loss	(13960.87)	(6386.16)
Deferred tax relating to above (net)	1616.88	(307.94)
Closing Balance	**(5738.86)**	**(931.35)**
Costs of hedging reserve		
Opening Balance	**(718.46)**	**1690.64**
Change in deferred time value of foreign currency option structures	(4681.03)	(7325.51)
Amortisation of time value	5637.98	4106.16
Deferred tax relating to above (net)	(240.86)	810.26
Closing Balance	**(2.36)**	**(718.46)**

(d) Fair Value Hedges

At 31st March 2026, Company has outstanding interest rate swap agreements of ₹11,995.70 crore (Previous year ₹13,995.70 Crore) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

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 31-03-2026	**- Interest rate swap**	**11,995.70**	**(131.95)**	**Derivative financial instruments**	**(123.03)**
As at 31-03-2025	**- Interest rate swap**	**13,995.70**	**(8.92)**	**Derivative financial instruments**	**212.41**

** Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.*

The impact of the hedged item on the balance sheet is as follows:

(₹ in 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 31-03-2026	- Subordinated Liabilities	4,142.68	(135.18)	Subordinated Liabilities	(87.81)
	- Institutional bonds	7,957.86	3.23	Debt Securities- Institutional Bonds	(35.22)
As at 31-03-2025	- Subordinated Liabilities	4,230.16	(47.37)	Subordinated Liabilities	96.40
	- Institutional bonds	10,012.46	38.45	Debt Securities- Institutional Bonds	116.01

The decrease in fair value of the interest rate swap of ₹123.03 crore (Previous year (-) ₹212.41 Crore) has been offset with a similar gain/loss on the respective subordinated liabilities and debt securities.

Consolidated Notes to Accounts

52.6 Market Risk - Price risk

The Company is exposed to price risks arising from investments in quoted equity instruments. 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 31-03-2026		As at 31-03-2025	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	4.00	(4.00)	4.30	(4.30)
Impact on Profit and Loss account (PL)	3.50	(3.50)	4.53	(4.53)

53. Additional Disclosures in respect of derivatives

53.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	The notional principal of swap agreements	1,09,843.89	1,11,154.86
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,293.44	1,065.66
(iii)	Collateral required by the NBFC upon entering into swaps	Refer Note 1 Below	Refer Note 1 Below
(iv)	Concentration of credit risk arising from the swaps	Refer Note 2 Below	Refer Note 2 Below
(v)	The fair value of the swap book	527.30	781.71

1. *Company is covered under RBI Master Directions (Margining for Non- Centrally Cleared OTC Derivatives), 2024 and places the required collateral in accordance with the provisions of the said Directions*
2. *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 with in the credit risk limit defined in the Board approved Risk Management Policy.*

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 **	
		As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
(i)	Derivatives (Notional Principal Amount)				
	For hedging	2,33,636.78	3,11,527.33	1,09,843.89	1,11,154.86
(ii)	Marked to Market Positions				
a)	Asset (+)	18,667.50	16,366.52	1,293.44	1,065.66
b)	Liability (-)	1,183.01	1,386.11	766.14	283.95
(iii)	Credit Exposure	19,668.87	12,527.27	1,053.89	1,237.73
(iv)	Unhedged Exposures	2,065.49	622.63	N.A.	N.A.

** Includes Hedging of loan liabilities via multi-leg cross-currency derivatives, that has resulted in multiple recognition of derivative exposure amounting to ₹89,313.54 crore (as at 31.03.2025 ₹1,46,110.55 Crore)*

*** Includes Interest Rate Derivatives on rupee liabilities of ₹16,995.70 crore as at 31.03.2026 (as at 31.03.2025 ₹20,695.70 crore).*

53.4 Refer Note No. 53.3 and 53.4 for Qualitative disclosures on Derivatives and Note No. 53.5 for disclosures related to Hedge Accounting.

54. RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 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 "RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions on November 28, 2025. The Company being a government company, is categorised as NBFC – Middle Layer and is subject to the guidelines / regulation as applicable 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 of frauds (Previous year Nil) 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.

Consolidated Notes to Accounts

56.1 Exposure to Real Estate Sector

The Company has no direct or indirect exposure to real estate sector as at 31st March 2026 (As at 31st March 2025 Nil).

56.2 Exposure to Capital Market

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in optionally convertible preference shares)	383.70	477.52
(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	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds	-	-
	Total Exposure to Capital Market	**383.70**	**477.52**

56.3 Sectoral Exposure

(₹ in Crores)

Sectors	As at 31-03-2026					As at 31-03-2025				
	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	5,67,317.03	2,904.99	5,70,222.02	1,384.75	0.24%	5,54,253.37	3,403.34	5,57,656.70	7,652.65	1.37%
- Infrastructure and Logistic	22,610.12	134.96	22,745.08	-	-	20,638.62	140.55	20,779.18	-	-
Total Exposure	**5,89,927.15**	**3,039.95**	**5,92,967.10**	**1,384.75**	**0.23%**	**5,74,891.99**	**3,543.89**	**5,78,435.88**	**7,652.65**	**1.32%**

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 31-03-2026	As at 31-03-2025
(i)	**Concentration of Advances**		
	Total Advances to twenty largest borrowers (₹in crores)	3,41,066.00	3,26,580.55
	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	58.44%	57.61%
(ii)	**Concentration of Exposures***		
	Total Exposure to twenty largest borrowers (₹in crores)	3,42,754.48	3,29,045.94
	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	57.80%	56.89%
(iii)	**Concentration of Credit-impaired Assets**		
	Total Outstanding to top four Credit-impaired Assets (₹ in Crore)	1,384.75	6,175.48
	Total Exposure to the top four Credit-impaired Assets (₹ in Crore)	1,384.75	6,175.48

** Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)*

Consolidated Notes to Accounts

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 31-03-2026	As at 31-03-2025
	Financial assets measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	19,733.97	17,021.77
(ii)	Fair value through profit and loss (FVTPL)	8	226.97	410.41
	Investments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	11	313.62	386.80
(ii)	Fair value through profit and loss (FVTPL)	11	1,025.56	1,058.80
	Financial assets measured at amortised cost			
	Cash and cash equivalents	6	293.39	233.57
	Bank balances (other than cash and cash equivalents)	7	1,317.70	2,109.80
	Trade and Other Receivables	9	297.08	237.12
	Loan Assets	10	5,79,243.08	5,59,088.08
	Investments #	11	8,492.27	5,228.04
	Other financial assets	12	24,556.23	24,604.19
	Total		**6,35,499.87**	**6,10,378.58**
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	1,784.70	1,593.58
(ii)	Fair value through profit and loss (FVTPL)	8	164.45	76.48
	Financial liabilities measured at amortised cost			
	Trade payables	19	195.98	157.67
	Debt securities	20	3,09,982.83	2,92,428.27
	Borrowings (other than debt securities)	21	1,95,315.61	1,94,300.16
	Subordinated liabilities	22	9,426.75	9,514.16
	Other financial liabilities	23	37,290.26	37,646.72
	Total		**5,54,160.57**	**5,35,717.04**

