मनोहर बलवानी
कम्पनी सचिव
MANOHAR BALWANI
Company Secretary

पावर फाइनेंस कार्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

No:1:05:138:II:CS
Dated: 5.08.2019

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

Sub: Annual Report of Power Finance Corporation Limited for the FY 2018-19.

Madam/Sir,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith soft copy of the Annual Report of the Company for the financial year 2018-19.

Thanking you,

Yours faithfully,

For **Power Finance Corporation Ltd.**

(Manohar Balwani)
Company Secretary
mb@pfcindia.com

POWER FINANCE CORPORATION LTD.

(A Navratna PSU)

Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001
Tel. : 011-23456000, Fax : 011-23412545, **Website :** www.pfcindia.com
CIN : L65910DL1986GOI024862

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33rd ANNUAL REPORT 2018-19

पी एफ सी PFC

to ₹ 6,00,000 crore

2X

Assets Up from
₹ 3,00,000 Crore

A Year of Amazing Growth & Incredible Consolidation in Power Sector

Consolidating Excellence in Energy

Our Vision

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

Our Mission

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

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

Table of Contents

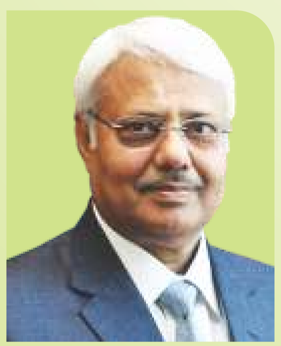
Board of Directors

Shri Rajeev Sharma
Chairman and Managing Director

Shri Naveen Bhushan Gupta
Director (Finance)

Shri Praveen Kumar Singh
Director (Commercial)

Shri Ravinder Singh Dhillon
Director (Projects)



Dr. Arun Kumar Verma
Govt. Nominee Director

Shri Sitaram Pareek
Independent Director

Smt. Gouri Chaudhury
Independent Director

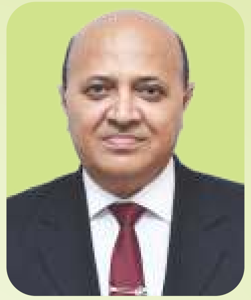
Shri R.C. Mishra
Independent Director

Senior Management

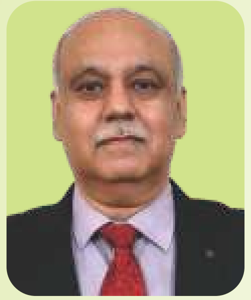
(As on 31.07.2019)

Shri Birendra Kumar
CVO

Smt. Palka Sahni, IAS
Executive Director



Shri Dinesh Vij
Executive Director



Shri Subir Mulchandani
Executive Director

Shri G.S. Patra
Executive Director

Shri Alok Singhal
Executive Director

Shri KVV Satyanarayana
Executive Director

Shri Alok Sud
Executive Director

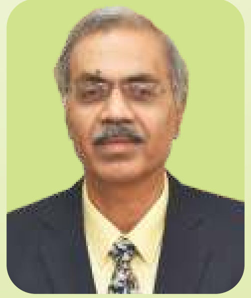
Shri Subir Saha
Executive Director

Shri Yogesh Juneja
Executive Director

Shri Manoj Sharma
Executive Director

Smt. Shelly Verma
Executive Director

Shri R.R. Jha
Executive Director



Shri R.K. Bhardwaj
Executive Director

Shri Manohar Balwani
Company Secretary

REFERENCE INFORMATION

Registered Office

'Urjanidhi',
1, Barakhamba Lane,
Connaught Place, New Delhi-110001
Tel. No. : (91) (11) 23456000
Website: http://www.pfcindia.com

Subsidiaries (as on March 31, 2019)

PFC Consulting Limited
Power Equity Capital Advisors Private Limited
Chhattisgarh Surguja Power Limited
Coastal Karnataka Power Limited
Coastal Maharashtra Mega Power Limited
Coastal Tamil Nadu Power Limited
Orissa Integrated Power Limited
Sakhigopal Integrated Power Company Limited
Ghogarpalli Integrated Power Company Limited
Tatiya Andhra Mega Power Limited
Deoghar Mega Power Limited
Cheyyur Infra Limited
Odisha Infrapower Limited
Deoghar Infra Limited
Bihar Infrapower Limited
Bihar Mega Power Limited
Jharkhand Infrapower Limited
Ballabhgarh-GN Transmission Company Limited*
Tanda Transmission Company Limited*
Mohindergarh-Bhiwani Transmission Limited*
South-Central East Delhi Power Transmission Limited*
Bijawar-Vidarbha Transmission Limited*
Shongtong Karcham-Wangtoo Transmission Limited*
Vapi II North Lakhimpur Transmission Limited*
Lakadia-Vadodara Transmission Project Limited*
Bikaner-Khetri Transmission Limited*
Fatehgarh-II Transco Limited*
Bhuj-II Transmission Limited*
REC Limited
Energy Efficiency Services Limited
REC Transmission Projects Company Limited^
REC Power Distribution Company Ltd^
Koderma Transmission Limited^
Mandar Transmission Limited^
Dinchang Transmission Limited^
Chandil Transmission Limited^
Dumka Transmission Limited^
Bhind-Guna Transmission Limited^
Jam Khambaliya Transco Limited^
Ajmer Phagi Transco Limited^
WRSS XXI (A) Transco Limited^
Udupi Kasagode Transmission Limited^
Khetri Transco Limited^
Lakadia Banaskantha Transco Limited^
Creighton Energy Limited#
EESL EnergyPro Assets Limited#
Anesco Energy Services (South) Limited#
EPAL Holdings Limited#
Edina Power Services Limited#
Edina UK Limited#
Armoura Holdings Limited#
Edina Manufacturing Limited#
Edina Acquisition Limited#
Edina Limited#
Edina Australia Pty Limited#
Stanbeck Limited#
Edina Power Limited#

Shares Listed at

National Stock Exchange of India Limited
BSE Limited (formerly known as Bombay Stock Exchange Limited)

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

Company Secretary

Shri Manohar Balwani

Auditors

M. K. Aggarwal & Co., Chartered Accountants
Gandhi Minocha & Co., Chartered Accountants

Secretarial Auditors

M/s Agarwal S. & Associates
Company Secretaries

Registrar & Share Transfer Agent

Karvy Fintech Private Limited
"Karvy Selenium Tower B",
Plot No. 31 & 32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad-500 032, Telangana, India
Tel: +91 40 67162222
Email: einward.ris@karvy.com
Website: www.karvyfintech.com

Bankers

Reserve Bank of India
State Bank of India
Punjab National Bank
Bank of India
ICICI Bank
HDFC Bank