#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 31-03-2026				As at 31-03-2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments*	80.03	-	233.59	313.62	86.06	-	300.74	386.80
Investments at FVTPL								
Equity investments	69.98	-	-	69.98	90.62	-	-	90.62
Perpetual Bonds	-	955.58	-	955.58	-	968.18	-	968.18
Debentures	-	-	-	-	-	-	-	-
Preference Shares**	-	-	-	-	-	-	-	-
Assets at FVOCI								
Derivative financial instruments	-	19,733.97	-	19,733.97	-	17,021.77	-	17,021.77
Assets at FVTPL								
Derivative financial instruments	-	226.97	-	226.97	-	410.41	-	410.41
Liability at FVOCI								
Derivative financial instruments	-	1,784.70	-	1,784.70	-	1,593.58	-	1,593.58
Liability at FVTPL								
Derivative financial instruments	-	164.45	-	164.45	-	76.48	-	76.48

** 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.*

Consolidated Notes to Accounts

Valuation Techniques for fair value disclosures (Level 1, Level 2 and Level 3)

(A) Investment in Quoted Equity /Invit Investments - Level 1 - Investment in listed equity instruments of NHPC Limited, RattanIndia Power Limited and Units of Raajmarg Infra Investment Trust-2026 Invit 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. During the current financial year, investment made by Company in Energy Efficiency Services Limited (EESL) has been valued at Net Asset Value method against the Comparable Companies Multiple method, due to factors affecting the operational performance of EESL.

(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 alloted 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 alloted 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 alloted 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 alloted 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.

(J) Investment in Optionally Convertible Debentures (OCD) Series A / B of TRN Energy Private Limited- Level 3 - Investment in unquoted Optionally Convertible Debentures (OCD) Series A / B of TRN Energy Private Limited are classified as Level 3, which have been alloted 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:

(₹ in Crores)

Particulars	For the Year ended 31st March 2026				Total
	FVTPL(ii)			FVOCI(iii)	
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	**968.18**	**-**	**-**	**300.74**	**1,268.92**
Received in Loan Settlement *(Refer Note 11.4)*	-	-	-	-	-
Investment/ (Settlement)	-	-	-	-	-
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	968.18	-	-	-	968.18
Interest income (i)	-	-	-	-	-
Fair value changes	-	-	-	(67.15)	(67.15)
Closing Balance	**-**	**-**	**-**	**233.59**	**233.59**
Unrealised gain/ (loss) at year-end	**-**	**-**	**-**	**(83.14)**	**(83.14)**

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(₹ in Crores)

Particulars	For the Year ended 31st 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 11.4)*	-	-	-	-	-
Investment/ (Settlement)	-	-	(347.93)	-	(347.93)
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income (i)	20.24	-	230.84	-	251.08
Fair value changes	-	-	-	(15.99)	(15.99)
Closing Balance	**968.18**	**-**	**-**	**300.74**	**1268.92**
Unrealised gain/ (loss) at year-end	**20.25**	**-**	**-**	**(15.99)**	**4.26**

Refer Note No. 11.4 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year

** represents investments in Reedemable Prefernce 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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	293.39	293.39	233.57	233.57
Bank balances (other than cash and cash equivalents)	1,317.70	1,317.70	2,109.80	2,109.80
Trade and Other Receivables	297.08	297.08	237.12	237.12
Loans	5,79,243.08	5,83,693.47	5,59,088.08	5,59,417.16
Investments	8,492.27	8,661.46	5,228.04	5,477.61
Other financial assets	24,556.23	24,555.54	24,604.19	24,603.68
Total	**6,14,199.75**	**6,18,818.64**	**5,91,500.80**	**5,92,078.94**
Financial liabilities				
Debt securities	3,09,982.83	2,99,811.80	2,92,428.27	2,91,095.95
Borrowings (other than debt securities)	1,95,315.61	1,95,189.20	1,94,300.16	1,94,412.84
Subordinated liabilities	9,426.75	9,427.91	9,514.16	9,710.47
Trade and other payables	195.98	195.98	157.67	157.67
Other financial liabilities	37,290.26	37,290.26	37,646.71	37,646.71
Total	**5,52,211.42**	**5,41,915.15**	**5,34,046.97**	**5,33,023.64**

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.

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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 2026 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 and pledging as Initial Margin as per RBI guidelines. The Company has computed the fair value using discounted cash flow (DCF) method i.e adding the accrued interest from last coupon date to the reporting date.

Investment in PSU Bonds

The Company has made investments in PSU Bonds in order to maintain sufficient High Quality Liquid Assets and pledging as Initial Margin 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.

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 2026 (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. 22nd April, 2025)
	Smt. Parminder Chopra	Chairman & Managing Director (Appointed w.e.f. 21st March, 2025 and Ceased w.e.f 22nd April, 2025)
	Sh. Thangrajan Subash Chandira Bosh	Director-Projects (Appointed w.e.f. 3rd October, 2025)
	Sh. Rajesh Kumar	Director-Finance (Appointed w.e.f. 2nd April, 2026) and Executive Director- Finance (Designated as KMP Ceased w.e.f. 2nd April, 2026)
	Sh. V.K. Singh	Director-Projects (Ceased w.e.f. 1st July, 2025)
	Sh. Harsh Baweja	Director-Finance (Ceased w.e.f. February 1, 2026)
	Sh. Shashank Misra	Government Nominee Director
	Sh. Manoj Sharma	PFC Nominee Director (Ceased w.e.f. 1st April, 2026)
	Sh. Rajeev Ranjan Jha	PFC Nominee Director (Appointed w.e.f. 06th April, 2026)
	Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director (Ceased w.e.f. 03rd March, 2026)
	Dr. Gambheer Singh	Part Time Non-Official Independent Director (Appointed w.e.f. 17th April, 2025 and ceased w.e.f. 16th April, 2026)
	Dr. Durgesh Nandini	Part Time Non-Official Independent Director (Appointed w.e.f. 17th April, 2025 and ceased w.e.f. 16th April, 2026)
	Sh. J.S. Amitabh	Executive Director & Company Secretary (Ceased w.e.f. 01st December, 2025)
	Sh. M. L. Kumawat	Executive Director- Finance (Designated as KMP w.e.f. 09th April, 2026)
	Sh. Dinesh Garg	GM & Company Secretary (Appointed w.e.f. 01st December, 2025)
(2)	**Holding Company**	
	Power Finance Corporation Limited	
(3)	**Associates of REC Power Development and Consultancy Limited**	
	Chandil Transmission Limited	Incorporated on 14th Mar 2018
	Koderma Transmission Limited	Incorporated on 19th Mar 2018
	Dumka Transmission Limited	Incorporated on 23th Mar 2018
	Mandar Transmission Limited	Incorporated on 26th Mar 2018
	Luhri Power Transmission Limited	Incorporated on 28th Oct 2022
	Shongtong Power Transmission Limited	Incorporated on 14th Jun 2023
	Kankani Power Transmission Limited	Incorporated on 18th Dec 2023
	Tuticorin Power Transmission Limited	Incorporated on 05th Nov 2024
	WRNES Talegaon Power Transmission Limited	Incorporated on 16th Nov 2024 and Transferred on 30th May 2025
	RAJGARH III Power Transmission Limited	Incorporated on 24th Dec 2024 and Strike off on 20th Jan 2026

Consolidated Notes to Accounts

	Jejuri Hinjewadi Power Transmission Limited	Incorporated on 28th Mar 2025 and Transferred on 9th Jan 2026
	Velgaon Power Transmission Limited	Incorporated on 29th Mar 2025 and Transferred on 9th Jan 2026
	Mekhali Power Transmission Limited	Incorporated on 20th May 2025
	Sharavathi Power Transmission Limited	Incorporated on 20th May 2025
	Hampapura Power Transmission Limited	Incorporated on 20th May 2025
	Ryapte Power Transmission Limited	Incorporated on 21st May 2025
	Robertsganj Power Transmission Limited	Incorporated on 28th May 2025
	Rajgarh Neemuch Power Transmission Limited	Incorporated on 17th Jun 2025 and Transferred on 29th Sep 2025
	Ananthapuram II Power Transmission Limited	Incorporated on 26th Jun 2025 and Transferred on 17th Oct 2025
	Davanagere Power Transmission Limited	Incorporated on 26th Jun 2025 & Transferred on 24th Sep 2025
	Jalna Power Transmission Limited	Incorporated on 29th Jun 2025
	SR WR Power Transmission Limited	Incorporated on 01st Jul 2025 and Transferred on 17th Oct 2025
	Sakoli Power Transmission Limited	Incorporated on 07th Jul 2025
	Umred Power Transmission Limited	Incorporated on 07th Jul 2025 and Transferred on 26th Feb 2026
	Bellary Davanagere Power Transmission Limited	Incorporated on 25th Sep 2025 and Transferred on 12th Feb 2026
	Kempegowda Power Transmission Limited	Incorporated on 30th Sep 2025
	Barmer HVDC Power Transmission Limited	Incorporated on 30th Sep 2025
	WR ER Part A Power Transmission Limited	Incorporated on 06th Nov 2025
	WR ER Part C Power Transmission Limited	Incorporated on 06th Nov 2025
	Balsane Power Transmission Limited	Incorporated on 18th Dec 2025
	Ambernath Power Transmission Limited	Incorporated on 19th Dec 2025
	Musalgaon Power Transmission Limited	Incorporated on 20th Dec 2025
	Dholpur Power Transmission Limited	Incorporated on 23rd Dec 2025
	Jaisalmer Power Transmission Limited	Incorporated on 23rd Dec 2025
	Apta Power Transmission Limited	Incorporated on 24th Dec 2025
	Ranipur Chunar Power Transmission Limited	Incorporated on 26th Dec 2025
	Munak Power Transmission Limited	Incorporated on 05th Jan 2026
	Vizag Power Transmission Limited	Incorporated on 16th Feb 2026
(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- (Appointed w.e.f. April 17, 2025)
(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
	Sh. Rajiv Ranjan Jha	Director (Projects)
	Sh. Manoj Sharma	Director (Commercial) (Ceased w.e.f. 1st April, 2026)
	Sh. Sandeep Kumar	Director (Finance) (Ceased w.e.f. 1st April, 2026)
	Sh. Shashank Misra	Government Nominee Director
	Shri. Sudhir Mehta	Part Time Non-Official Independent Director (Appointed w.e.f. 14th May 2025)
	Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director (Appointed w.e.f. 13th May 2025 and Ceased w.e.f. 2nd Apr 2026)
	Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director (Appointed w.e.f. 17th Apr 2025 and Ceased w.e.f. 18th April, 2026)
	Sh. Prasanna Tantri	Part Time Non-Official Independent Director (Appointed w.e.f. 17th Apr 2025 and Ceased w.e.f. 18th April, 2026)
	Sh. Naresh Dhanrajbhai Kella	Part Time Non-Official Independent Director (Appointed w.e.f. 17th Apr 2025 and Ceased w.e.f. 18th April, 2026)
	Mr. Manish Kumar Agarwal	Company Secretary
(b)	**Subsidiary Companies of Holding Company**	
	PFC Consulting Limited (PFCCL)	
	PFC Projects Limited	
	PFC Infra Finance IFSC Limited	
(c)	**Associates of Holding Company**	
	Deoghar Mega Power Limited	Incorporated on 26th Apr 2002
	Orissa Integrated Power Limited	Incorporated on 24th Aug 2006

Consolidated Notes to Accounts

	Sakhigopal Integrated Power Company Limited	Incorporated on 21st May 2008 and Striked off on 09th Mar 2026
	Ghogarpalli Integrated Power Company Limited	Incorporated on 22st May 2008 and Striked off on 16h Mar 2026
	Coastal Tamil Nadu Power Limited	Incorporated on 09th Jan 2007
	Cheyyur Infra Limited	Incorporated on 21st Jan 2014
	Odisha Infrapower Limited	Incorporated on 23rd Jan 2014 and Striked off on 23th Mar 2026
	Bihar Infrapower Limited	Incorporated on 30th Jun 2015
	Deoghar Infra Limited	Incorporated on 30th Jun 2015
	Bihar Mega Power Limited	Incorporated on 09th Jul 2015
	Jharkhand Infrapower Limited	Incorporated on 10th Dec 2015
	Chhatarpur Transmission Limited	Incorporated on 25th Jan 2022
	SIOT Transmission Limited	Incorporated on 27th Apr 2022
	Joda Barbil Transmission Limited	Incorporated on 20th Jun 2023
	Ramakanali B -Panagarh Transmission Limited	Incorporated on 21th Nov 2023
	Gola B -Ramgarh B Transmission Limited	Incorporated on 05th Dec 2023
	KPS III HVDC Transmission Limited	Incorporated on 18th Jan 2024 and Transferred on 12th Dec 2025
	Bhuj II Transmission Limited	Incorporated on 01st Mar 2024
	Angul Sundargarh Transmission Limited	Incorporated on 01st Mar 2024 and Transferred on 28th Jul 25
	Bhadla and Bikaner Complex Transmisssion Limited	Incorporated on 14th Oct 2024
	Wahipora and Sallar Transmission Limited	Incorporated on 11th Nov 2024
	Bhuj ICT Transmission Limited	Incorporated on 19th Nov 2024
	Kandla GHA Transmission Limited	Incorporated on 27th Nov 2024
	MEL Power Transmission Limited	Incorporated on 19th Nov 2024 and Transferred on 4th Jun 25
	Raghanesda RE Transmission Limited	Incorporated on 3rd Dec 2024 and Transferred on 23rd Jul 25
	NER Expansion Transmission Limited	Incorporated on 06th Dec 2024 and Transferred on 23rd Jul 25
	Kakinada I Transmission Limited	Incorporated on 20th Feb 2025
	NES Dharashiv Transmission Limited	Incorporated on 20th Mar 2025 and Transferred on 12th Mar 2026
	NES Navi Mumbai Transmission Limited	Incorporated on 20th Mar 2025
	NES Pune East New Transmission Limited	Incorporated on 29th Mar 2025 and Transferred on 12th Mar 2026
	Mandsaur I Re Transmission Limited	Incorporated on 16th Apr 2025 and Transferred on 08th Oct 25
	Vindhyachal Varanasi Transmission Limited	Incorporated on 16th Apr 2025 and Transferred on 16th Oct 25
	Morena I Sez Transmission Limited	Incorporated on 16th Apr 2025 and Transferred on 03rd Feb 26
	Wagdari Transmission Limited	Incorporated on 13th Jun 2025 and Transferred on 27th Mar 2026
	Kurnool IV REZ Power Transmission Limited	Incorporated on 13th Jun 2025
	Saswad Transmission Limited	Incorporated on 16th Jun 2025 and Transferred on 26th Feb 26
	SR And ER Power Transmission Limited	Incorporated on 22nd Aug 2025 and Transferred on 03rd Feb 26
	Tumkur II RE Transmission Limited	Incorporated on 24th Sep 2025
	South Kalamb Power Transmission Limited	Incorporated on 30th Sep 2025 and Transferred on 30th Mar 2026
	Alibag Power Transmission Limited	Incorporated on 08th Nov 2025
	Raigad Power Transmission Limited	Incorporated on 17th Nov 2025
	Nergs III Siang Basin Transmission Limited	Incorporated on 21st Nov 2025
	Latur REZ Transmission Limited	Incorporated on 10th Dec 2025