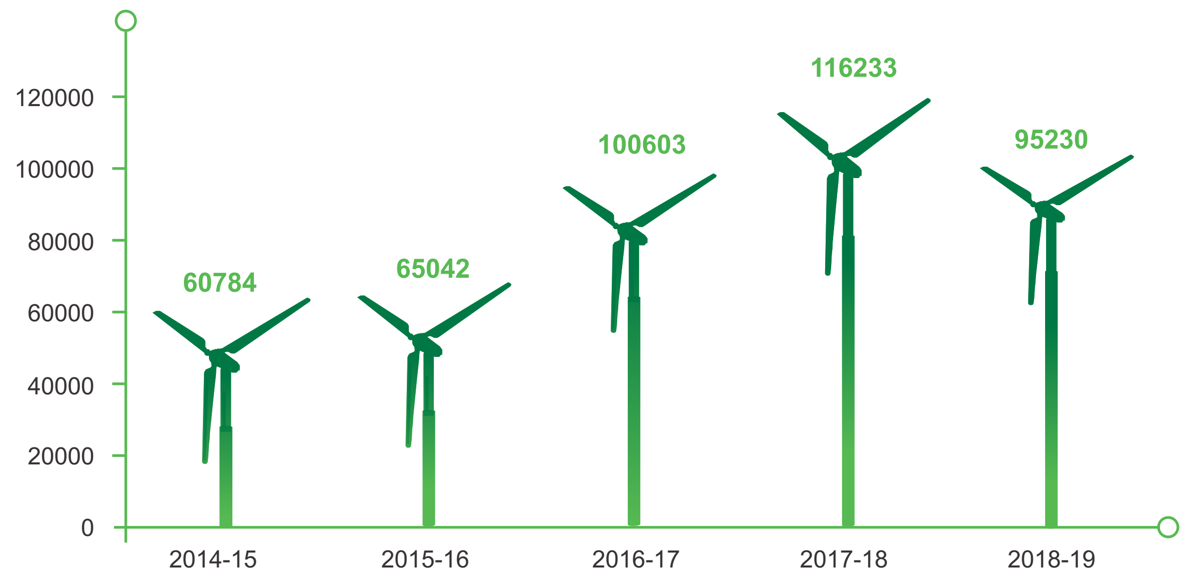
* Through PFC Consulting Limited
^ Through REC Ltd.
#Through EESL

PERFORMANCE AT A GLANCE

	PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19
I	**RESOURCES** (At the end of the Year) (₹ in Crore)					
	Equity Capital	1320	1320	2,640	2,640	2,640
	Interest Subsidy Fund from GoI	111	107	103	113	16
	Reserves and Surplus	30899	34446	32,785	34,316	40,648
	Borrowings:					
	(i) Foreign Currency Loans (incl. Foreign Currency Notes)	9731	10776	8,444	18,260	28,827
	(ii) Bonds	159393	171137	1,89,743	1,93,829	1,90,324
	(iii) Long Term Rupee Loans	14585	11000	2,000	10,525	46,204
	(iv) Short Term Rupee Loans	4064	7572	2,401	6925	13,357
II	**FINANCING OPERATIONS** (During the Year) (₹ in Crore)					
	Loans and Grants Sanctioned	60784	65042	100603	116233	95230
	Loans and Grants Disbursed	44691	46588	62798	64414	67678
	Repayment by Borrowers to PFC	16284	25826	19592	25135	29253
	Repayment by PFC to Lenders	34188	52735	65007	49214	66522
III	**WORKING RESULTS** (For the Year) (₹ in Crore)					
	Total Income	24907	27564	27019	25,980	28,851
	Total Expenses	16529	18504	21909	20,135	19,036
	Profit Before Tax	8378	9060	5110	5,845	9,816
	Tax Expense	2419	2947	2983	1,458	2,863
	Profit After Tax	5959	6113	2126	4,387	6,953
IV	**NO. OF EMPLOYEES**	450	467	499	498	498

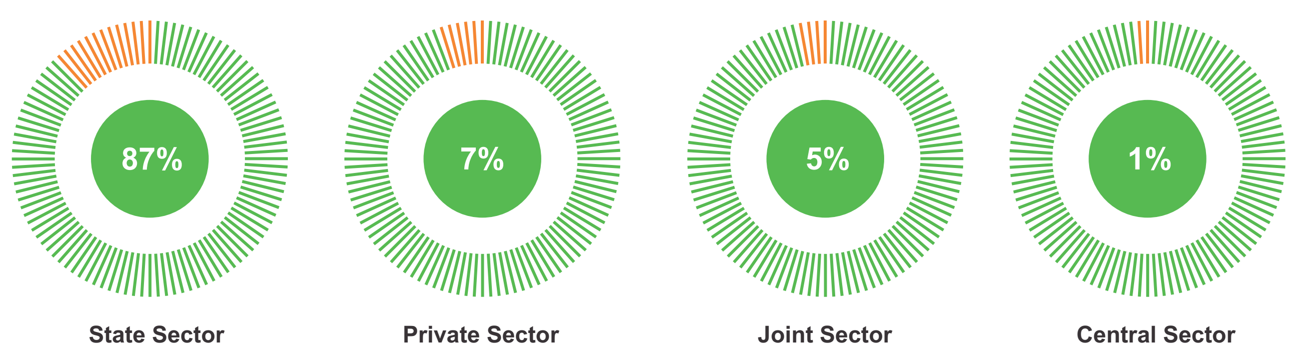
Note: The Company adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) from April 1, 2018 and the effective date of transition was April 1, 2017. Financial results and financial figures for the corresponding periods prepared under Previous GAAP stated in this Annual Report/Board Report and its attachments/annexures have been restated to Ind AS accordingly.