59.2 Amount due from/ to the related parties

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Power Finance Corporation Limited (PFC)		
Other Financial Assets	(0.42)	2.82
Other Financial Liabilities- Unpaid Dividend	-	498.96
Associates		
Loans	14.33	3.57
Employment Benefit Trusts/ Funds		
Debt Securities	2.00	3.00
Subordinated Liabilities	3.70	3.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions (payable) /recoverable	0.80	(3.26)
Other financial assets	46.42	34.78
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.63	0.13
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.15
REC Foundation		
Other non-financial assets (Advance to REC Foundation)	0.15	1.67

Consolidated Notes to Accounts

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 Nil (previous year ₹0.74 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

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Power Finance Corporation Limited (PFC)		
Other Financial Assets	2.82	3.83
Other Financial Liabilities- Unpaid Dividend	498.96	623.70
Employment Benefit Trusts/ Funds		
Debt Securities	3.00	3.00
Subordinated Liabilities	3.70	3.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Associates		
Loans	14.33	19.25
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.97	0.41
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.15
REC Foundation		
Other non-financial assets (Advance to REC Foundation)	22.86	11.31

59.4 Transactions with the related parties :

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Power Finance Corporation Limited (PFC)		
Dividend Paid	3,215.51	2,952.17
Directors' Sitting Fee	0.08	0.11
Apportionment of Other Expenses/Administrative Expenses	2.40	4.12
Associates		
Consultancy fee	85.63	335.59
Interest income	1.43	0.90
Reimbursement/Expenses reimbursement	16.02	17.36
Investment made	1.40	0.80
Sale of investments	0.45	1.45
Employment Benefit Trusts/ Funds		
Contributions made by the Company	12.64	11.40
Provision settled by the Company	3.26	-
Redemption of the bonds of Company	1.00	-
Finance Costs - Interest Paid	3.11	3.04
Subscription to the bonds of Company	-	1.00
Key Managerial Personnel (KMP)		
Recovery of Staff Loans & Advances	0.35	0.22
Repayment/ Recovery of Debt Securities	-	-
Interest Income on Staff Loans	0.02	0.05
Finance Costs - Interest Paid	0.00	0.00
Employee Benefits Expense - Managerial Remuneration	5.35	3.78
Directors' Sitting Fee	0.31	0.35
Dividend paid	0.02	0.02
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Finance Cost	0.01	0.01
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	154.60	268.00

Consolidated Notes to Accounts

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 uniformally 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 31-03-2026	Year ended 31-03-2025
(i)	Short-term employee benefits	3.73	3.48
(ii)	Post employment benefits	1.62	0.30
	Total	**5.35**	**3.78**

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.

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 Corp
Nabinagar Power Generating Co. Pvt. Limited
Neyveli Uttar Pradesh Power Limited
NTPC Tamil Nadu Energy Company Limited
Patratu Vidyut Utpadan Nigam Limited
SJVN Thermal Pvt. Limited
TUSCO Limited
HPCL Rajasthan Refinery Limited
SJVN Limited
Energy Efficiency Services Limited
Rashtriya Ispat Nigam 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 31-03-2026	Year ended 31-03-2025
Dividend Income	2.00	1.98
Disbursement of Loans	6,021.60	7,113.40
Interest income recognised	2,563.39	2,526.56
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 31-03-2026	As at 31-03-2025
Loan Assets	26,677.29	31,796.82
LoU & LoC (Non fund based)	-	2.33
Interest Accrued	49.12	60.66

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, 2026, the expenses relating to short-term leases are ₹16.41 crore (previous year ₹12.44 Crore). The total cash outflow towards all leases, including Right-of-Use Assets is ₹16.41 crore (previous year ₹12.44 Crore).

Consolidated Notes to Accounts

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 ₹10.03 crore (previous year ₹11.54 crore) towards defined contribution plans.

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 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation	319.18	313.05
Fair Value of Plan Assets	323.51	317.40
Net Defined Benefit (Asset)/ Liability	(4.33)	(4.35)

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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**313.05**	**297.79**	**317.40**	**298.03**	**(4.35)**	**(0.24)**
Included in profit or loss						
Current service cost	11.93	11.10	-	-	11.93	11.10
Past service cost	-	-	-	-	-	-
Interest cost / income	25.23	24.01	25.37	24.17	(0.14)	(0.16)
Total amount recognised in profit or loss	**37.16**	**35.11**	**25.37**	**24.17**	**11.79**	**10.94**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	0.70	1.36	(0.87)	5.31	1.57	(3.95)
Total amount recognised in OCI	**0.70**	**1.36**	**(0.87)**	**5.31**	**1.57**	**(3.95)**
Contribution by participants	16.41	16.98	16.41	16.98	-	-
Contribution by employers	-	-	11.92	11.10	(11.92)	(11.10)
Net Liability transferred In / (Out)	5.57	9.97	5.57	9.97	-	-
Benefits paid	(53.71)	(48.16)	(52.29)	(48.16)	(1.42)	-
Closing Balance	**319.18**	**313.05**	**323.51**	**317.40**	**(4.33)**	**(4.35)**

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 ₹0.25 crore 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 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation	25.45	28.54
Fair Value of Plan Assets	26.25	25.28
Net Defined Benefit (Asset)/ Liability	(0.80)	3.26

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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**28.54**	**27.31**	**25.28**	**27.18**	**3.26**	**0.13**
Included in profit or loss						
Current service Cost	1.92	1.34	-	-	1.92	1.34
Past service cost	0.01	2.73	-	-	0.01	2.73
Interest cost / income	1.83	1.78	1.71	1.93	0.12	(0.15)
Total amount recognised in profit or loss	**3.76**	**5.85**	**1.71**	**1.93**	**2.05**	**3.92**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(1.95)	0.76	-	-	(1.95)	0.76
-Actuarial loss (gain) arising from Experience adjustments	(0.64)	(0.64)	-	-	(0.64)	(0.64)
Return on plan assets excluding interest income	-	-	0.26	0.78	(0.26)	(0.78)
Total amount recognised in OCI	**(2.59)**	**0.12**	**0.26**	**0.78**	**(2.85)**	**(0.66)**
Contribution by employers	-	-	3.26	0.13	(3.26)	(0.13)
Benefits paid	(4.26)	(4.74)	(4.26)	(4.74)	-	-
Closing Balance	**25.45**	**28.54**	**26.25**	**25.28**	**(0.80)**	**3.26**

In case of RECPDCL, in accordance with the Code on Social Security, 2020, effective from 21st November 2025, employees are entitled to gratuity after completion of one year of service, payable in full at the time of separation. The liability for the same is recognized on the basis of Actuarial Valuation. The total expense recognized during the Current Financial Year is ₹0.31 Crore (Previous Year Nil), reflecting the initial recognition of the obligation under the new statutory requirements.