LOANS SANCTIONED

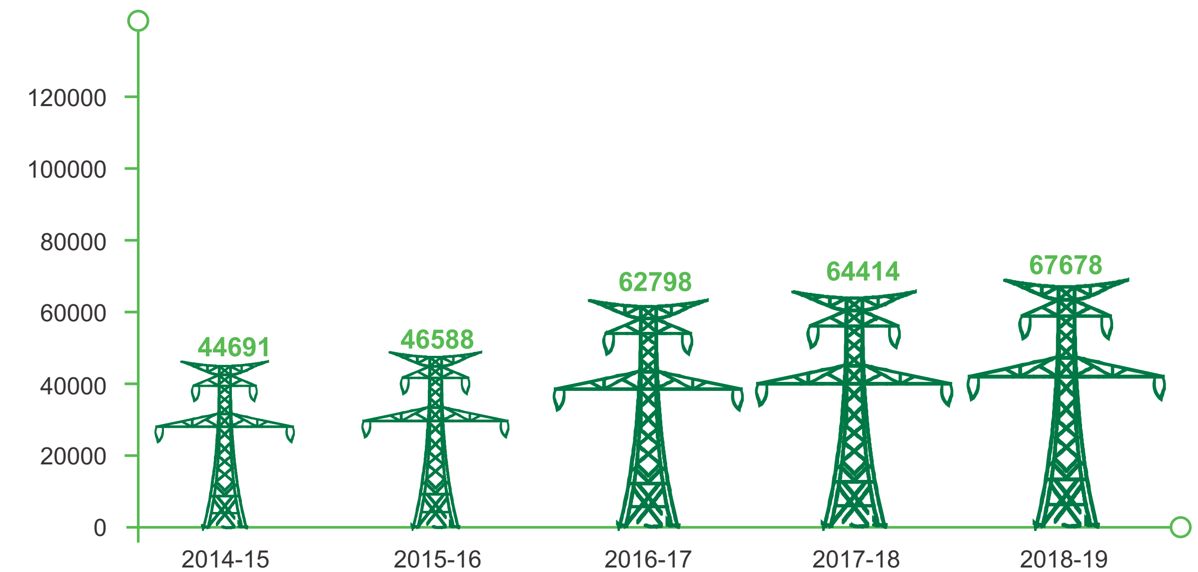


CUMULATIVE DISBURSEMENT

Sector-Wise

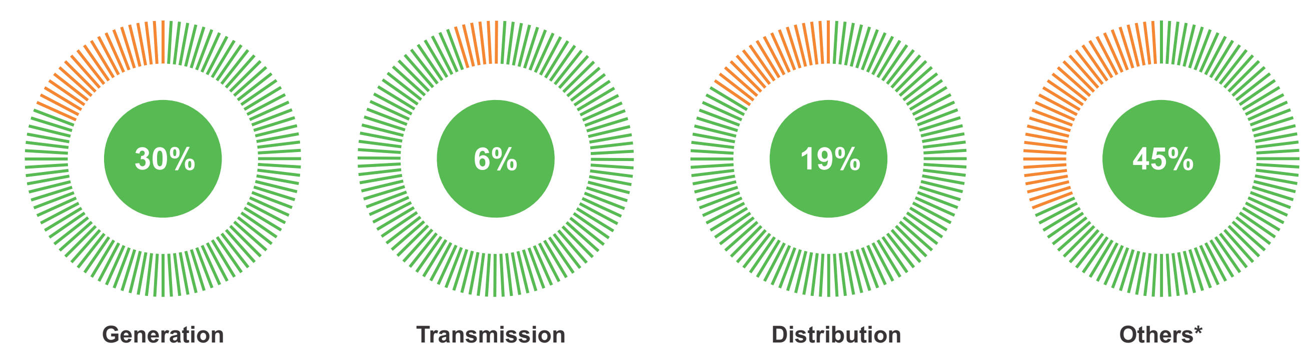


LOANS DISBURSED



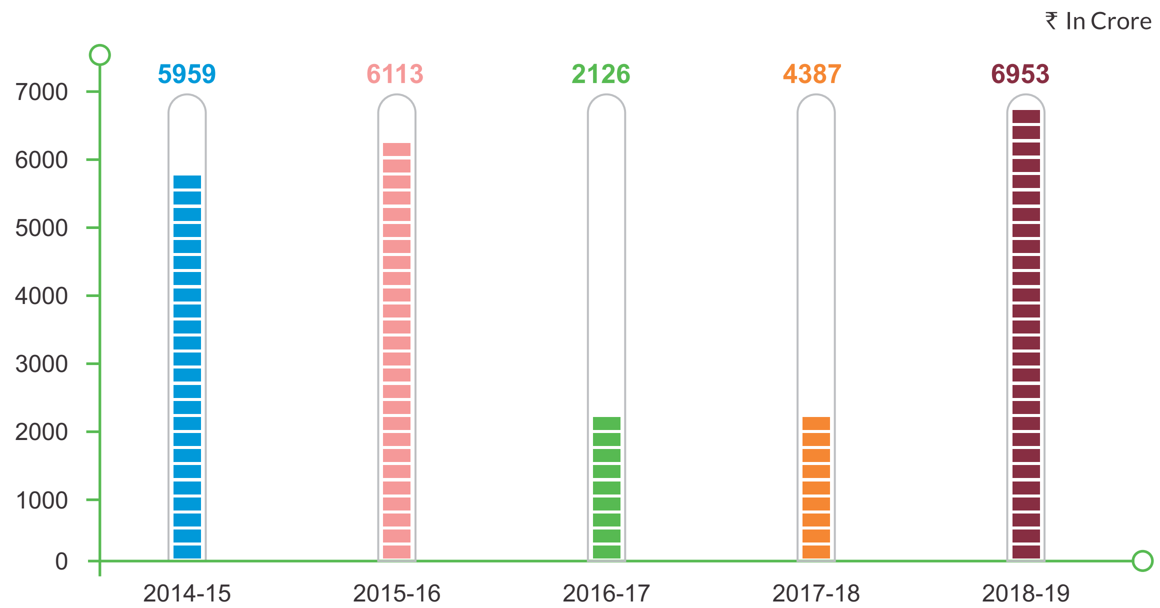
CUMULATIVE DISBURSEMENT

Discipline-Wise



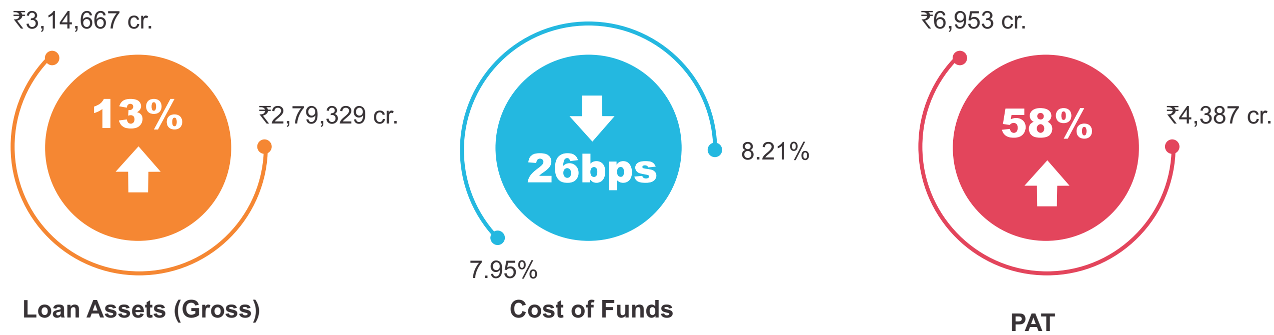
*Includes Transitional Finance, STL, BLC etc.

PROFIT AFTER TAX

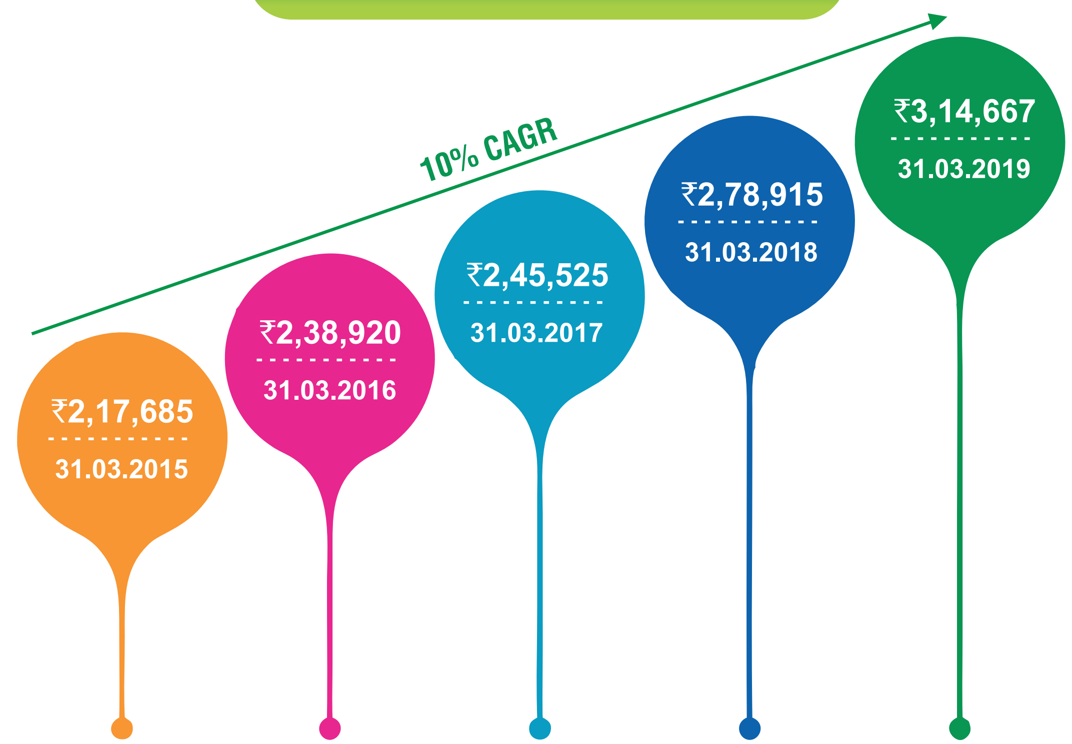


COMPARISON OF KEY INDICATORS

FY 2018-19 *Vs.* FY 2017-18

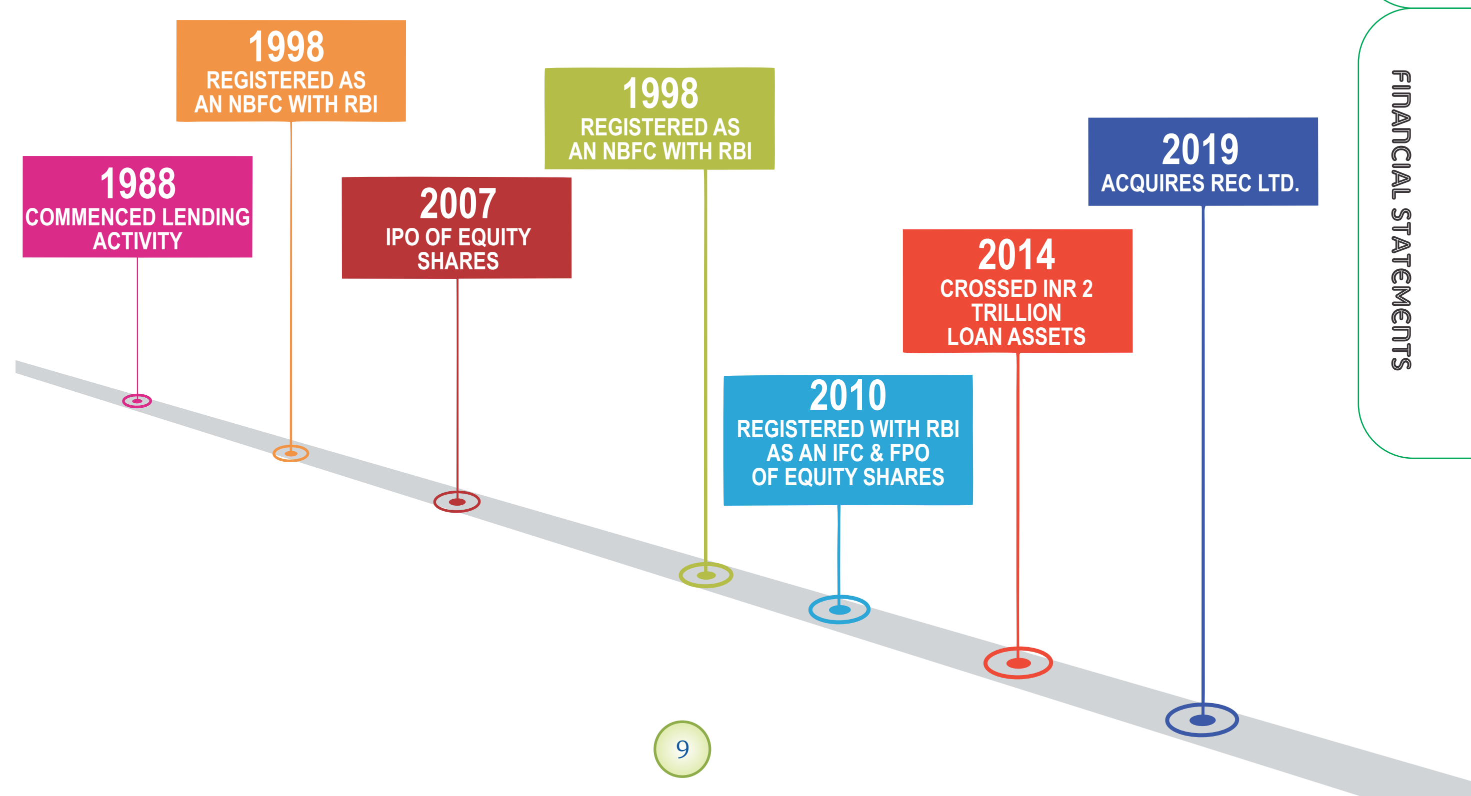


GROWTH OVER THE YEARS



₹3,14,667 Crore Loan Asset Book as on 31.03.2019

KEY MILESTONES



LETTER TO SHAREHOLDERS

"28th March 2019 was a Red Letter Day in the history of PFC, when your Company acquired Government of India's 52.63% equity stake in REC Limited (formerly Rural Electrification Corporation Limited), for a total consideration of ₹ 14,500 Crs. With this landmark deal, PFC is now a promoter and the holding company of REC Limited."