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 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation	187.82	176.86
Fair Value of Plan Assets	234.24	211.64
Net Defined Benefit (Asset)/ Liability	(46.42)	(34.78)

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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**176.86**	**171.28**	**211.63**	**194.83**	**(34.77)**	**(23.55)**
Included in profit or loss						
Current service Cost	8.51	6.60	-	-	8.51	6.60
Past service cost	-	-	-	-	-	-
Interest cost / income	11.70	11.86	14.29	13.81	(2.59)	(1.95)
Total amount recognised in profit or loss	**20.21**	**18.46**	**14.29**	**13.81**	**5.92**	**4.65**
Included in OCI						
Re-measurement loss (gain)						
-Actuarial loss (gain) arising from changes in financial assumptions	(6.18)	(13.32)	-	-	(6.18)	(13.32)
-Actuarial loss (gain) arising from Experience adjustments	16.39	14.65	-	-	16.39	14.65
Return on plan assets excluding interest income	-	-	8.24	2.89	(8.24)	(2.89)
Total amount recognised in OCI	**10.21**	**1.33**	**8.24**	**2.89**	**1.97**	**(1.56)**
Contribution by participants	0.08	0.10	0.08	0.10	-	-
Contribution by employers	-	-	-	-	-	-
Benefits paid	(19.54)	(14.31)	-	-	(19.54)	(14.31)
Closing Balance	**187.82**	**176.86**	**234.24**	**211.63**	**(46.42)**	**(34.77)**

Consolidated 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

(₹ in Crores)

Particulars	As at 31-03-2026	As at 31-03-2025
Present value of Defined benefit obligation		
- ERS	7.19	6.70

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Opening Balance	**6.70**	**4.92**
Included in profit or loss		
Current service Cost	0.55	0.39
Interest cost / income	0.43	0.33
Total amount recognised in profit or loss	**0.98**	**0.72**
Included in OCI		
Re-measurement loss (gain)		
-Actuarial loss (gain) arising from changes in financial assumptions	(0.70)	0.25
-Actuarial loss (gain) arising from Experience adjustments	0.50	1.21
Total amount recognised in OCI	**(0.20)**	**1.46**
Benefits paid	(0.29)	(0.40)
Closing Balance	**7.19**	**6.70**

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.

(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/ Withdrawl risk

The present value of the defined benefit plan liability is calculated by reference to the expected withdrawl 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 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
Cash & Cash Equivalents	**0.85**	**7.10**	**0.03**	**0.36**	**1.97**	**4.34**
Quoted Plan Assets						
Equity Instruments	22.51	23.81	0.96	1.02	-	-
State Government Debt Securities	135.23	127.60	10.19	10.22	50.54	41.76
Central Government Debt Securities	32.58	42.56	-	-	-	-
Corporate Bonds/ Debentures	132.34	116.33	9.41	9.34	181.73	165.54
Sub-total - Quoted Plan Assets	**322.66**	**310.30**	**20.56**	**20.58**	**232.27**	**207.30**
Unquoted Plan Assets						
Others - Insurer managed funds & T-bills	-	-	5.66	4.34	-	-
Sub-total - Unquoted Plan Assets	**-**	**-**	**5.66**	**4.34**	**-**	**-**
Total	**323.51**	**317.40**	**26.25**	**25.28**	**234.24**	**211.64**

Actual return on plan assets is ₹49.87 crore (previous year ₹43.58 Crore).

Consolidated Notes to Accounts

61.2.3 Significant Actuarial Assumptions

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2026 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 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Method Used	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**
Discount Rate	7.57%	6.75%	7.57%	6.75%	7.57%	6.75%	7.57%	6.75%
Expected Return on Plan Assets, if funded	8.30%	8.26%	7.57%	6.75%	7.57%	6.75%	N/A	N/A
Future Salary Increase / medical inflation			6.00%	6.00%	5.00%	4.50%	6.00%	6.00%
Expected average remaining working lives of employees (years)			21.08	21.17	21.10	21.17	21.17	21.17
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.

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:

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(1.07)	1.16	(1.11)	1.21
- PRMS	(9.18)	10.09	(8.87)	9.77
- ERS	(0.38)	0.42	(0.36)	0.39
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.20	(0.17)	0.23	(0.15)
- PRMS	-	-	-	-
- ERS	0.26	(0.24)	0.24	(0.23)
Medical inflation Rate (0.50% movement)				
- PRMS	10.26	(9.39)	9.89	(9.04)
Medical Cost (10% movement)				
- PRMS	18.76	(18.75)	17.64	(17.54)

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

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
Less than 1 year	4.92	5.99	18.15	16.23	1.16	1.10
From 1 to 5 years	10.77	11.47	100.76	90.62	3.46	3.09
Beyond 5 years	49.99	44.85	469.96	422.40	6.90	6.30
Total	**65.68**	**62.31**	**588.87**	**529.25**	**11.52**	**10.49**

61.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Provident Fund		Gratuity		PRMF	
	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Expected contribution	-	-	0.98	5.14	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.61 years (as at 31.03.2025 is 12.51 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 ₹5.26 crores (Previous year ₹10.85 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 ₹0.21 crore (previous year ₹1.27 crore) 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.

61.6 Central Government has issued four separate notifications in the Official Gazette dated 21st November 2025 announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. Following the implementation of the these labour codes, the Central Government has pre-published the draft rules on 31st December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course.

There is no material impact from the enactment of New Labour Codes, 2025 on the financial statement of the Company in the current year (previous year N/A). Also, the Company continues to monitor the finalisation of Central/State Rules and clarifications from Government on other aspects of the Labour Codes and would provide appropriate accounting effect as required based on future developments.

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 24th January, 2024 ordered the trifurcation of TANGEDCO into 3 entities i.e. (i) the existing company TANGEDCO would be renamed as Tamil Nadu Power Distribution Corporation Limited (TNPDCL) and continue to carry on distribution business (ii) Formation of Tamil Nadu Power Generation Company Limited (TNPGCL) for carrying out thermal & gas power generation business and (iii) Tamil Nadu Green Energy Corporation Limited (TNGECL) to carry out the green power generation business. Pursuant thereto, the two new entities viz. TNPGCL and TNGECL were formed on 09th February, 2024 and 10th February, 2024 respectively.