Rajeev Sharma
Chairman & Managing Director

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 33rd Annual General Meeting of your Company. Financial Year 2018-19 was an eventful and a landmark year in the history of PFC. 28th March 2019 was a Red Letter Day in the history of PFC, when your Company acquired Government of India's 52.63% equity stake in REC Limited (formerly Rural Electrification Corporation Limited), for a total consideration of ₹ 14,500 Crs. With this landmark deal, PFC is now a promoter and the holding company of REC Limited.

The acquisition is a significant move towards power sector consolidation and significant inorganic growth opportunity for PFC, which has resulted in creation of bigger entity on a consolidated basis, with combined annual revenues of more than ₹ 50,000 Crs, loan assets of ₹ 6 lakh Crs and profit of more than ₹ 12,500 Crs. The acquisition would enable increased efficiencies in lending processes and policies across both the institutions and would create public value by offering better loan products to the power sector. Further, the acquisition will help in diversification of assets of the group as well as better management of portfolio risk and would also help in resolution of stressed power sector assets of the group in a better and coordinated manner.

I am pleased to share that post the acquisition transaction, PFC's credit rating has been retained and your company has also kept the Capital Adequacy Ratio at comfortable levels to reassure shareholders, investors & credit rating agencies about the business growth going forward.

On the business front, the year also saw some significant landmarks for PFC on a standalone basis. We achieved our highest ever annual profit of about ₹ 7,000 Crs. Your company has recorded its highest ever disbursements for three years in a row and with this year's loan disbursements crossing ₹ 67,600 Crs mark. The loan assets also crossed the ₹ 3 lakh milestone and saw a robust growth of 13% during the year.

On the borrowing front, the share of foreign currency borrowings in the overall borrowing increased to 10% on the back of fresh foreign currency mobilization of USD 1.5 billion during the year. In June 2019, PFC raised USD 1 billion under its MTN programme with 5 years and 10 year tenors, which was the first dual and largest USD bonds transaction for Government owned Indian NBFC and also the first 5 year issuance by PFC. Going forward, we expect the foreign currency borrowings to contribute to our portfolio to a greater extent. As indicated earlier, 54EC Capital Gain Tax bonds are an important source of funds for PFC owing to its low cost. I am happy to share that the mobilization under the capital gains tax bonds has witnessed a 2.7 time jump from the previous financial year. Due to the various efforts made by your company on the borrowing front, the cost of funds has reduced significantly from 8.21% in FY 18 to 7.95% in FY19.

PFC conferred with "The Best Power Financing Company" of the year award by Shri R.K. Singh, Minister of State (IC) for Power, New & RE. Shri Rajeev Sharma, CMD, Shri C. Gangopadhyay, former Director (Projects) & Shri P.K. Singh Director (Commercial) receiving the award on the occasion of CBIP Day

Shri Rajeev Sharma, CMD, PFC, handing over the Intra Bank Fund Transfer Advice to Shri Ajay Kumar Bhalla, Secretary, Government of India, being the purchase consideration for acquisition of 103.94 Crore shares of Govt. of India shares in REC in presence of senior officials of MOP & PFC.

A decisive majority for NDA 2.0 under the leadership of Prime Minister Shri Narendra Modi would only add to India's political and economic muscle in the comity of nations. The Government's commitment to an 'all inclusive economic and socially harmonious' order would further the cause of spreading prosperity and a spirited campaign against poverty in line with United Nation's millennium development goals. Taking the economic growth story to rural India would be natural extension of the country's journey thus far.

With a healthy GDP of around 7% in the last five years, India's economic profile has never been better globally. Liberal policies adopted by the central government have only lent an edge to India as an attractive investment destination amongst emerging markets. Stabilization and reduction in Goods and Services Tax (GST) rates across product categories seem to have enthused investors within and outside the country. Strong domestic consumption demand has provided a big fillip to industry, services, farm sector and exporters laying a firm foundation for long haul investments. Various government initiatives like 'Make In India' & 'Digital India' have given opportunities to foreign companies for setting up their facilities in India.

India's famed labour force is expected to touch 170 million by next year, turning the country into a powerhouse for human resources and key supplier of manpower internationally. Leveraging the demographic potential also seems to have begun in the right earnest with pan-India skills development campaign taken up by centre in partnership with state governments, corporate world and other stakeholders.

India is firmly on its way to catapult into the big league. It's all set to become the third largest economy in 10 - 15 years backed by strong democracy and partnerships. India's GDP is expected to reach USD5 trillion in next few years and achieve upper-middle income status on the back of digitization, globalization, favorable demographics and reforms.

The growth of Indian economy has been supplemented by the power sector despite facing several challenges. Now every village has access to quality and affordable electricity while power to every family has become a near reality. Energy deficit has been reduced to almost zero and India emerges as net exporter of electricity to Nepal, Bangladesh and Myanmar. More than 1,07,000 MW Generation Capacity has been added between April 2014 and March 2019. These developments coupled with a huge capacity creation in renewable and new energy resources have provided a great business opportunity to your Company. Under Saubhagya, a flagship scheme of Government of India, almost 100% household electrification has been achieved. More than ₹ 34,000 Crore interest cost has been saved by DISCOMs under UDAY within two years. Providing electricity to all, round the clock, 365 days a year has become the next big challenge that's being tackled head on.

Shri Rajeev Sharma, CMD, PFC handing over RTGS advice of USD1 Million towards Corporate Membership of International Solar Alliance (ISA) to Shri R.K.Singh, Minister of State (IC) for Power, New & RE at the First General Assembly of ISA in the presence of Minister of State for Ecological and Inclusive Transition, France, H.E. BrunePoirson.

Various steps have been taken by Government of India to tackle the issue of stressed assets in Power Sector. Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) was launched to provide coal to the stressed power projects. SHAKTI covers projects which have PPAs but do not have Fuel Supply Agreements in place and also those which do not have Power Purchase Agreements (PPAs). The objective of this scheme is to eliminate the stress in generation utilities. Some of these stressed projects have already started to receive coal under the scheme. Also, a Pilot Scheme for mid-term PPA for stressed projects was launched by the Ministry of Power for which PFCCL, our subsidiary company is the Nodal Agency and PTC is the aggregator to purchase power for three years from commissioned projects with no PPA. Under the scheme, beneficiary states have signed PPAs for 1900 MW with eligible bidders at a

Shri Rajeev Sharma, CMD, PFC along with Shri A K Bhalla, Secretary, Government of India and other senior officers of Ministry of Power & PFC during signing of MOU for Financial Year 2019-20

tariff of ₹ 4.24 per unit. Now Phase II of the Pilot PPA scheme has been launched with PFCCL as the Nodal Agency and NHPC as the aggregator. Bids from 15 companies have been finalized with a tariff of ₹ 4.41 per unit. Ministry of Power has also issued significantly important guidelines with respect to timelines for approving the petitions for tariff increase due to change in law and also the directions mandating the power distribution licensees to open and maintain adequate Letter of Credit as a payment security mechanism under Power Purchase Agreements. These initiatives will help the projects to sell power on sustainable basis and resolve the stress going forward.