Further Government of Tamil Nadu in exercise of powers conferred by Section 131 and 133 of the Electricity Act, 2003 (Central Act 36 of 2003) notified Tamil Nadu Electricity Restructuring And Transfer Scheme, 2024 vide G.O. (MS) No.32 Energy (B2) Department dated 06 March, 2024, published in Tamil Nadu Government Gazette Extraordinary No.90 dated 6th March 2024, whereby Government of Tamil Nadu defined the property, interest in property, rights and liabilities of TANGEDCO to be allocated to TNPGCL and TNGECL with effect from 06th March 2024. As the notification dated 06th March 2024 issued by Government of Tamil Nadu was provisional for a period of one year, Company has initially executed provisional loan transfer agreements with the respective entities.

Pursuant to the issuance of final notification of Government of Tamil Nadu No. 40 dated 21st April, 2025 for confirming the transfer of assets and liabilities amongst the three companies as mentioned above, the necessary documentation has been completed by the Company by executing relevant document dated 24th March, 2026 and 30th March, 2026.

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 31st March, 2025. 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 31-03-2026	Year ended 31-03-2025
(i)	Impairment Loss Allowance for loans*	189.89	886.24
(ii)	Impairment Loss Allowance for Investments	2.37	3.26
(iii)	Impairment Loss Allowance for Receivables	39.14	132.08
(iv)	Provision made for Income Tax	4,458.16	4,233.24

** includes ₹282.71 crore (Previous year Nil) towards impairment allowance on undrawn commitments.*

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.

65.1 Information about Revenue from major products and services

(₹ in Crores)

	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(A)	Income from Loan Assets	58,217.54	54,673.19
(B)	Fee for Implementation of Government Schemes	66.98	53.79
(C)	Income from Treasury Operations	826.94	762.93
(D)	Revenue from sale of services	448.57	510.97
	Total	**59,560.03**	**56,000.88**

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 2025-26 and 2024-25.

65.4 In line with the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 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 ₹147.86 crore (Previous Year ₹2,163.17 Crore) has not been recognized.

66. Subsidiaries, joint venture and associates considered for consolidation

A. Wholly owned subsidiaries of the Company:

(₹ in Crores)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31-03-2026	As at 31-03-2025
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 31-03-2026	As at 31-03-2025
Chandil Transmission Limited**	India	100.00%	100.00%
Koderma Transmission Limited**	India	100.00%	100.00%
Dumka Transmission Limited**	India	100.00%	100.00%
Mandar Transmission Limited**	India	100.00%	100.00%

Consolidated Notes to Accounts

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31-03-2026	As at 31-03-2025
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%	100.00%
WRNES Talegaon Power Transmission Limited*	India	-	100.00%
Jejuri Hinjewadi Power Transmission Limited*	India	-	100.00%
Velgaon Power Transmission Limited*	India	-	100.00%
Rajgarh III Power Transmission Limited***	India	-	100.00%
Mekhali Power Transmission Limited	India	100.00%	-
Hampapura Power Transmission Limited	India	100.00%	-
Sharavathi Power Transmission Limited	India	100.00%	-
Ryapte Power Transmission Limited	India	100.00%	-
Robertsganj Power Transmission Limited	India	100.00%	-
Jalna Power Transmission Limited	India	100.00%	-
Sakoli Power Transmission Limited	India	100.00%	-
Barmer HVDC Power Transmission Limited	India	100.00%	-
Kempwgowde Power Transmission limited	India	100.00%	-
WR ER Part C Power Transmission Limited	India	100.00%	-
WR ER Part A Power Transmission Limited	India	100.00%	-
Balsane Power Transmisison Limuted	India	100.00%	-
Ambernath Power Transmission Limited	India	100.00%	-
Musalgaon Power Transmission Ltd	India	100.00%	-
Dholpur Power Transmission Limite	India	100.00%	-
Jaisalmer Power Transmission Limited	India	100.00%	-
Apta Power Transmission Limited	India	100.00%	-
Ranipur Chunar Power Transmission Limited	India	100.00%	-
Munak Power Transmission Limited	India	100.00%	-
Vizag Power Transmission Limited	India	100.00%	-
Rajgarh Neemuch Power Transmission Limited#	India	-	-
Ananthapuram II Power Transmission Limited#	India	-	-
Davanagere Power Transmission Limited#	India	-	-
SR WR Power Transmission Limited#	India	-	-
Umred Power Transmission Limited#	India	-	-
Bellary Davanagere Power Transmission 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 striked 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

(₹ in Crores)

Name of the Entity	As at 31-03-2026		As at 31-03-2025	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent				
REC Limited	99.10%	84,290.41	99.06%	77,637.97
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.90%	764.10	0.94%	738.19
Associates - Indian				
Chandil Transmission Limited**	-	-	-	-
Koderma Transmission Limited**	-	-	-	-
Dumka Transmission Limited**	-	-	-	-
Mandar 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	0.00%	0.05
WRNES Talegaon Power Transmission Limited*	-	-	0.00%	0.05
Jejuri Hinjewadi Power Transmission Limited*	-	-	-	-
Velgaon Power Transmission Limited*	-	-	-	-
Rajgarh III Power Transmission Limited***	-	-	0.00%	0.05
Mekhali Power Transmission Limited	0.00%	0.05	-	-
Hampapura Power Transmission Limited	0.00%	0.05	-	-
Sharavathi Power Transmission Limited	0.00%	0.05	-	-
Ryapte Power Transmission Limited	0.00%	0.05	-	-
Robertsganj Power Transmission Limited	0.00%	0.05	-	-
Jalna Power Transmission Limited	0.00%	0.05	-	-
Sakoli Power Transmission Limited	0.00%	0.05	-	-
Barmer HVDC Power Transmission Limited	0.00%	0.05	-	-
Kempwgowde Power Transmission limited	0.00%	0.05	-	-
WR ER Part C Power Transmission Limited	0.00%	0.05	-	-
WR ER Part A Power Transmission Limited	0.00%	0.05	-	-
Balsane Power Transmisison Limuted	0.00%	0.05	-	-
Ambernath Power Transmission Limited	0.00%	0.05	-	-
Musalgaon Power Transmission Ltd	0.00%	0.05	-	-
Dholpur Power Transmission Limite	0.00%	0.05	-	-
Jaisalmer Power Transmission Limited	0.00%	0.05	-	-
Apta Power Transmission Limited	0.00%	0.05	-	-
Ranipur Chunar Power Transmission Limited	0.00%	0.05	-	-
Munak Power Transmission Limited	0.00%	0.05	-	-
Vizag Power Transmission Limited	0.00%	0.05	-	-
Rajgarh Neemuch Power Transmission Limited#	0.00%	-	-	-
Ananthapuram II Power Transmission Limited#	0.00%	-	-	-
Davanagere Power Transmission Limited#	0.00%	-	-	-
SR WR Power Transmission Limited#	0.00%	-	-	-
Umred Power Transmission Limited#	0.00%	-	-	-
Bellary Davanagere Power Transmission Limited#	0.00%	-	-	-
Adjustments or eliminations effect	0.00%	(1.30)	0.00%	(0.40)
Total	**100.00%**	**85,054.41**	**100.00%**	**78,376.06**

Share in profit and loss

(₹ in Crores)

Name of the Entity	Year ended 31-03-2026		Year ended 31-03-2025	
	As % of Consolidated Net Profit	Amount	As % of Consolidated Net Profit	Amount
Parent				
REC Limited	99.84%	16,282.26	98.92%	15,713.21
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.48%	78.95	1.65%	261.65
Adjustments or eliminations effect	-0.33%	(53.04)	-0.57%	(90.63)
Total	**100.00%**	**16,308.17**	**100.00%**	**15,884.23**

Consolidated Notes to Accounts

Share in Other Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31-03-2026		Year ended 31-03-2025	
	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
Parent				
REC Limited	100.00%	(4,166.35)	100.00%	(1516.80)
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	-	-	-	-
Adjustments or eliminations effect	-	-	-	-
Total	**100.00%**	**(4,166.35)**	**100.00%**	**(1,516.80)**

Share in Total Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31-03-2026		Year ended 31-03-2025	
	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent				
REC Limited	99.79%	12,115.91	98.81%	14,196.41
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.65%	78.95	1.82%	261.65
Adjustments or eliminations effect	-0.44%	(53.04)	-0.63%	(90.63)
Total	**100.00%**	**12,141.82**	**100.00%**	**14,367.43**

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 31-03-2026		As at 31-03-2025	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	293.39	-	233.57	-
(b)	Bank balances other than (a) above	1,317.70	-	2,109.80	-
(c)	Derivative financial instruments	5,288.21	14,672.73	2,637.20	14,794.98
(d)	Trade and Other Receivables	297.08	-	237.12	-
(e)	Loans	83,352.94	4,95,890.14	1,00,475.55	4,58,612.53
(f)	Investments	234.29	9,597.16	156.00	6,517.64
(g)	Other financial assets	367.38	24,188.85	433.02	24,171.17
	Total - Financial Assets (1)	**91,150.99**	**5,44,348.88**	**1,06,282.26**	**5,04,096.32**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	10.70	269.45	8.09	398.98
(b)	Deferred tax assets (net)	-	3,539.59	15.95	2,852.75
(c)	Investment Property	-	0.98	-	1.01
(d)	Property, Plant & Equipment	-	612.51	-	625.99
(e)	Capital Work-in-Progress	-	127.71	-	76.01
(f)	Other Intangible Assets	0.03	1.98	-	1.84
(g)	Other non-financial assets	48.75	30.89	116.19	22.56
	Total - Non-Financial Assets (2)	**59.48**	**4,583.11**	**140.23**	**3,979.14**
(3)	**Assets classified as held for sale**	**15.54**	**-**	**3.88**	**-**
	Total ASSETS (1+2+3)	**91,226.01**	**5,48,931.98**	**1,06,426.37**	**5,08,075.46**

Consolidated Notes to Accounts

	Particulars	As at 31-03-2026		As at 31-03-2025	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	306.51	1,642.64	844.66	825.40
(b)	Trade and Other Payables	195.98	-	157.67	-
(c)	Debt Securities	64,489.96	2,45,492.86	33,578.27	2,58,850.00
(d)	Borrowings (other than debt securities)	36,425.29	1,58,890.32	51,565.83	1,42,734.33
(e)	Subordinated Liabilities	333.36	9,093.39	333.79	9,180.37
(g)	Other financial liabilities	2,288.13	35,002.13	13,545.08	24,101.64
	Total - Financial Liabilities (1)	**1,04,039.23**	**4,50,121.34**	**1,00,025.31**	**4,35,691.73**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	-	-	-	-
(b)	Provisions	528.63	71.25	70.74	66.77
(c)	Other non-financial liabilities	252.43	90.71	184.36	86.86
	Total - Non-Financial Liabilities (2)	**781.06**	**161.96**	**255.10**	**153.63**
	Total LIABILITIES (1+2)	**1,04,820.29**	**4,50,283.31**	**1,00,280.41**	**4,35,845.36**

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 Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 have been made in Note No. 3, 8, 10, 11, 22.1, 27, 28.1, 48, 51, 52, 52.1.4 (M), 52.1.4 (N), 52.1.4 (O), 52.1.4 (P), 52.1.4 (Q), 52.1.4 (R), 52.1.4 (S), 52.1.4 (T), 52.1.4 (U), 52.1.4 (V), 52.1.4 (W), 52.1.4 (X), 52.2.2, 52.2.4, 52.3, 53, 54, 55, 56, 59, 63, 64, 65, 70, 71, 73, 75.

73. The appointment of Independent Directors is done by the Government of India. These standalone financial statements for the year ended 31st March, 2026 have been approved by the Board of Directors of the Company on the recommendation of the Audit Committee constituted without independent directors required under the Companies Act,2013.

74.1 No penalties have been levied on the company by any regulator during the year ended 31st March 2026 (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 ₹0.60 crore (previous year ₹0.18 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 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.

74.2 No complaints have been received by the Company from the customers or Offices of Ombudsman during the year ended 31st March 2026 (previous year Nil).

75. The Company does not have any transactions with the companies struck off u/s 248 of Companies Act, 2013 during the year ended 31st March 2026 (previous year Nil).

76. Figures in Rupees have been rounded off to the nearest crore with two decimals, unless expressly stated.

The Notes to Accounts 1 to 76 are an integral part of Balance Sheet and Statement of Profit & Loss.

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

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 2026

(As prescribed by Reserve Bank of India)

(Particulars set out in Annexure- I of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28.11.2025, as updated from time to time, in so far as they are applicable to the Company)

(₹ in Crores)

	Particulars	As at 31-03-2026		As at 31-03-2025	
		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	54,184.03	-	54,718.68	-
	- Unsecured	2,62,876.15	-	2,47,816.42	-
	(b) Term Loans				
	- Unsecured Loans from NSSF	10,325.12	-	10,325.12	-
	- Unsecured Loans from Banks	64,474.24	-	41,887.00	-
	- Unsecured Loans from Financial Institutions	-	-	2,500.00	-
	(c) Commercial Paper	2,965.96	-	-	-
	(d) Other Loans				
	- Foreign Currency Borrowings	1,07,809.36	-	95,172.85	-
	- FCNR (B) Loans	8,142.31	-	43,200.30	-
	- Overdrafts from Bank	341.71	-	570.78	-
	- Short Term Loans/ Loans Repayable on Demand	5,035.97	-	1,600.32	-