I am pleased to share that under these schemes some of the projects financed by PFC have received coal linkages and also mid-term PPAs, which will help in resolution of stress.

In order to encourage Renewable Generation, Ministry of Power extended the waiver of ISTS Transmission charges and losses for Solar & Wind based Projects upto March 2022. Further, in order to achieve the Renewable target of 1,75,000 MW of Renewable Capacity by 2022, MOP issued Long Term Growth trajectory Renewable Purchase Obligation (RPO) for Solar as well as Non-Solar till the year 2022.

India's rank improved to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" Ranking. Several measures have been initiated to reform and strengthen the power sector as a whole including power generation, transmission and distribution. These also include achievements in capacity addition and also important reforms being undertaken for increasing energy efficiency and increasing accountability and transparency by launching Mobile applications like PRAAPTI, Ash Track etc.

Your Company's philosophy of Corporate Governance stems from its belief that the spirit of good governance lies in adherence to highest standards of transparency, accountability, ethical business practices, compliance of law in true letter and spirit, adequate disclosures, corporate fairness, social responsiveness and commitment to the organization to meet stakeholders aspirations and societal expectations.

Your Company is a socially responsible corporate entity which is committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development. PFC's focus on the CSR front has been on the projects for national as well as local importance. Some of the projects like skill development for economically and socially backward men and women, installation of solar street lights, provision for medical equipment etc. have a wide reaching impact on our society as a whole. Your company has disbursed ₹ 118 crore under the CSR activities in FY19.

I am extremely thankful to the shareholders, who have reposed faith in us. My sincere and heartfelt thanks go out to the Hon'ble Union Minister of State (I/c) for Power & New and Renewable Energy and officials of the Ministry of Power for their continued support and guidance. I am also truly grateful to Board of Directors, Investors and Valued Clients for their support.

I also convey my gratitude to Ministry of Finance, Reserve Bank of India, Department of Public Enterprises, Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Ltd., NITI Aayog, CEA, C&AG, Statutory Auditors, Internal Auditors, Registrars, various Commercial Banks, Financial Institutions, Credit Rating Agencies and other concerned Government Department/ Agencies at the Central and State level for their continued support. I also appreciate the continuous and unwavering support by our partners in the Print and Electronic Media.

Finally, I must thank all the employees without whose continuous and untiring efforts none of this would have been possible.

(Rajeev Sharma)
Chairman & Managing Director
DIN: 00973413

Smt. Gouri Chaudhury, Independent Director, Shri Sitaram Pareek, Independent Director, Dr. A K Verma, Joint Secretary, Ministry of Power, Shri Rajeev Sharma, CMD, Shri N. B. Gupta, Director (Finance) & Shri P. K. Singh, Director (Commercial) at the "Annual Investor Meet 2019" held at Mumbai

Shri Rajeev Sharma, CMD, PFC was honoured with the prestigious India Energy Forum's (IEF) "Meritorious Energy Service Award" for being the distinguished Energy Professional contributing to the growth of the Indian Energy Sector at IIC, New Delhi. Present on this occasion were; Shri R.V. Shahi (Former Secy., MoP, GoI), Shri Anil Razdan, President, IEF, Shri P.S. Bami, Former CMD, NTPC Limited, Shri Amarjit Singh, Secretary General, IEF & Shri Y.R. Mehta, former Director GAIL India

POWER FINANCE CORPORATION LIMITED

CIN : L65910DL1986GOI024862
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 110001, India
Tel: +91 11 23456000, Fax: +91 11 23412545, Email id: investorsgrievance@pfcindia.com
Website: www.pfcindia.com

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the members of Power Finance Corporation Limited will be held on **Tuesday, the August 27, 2019 at 11:00 A.M**. at Talkatora Indoor Stadium, Talkatora Garden, New Delhi 110004 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2019, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Naveen Bhushan Gupta (DIN: 00530741), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

4. To appoint Shri Ravinder Singh Dhillon (DIN: 00278074), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri Ravinder Singh Dhillon (DIN: 00278074), who was appointed as Director (Projects), by the President of India through Ministry of Power vide letter no. 24-8/1/2018-PFC (MoP) dated June 12, 2019 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from June 12, 2019 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director(Projects) of the Company, on terms & conditions determined by the Govt. of India."

5. To appoint Shri R.C. Mishra (DIN: 02469982), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri R.C. Mishra (DIN: 02469982), who was appointed as Independent Director, by the President of India through Ministry of Power vide letter no.20/6/2017-Coord. dated July 11, 2019 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from July 11, 2019 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, on terms & conditions determined by the Govt. of India."

6. To raise funds upto ₹ 70,000 crore through issue of Bonds/Debentures/notes/debt securities on Private Placement basis in India and/or outside India and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolutions as **Special Resolutions:**

   "RESOLVED THAT pursuant to provisions of section 42 of Companies Act 2013, read with rule 14(2) of Companies (Prospectus and Allotment of Securities), Rule 2014 as amended and other applicable provisions, approval be and is hereby accorded for raising of funds by way of private placement of secured/unsecured, perpetual/redeemable, non-convertible, cumulative/non-cumulative, taxable/tax free, senior/subordinated bonds/Infrastructure Bonds/Zero Coupon Bonds/Inflation Indexed Bonds/debentures/notes/debt securities in India and/or outside India to the extent of ₹ 70,000 crore during the period of one year from the date of this Annual General Meeting."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to make offer(s) or invitation(s) to subscribe to private placement of secured/unsecured, perpetual/redeemable, non-convertible, cumulative/non-cumulative, taxable /tax free, senior/subordinated bonds/Infrastructure Bonds/Zero Coupon Bonds/Inflation Indexed Bonds/debentures/notes/debt securities ("Bonds") in India and/or outside India to the extent of ₹ 70,000 crore during the period of one year from the date of current AGM and to do all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/ interest rate, yield, listing, allotment and other terms and conditions of issue Bonds as they may, in their absolute discretion deem necessary."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolutions."

By order of the Board of Directors

Manohar Balwani
Company Secretary

Registered office:
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi- 110001
CIN: L65910DL1986GOI024862
Date: 30.07.2019

NOTES:-

1. **A Member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. The instrument appointing a proxy duly completed, stamped and signed should, however, be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Meeting. Blank proxy form is enclosed and can also be obtained free of charge from the registered office of the Company. Proxy so appointed shall not have any right to speak at the meeting.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
4. Every member entitled to vote at the meeting or on any resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention to inspect is given to the company.
5. Pursuant to Regulation 44(6) of SEBI Listing Regulations, your Company is pleased to provide the facility of live webcast of proceedings of AGM from 11.00 a.m. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of Karvy i.e. https://evoting.karvy.com using their secure login credentials. Members are encouraged to use this facility of live webcast.
6. In compliance with provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering Remote E- voting facility to all the Shareholders of the Company in respect of items to be transacted at this Meeting. The Company has engaged the services of Karvy Fintech Private Limited (Karvy) (erstwhile Karvy Computershare Private Limited) for facilitating remote e-voting for AGM. The user-id & password is mentioned at the bottom of the Attendance Slip sent/email forwarded. Procedure and Instructions for Remote e-voting are given hereunder. All members are requested to read those instructions carefully before casting their e-vote.

Further, the facility for voting through electronic voting system/ ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by Remote E-voting shall be able to exercise their right at the meeting.

The Company has appointed Shri Sachin Agarwal, Practicing Company Secretary (FCS No.: 5774, C.P No.: 5910) to act as the Scrutinizer, to scrutinize the remote e-voting process and electronic voting system/ ballot or polling paper voting process at the meeting in a fair and transparent manner.

Procedure and Instructions for remote e-voting

I. Launch an internet browser and open https://evoting.karvy.com.
II. Initial Password is provided, as follows, at the bottom of the Attendance Slip/E-mail.

(a) In case of Members receiving an e-mail from Karvy [applicable to members whose email IDs are registered with the Company / Depository Participant(s)]:

EVEN (E-Voting Event Number)	USER ID	PASSWORD
4811	**For Members holding shares in Demat Form:-** Event no. followed by: For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID **For Members holding shares in Physical Form:-** Event no. followed by Folio Number registered with the Company	Your Unique password is printed on the Attendance Slip sent/ email forwarded.

(i) Enter the login credentials (i.e. User ID and password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(ii) After entering the above details Click on - Login.

(iii) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.

(iv) On successful login, the system will prompt you to select the E-Voting Event of Power Finance Corporation Limited.

(v) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date i.e. August 21, 2019 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(vi) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

(vii) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

(viii) You may then cast your vote by selecting an appropriate option and click on "Submit".

(ix) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(x) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: sachinag1981@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(b) In case of Members receiving physical copy of the Notice of AGM and Attendance Slip (applicable to members whose email IDs are not registered with the Company/Depository Participant(s) or are requesting physical copy)

(i) Enter the login credential (please refer to the USER ID and initial password mentioned in the attendance slip of the AGM).

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (x) above, to cast vote.

III. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website https://evoting.karvy.com or contact Mr. B Srinivas , Manager (Unit: POWER FINANCE CORPORATION LIMITED) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@karvy.com and evoting@karvy.com or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-3454-001 for any further clarifications.

IV. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 10.00 a.m. on August 24, 2019 and will end at 5.00 p.m. on August 26, 2019. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 21, 2019 may cast their votes electronically.

V. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

VI. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

VII. Members who have not voted through remote e-voting can cast their vote at the venue.

VIII. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

IX. Members who have acquired shares after the dispatch of the Annual Report and on or before the cut-off date i.e. August 21, 2019, may obtain the User ID and Password for exercising their right to vote by electronic means as follows:

a. If the e-mail or mobile number of the member is registered against Folio No./ DP ID Client ID:

The member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to **9212993399**

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567890

OR

The member may go to the home page of https://evoting.karvy.com, and click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

b. Member may call Karvy's toll free number 1-800-3454-001

c. Member may send an e-mail request to einward.ris@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

X. The Results on resolutions shall be declared after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.

XI. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.pfcindia.com) and on Karvy's website (https://evoting.karvy.com) and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

XII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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

8. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

9. As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of Shri Naveen Bhushan Gupta, Director retiring by rotation and seeking re-appointment under item no. 2, Shri Ravindra Singh Dhillon seeking appointment under Item no. 4 and of Shri R.C. Mishra seeking appointment under Item no. 5 of the notice in accordance with applicable provisions of the Companies Act, 2013 is forming part of the notice.

10. Members are requested to:-

i. note that copies of Annual Report will not be distributed at the Annual General Meeting.

ii. deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the Entry Slip available at the counters at the venue to be exchanged with the Attendance Slip.

iii. quote their Folio/Client ID & DP ID Nos. in all correspondence.

iv. note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.

v. note that no gifts/coupons will be distributed at the Annual General Meeting.

vi. note that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

11. The Register of Members and Share Transfer Books of the Company will remain closed from August 22, 2019 to August 27, 2019 (both days inclusive).

12. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. The details of investors' (whose payment is due) are available on MCA website (Form 5 INV) as well as company's website so as to enable the investors to claim the same.

13. In support of the "Green Initiative" announced by the Government of India, electronic copies of this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and the Annual Report are being sent by e-mail to those members whose e-mail addresses have been made available to the Company/Depository Participants unless the member has specifically requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Notice and Annual Report, will be sent to them in the permitted mode. Further, to support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their email id, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to get their e-mail id registered with Karvy, RTA of the Company.

14. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS Mandate Form to Karvy, RTA of the Company. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/ RTA/DP with complete details need not send it again.

15. The shareholders holding shares in physical form and do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy, RTA of the Company to enable them to print these details on the dividend warrants.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical form can submit their PAN to the Company/ Karvy, RTA of the Company.

17. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or Karvy, RTA of the Company alongwith relevant Share Certificates.

18. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to Karvy, RTA of the Company.

19. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such

manner as the Company in general meeting may determine. The Comptroller and Auditor General of India shall appoint the Statutory Auditors of the Company for the FY 2019-20 under section 139 of the Companies Act, 2013. The members may authorize the Board of Directors to fix an appropriate remuneration of Auditors for the FY 2019-20 as may be deemed fit by the Board.

20. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Karvy, RTA of the Company in the prescribed form. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
21. Member who hold shares in physical form are requested to notify immediately any change in their addresses to Karvy, RTA of the Company and to their respective depository participants, in case shares are held in electronic mode.
22. Members desirous of getting any information on financial statements and any other business of this Meeting are requested to address their queries to Company Secretary of the Company at the registered office of the Company at least fifteen days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
23. All relevant documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
24. The entire Annual Report is also available on the Company's website www.pfcindia.com.
25. The Route Map to Talkatora Indoor Stadium is enclosed herewith.