	Particulars	As at 31-03-2026 Amount Outstanding	As at 31-03-2025 Amount Outstanding
	ASSETS SIDE :		
(2)	**Break-up of Loans and Advances including bills receivables**		
	(a) Secured	5,29,100.04	5,25,654.96
	(b) Unsecured	54,559.32	41,228.32
	Less: Impairment loss allowance	(6,893.45)	(10,795.76)
	Loans and advances (net of provision)	5,76,765.91	5,56,087.52
(3)	**INVESTMENTS :**		
	Investments carried at Cost/Amortised Cost:		
	Quoted:		
	(i) Shares : Equity	-	-
	(ii) Debentures and Bonds	4,784.65	3,379.03
	Less: Impairment Loss allowance	4.82	2.31
	Quoted Debentures and Bonds (net of provision)	4,779.83	3,376.72
	(iii) Government Securities	3,516.86	1,621.86
	Unquoted:		
	(i) Shares : Equity	-	-
	(ii) Debentures and Bonds	196.39	230.41
	Less: Impairment Loss allowance	0.81	0.95
	Unquoted Debentures and Bonds (net of provision)	195.58	229.46
	(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	147.16	176.68
	(ii) Invit Units	2.85	-
	(iii) Debentures and Bonds	955.58	968.18
	Unquoted:		
	(i) Shares : Equity	233.59	300.74
	(ii) Debentures and Bonds	-	-

(4) Borrower Group-wise classification of assets financed in (2) above:

(₹ in Crores)

Particulars	Amount Net of Provisions			
	Secured	Unsecured	Provision	Total
As at 31-03-2026				
1. Related Parties	**-**	**-**	**-**	**-**
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	**5,29,100.04**	**54,559.32**	**(6,893.45)**	**5,76,765.91**
Total	**5,29,100.04**	**54,559.32**	**(6,893.45)**	**5,76,765.91**
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**

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Crores)

Particulars	As at 31-03-2026		As at 31-03-2025	
	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	10,000.74	9,831.45	6,923.31	6,673.64
Total	**10,000.74**	**9,831.45**	**6,923.31**	**6,673.64**

(6) Other Information

(₹ in Crores)

	Particulars	As at 31-03-2026	As at 31-03-2025
(i)	**Gross Credit-impaired Assets**		
(a)	Related Parties	-	-
(b)	Other than related Parties	1,384.75	7,652.65
(ii)	**Net Credit-impaired Assets**		
(a)	Related Parties	-	-
(b)	Other than related Parties	676.77	2,163.17
(iii)	**Asset acquired in satisfaction of debts**	**-**	**130.43**

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures for the Year 2025-26

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	754.61
7	Total assets	1,135.62
8	Total Liabilities	371.52
9	Investments	78.78
10	Turnover	501.00
11	Profit/ (Loss) Before Taxation	106.18
12	Provision for Taxation	27.23
13	Profit/ (Loss) After Taxation	78.95
14	Proposed Dividend	10.83
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		Chandil Transmission Limited *	Koderma Transmission Limited *	Dumka Transmission Limited *	Mandar Transmission Limited *	Luhri Power Transmission Limited *	Shongtong Power Transmission Limited *	Kankani Power Transmission Limited *	Tuticorin Power Transmission Limited *	Mekhali Power Transmission Limited #	Hampapura Power Transmission Limited #	Sharavathi Power Transmission Limited #	Ryapte Power Transmission Limited #	Robertsganj Power Transmission Limited #	Jalna Power Transmission Limited #
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Latest audited Balance Sheet Date	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	NA	NA	NA	NA	NA	NA
2	Date on which the Associate or Joint Venture was associated or acquired	14-Mar-18	19-Mar-18	25-Mar-18	26-Mar-18	28-Oct-22	14-Jun-23	18-Dec-23	05-Nov-24	20-May-25	20-May-25	20-May-25	21-May-25	28-May-25	29-Jun-25
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	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	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%	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	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	(0.37)	NA	NA	NA	NA	NA	NA
7	Profit / (Loss) for the year	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.90)	(0.41)	(0.66)	(0.68)	(0.85)	(0.72)	(0.80)	(0.79)	(0.75)
i.	Considered in Consolidation **	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii.	Not Considered in Consolidation	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.90)	(0.41)	(0.66)	(0.68)	(0.85)	(0.72)	(0.80)	(0.79)	(0.75)

Name of Associates		Sakoli Power Transmission Limited #	Barmer HVDC Power Transmission Limited #	Kempwgowde Power Transmission limited #	WR ER Part C Power Transmission Limited #	WR ER Part A Power Transmission Limited #	Balsane Power Transmisison Limuted #	Ambernath Power Transmission Limited #	Musalgaon Power Transmission Ltd #	Dholpur Power Transmission Limite #	Jaisalmer Power Transmission Limited #	Apta Power Transmission Limited #	Ranipur Chunar Power Transmission Limited #	Munak Power Transmission Limited #	Vizag Power Transmission Limited ##
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Latest audited Balance Sheet Date	07-Jul-25	30-Sep-25	30-Sep-25	06-Nov-25	06-Nov-25	18-Dec-25	19-Dec-25	20-Dec-25	23-Dec-25	23-Dec-25	24-Dec-25	26-Dec-25	05-Jan-26	16-Feb-26
2	Date on which the Associate or Joint Venture was associated or acquired	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
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	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	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%	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	NA	NA	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Profit / (Loss) for the year	(0.63)	(0.64)	(0.32)	(0.35)	(0.49)	(0.31)	(0.25)	(0.40)	(0.22)	(0.20)	(0.27)	(0.39)	(0.17)	-
i.	Considered in Consolidation **	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii.	Not Considered in Consolidation	(0.63)	(0.64)	(0.32)	(0.35)	(0.49)	(0.31)	(0.25)	(0.40)	(0.22)	(0.20)	(0.27)	(0.39)	(0.17)	-

** The latest audited Balance Sheet available for associates/subsidiaries 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 16.02.2026, 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. Nine associates have been transferred during FY 2025-26.

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
Wrnes Talegaon Power Transmission Limited	16-Nov-24	30-May-25
Jejuri Hinjewadi Power Transmission Limited	28-Mar-25	09-Jan-26
Velgaon Power Transmission Limited	29-Mar-25	09-Jan-26
Rajgarh Neemuch Power Transmission Limited	17-Jun-25	29-Sep-25
Ananthapuram II Power Transmission Limited	26-Jun-25	17-Oct-25
Davanagere Power Transmission Limited	26-Jun-25	24-Sep-25
SR WR Power Transmission Limited	01-Jul-25	17-Oct-25
Umred Power Transmission Limited	07-Jul-25	26-Feb-26
Bellary Davanagere Power Transmission Limited	25-Sep-25	12-Feb-26

For and on behalf of the Board

Dinesh Garg
Company Secretary

Rajesh Kumar
Director (Finance)
DIN-06941428

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: April 28, 2026

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 ✉ popanchkula@recindia.com	Regional Office **Madhya Pradesh**	Hall no. 3, West Block, 2nd 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 ✉ zmkolkata@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 ✉ poguwahati@recindia.com
Regional Office **Maharashtra, Goa, Gujarat, Dadra & Nagar Haveli, Daman & Diu**	51-B, Mittal Tower 5th Floor, Nariman Point Mumbai - 400021 ✆ +91-22-2283 3068 / 3055 ✉ zmmumbai@recindia.com	Regional Office **Chhattisgarh**	F-6 & F-7, Block B-1, 1st Floor, Pujari Chambers, Commercial Complex Pachpedi Naka, Raipur - 492001 ✆ +91-771-2241 055 ✉ recraipur@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
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