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

Item No. 4

The following statement sets out the material facts relating to the special business mentioned in item No.4 of the accompanying Notice:

Shri Ravinder Singh Dhillon was appointed as Director (Projects) of the Company by the President of India through Ministry of Power vide communication no. 24-8/1/2018-PFC (MoP) dated June 12, 2019 till the date of his superannuation or until further orders, whichever is the earlier and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from June 12, 2019 to hold office upto this Annual General Meeting. The terms and conditions regulating the appointment of Shri Ravinder Singh Dhillon would be as determined by the Government of India.

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

Shri Ravinder Singh Dhillon, is concerned and interested, in the resolution.

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

The Board recommends the resolution given at Sr. No. 4 of this notice for your approval as an Ordinary Resolution.

Item No. 5

The following statement sets out the material facts relating to the special business mentioned in item No.5 of the accompanying Notice:

Shri R.C. Mishra was appointed as Non Official Independent Director of the Company by the President of India through Ministry of Power vide communication no. 20/06/2017-Coord. dated July 11, 2019 for a period of three years w.e.f. the date of notification of his appointment or until further orders, whichever is the earlier and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from July 11, 2019 to hold office upto this Annual General Meeting. The terms and conditions regulating the appointment of Shri R.C. Mishra would be as determined by the Government of India.

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

Shri R.C. Mishra, is concerned and interested, in the resolution.

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

The Board recommends the resolution given at Sr. No. 5 of this notice for your approval as an Ordinary Resolution.

Item No. 6

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

The Company is a notified public financial institution under the provisions of the Companies Act, 2013 and a systemically important non-deposit taking Non-Banking Financial Company classified as an Infrastructure Finance Company by the Reserve Bank of India. The Company is engaged in providing financial assistance to Power Utilities for meeting financing and development requirements of the power sector. To meet its fund requirement, PFC has been raising the funds by way of issuance of bonds, term loans from Banks/FIs and ECBs etc.

The main constituents of the Company's borrowings are generally in the form of Public/Private Placement of Long/Short Term Taxable bond/Tax free bond/Infrastructure Bonds/Zero Coupon Bonds/Subordinated bond/other bonds, ECB by way of Syndicated Loan/Line of Credit, Long-term, Medium term and Short term loans (including commercial paper). The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of debentures/bonds.

In terms of above applicable provisions, the shareholders had accorded approval in last AGM held on September 11, 2018 for raising of funds through private placement of bonds/debentures to the extent of ₹ 65,000 crore during the period of one year from the date of AGM (i.e. September 11, 2018 to September 10, 2019).

The Board of Directors in their Meeting held on July 30, 2019 has subject to the approval of shareholders, accorded approval for raising of funds by way of private placement of bonds/debentures/notes/debt securities in India and/or outside India to the extent of ₹ 70,000 crore during the period of one year from the date of current AGM.

The Board of Directors has also sought approval from the shareholders that the Board (including any committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be authorized for raising of funds by way of private placement of bonds/debentures/notes/debt securities in India and/ or outside India to the extent of ₹ 70,000 crore during the period of one year from the date of current AGM.

Further, the Board of Directors has also sought approval from the shareholders that the Board (including any committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be authorized to make offer(s) or invitation(s) to subscribe to private placement of secured/unsecured, redeemable, nonconvertible, taxable/ tax free, senior/subordinated bonds/debentures/notes/debt securities ("Bonds") in India and/or outside India to the extent of ₹ 70,000 crore during the period of one year from the date of current AGM and to do all such acts, deeds and things as may be deemed necessary in respect of issue of bonds including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue bonds as they may, in their absolute discretion deem necessary.

The Board further recommends the Resolution given at Sr. No.6 of this notice for your approval as Special Resolution.

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

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT 33rd AGM UNDER ITEM NO. 2,4 and 5

Name	Shri R. S. Dhillon	Shri N. B. Gupta	Shri R.C. Mishra
Date of Birth and Age	13.05.1963/56	11.06.1960/59	24.11.1952/66
Qualification	B. E. (Electrical)- Thapar Institute of Engineering and Technology, Patiala M. Tech (Power Systems) Indian Institute of Technology (IIT), Delhi.	Member of the Institute of Chartered Accountants of India.	M.Sc. from University of Allahabad and M.B.A from University of Ljubljana, Slovenia. Retired IAS of 1978 batch.
Date of Appointment	12.06.2019	18.08.2017	11.07.2019
Terms and Conditions of Appointment	Appointed as Director (Projects) by President of India through Ministry of Power till the date of his superannuation or until further orders, whichever is the earlier.	Appointed as Director (Finance) by President of India through Ministry of Power till the date of his superannuation or until further orders, whichever is the earlier.	Appointed as Non Official Independent Director by the President of India through Ministry of Power for a period of three years or until further orders, whichever is the earlier.
Remuneration	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.	Nil
Expertise in Functional Areas	He has more than 34 years of experience in various areas of power sector. An Electrical Engineer with post-graduation in Power Systems from IIT Delhi, he had worked with Bharat Heavy Electricals Ltd. and Central Electricity Authority prior to joining PFC. In PFC, he has worked in various capacities for over 25 years, handling Project Appraisal, Business Development, Stressed Assets Revival and Monitoring of projects. Before his appointment to the post of Director (Projects), he has been working as Executive Director in PFC.	He has more than 32 years of experience in power sector and has served in various capacities in organizations like NHPC, Power Grid Corporation of India Ltd. and Power Finance Corporation Limited. He carries with him rich experience in the fields of Fund Management, International Finance, Internal Audit, Accounts finalization, Lending Policies, Resource Mobilization etc. He joined PFC in September,2005 and before his appointment to the post of Director (Finance), he has been working as Executive Director (Finance) in PFC.	Shri R.C. Mishra joined the Indian Administrative Service (IAS) in 1978. During his Long administrative career spanning around 4 decades, he held several important positions in various Public Enterprises/ Institutions, State Government of Manipur and the Government of India including Additional Secretary, Ministry of Urban Development, Govt. of India, Executive Director, Broadcasting Corporation of India (Prasar Bharati), Joint Secretary Ministry of Information and Broadcasting, Govt. of India, Secretary Finance, Govt. of Manipur, Secretary Power Govt. of Manipur etc. His last assignment before superannuation in November 2012 was as Chief Provident Fund Commissioner and CEO of Employees Provident Fund Organization. After retirement from IAS, he worked as Member and Acting Chairman, Appellate Authority for Industrial and Financial Reconstruction (AAIFR) under the Department of Financial Services, Ministry of Finance, Govt. of India.
Number of Meetings of the Board held during the year and number of Board Meetings attended	NA	13/13	NA
Relationship with any other Director, Manager and other KMP of the Company	Nil	Nil	Nil
Number of shares held in the company	27050	24584	Nil
Directorship in other companies	• Jammu & Kashmir State Power Development Corporation Limited • Power Equity Capital Advisors Private Limited	• PFC Consulting Limited • Coastal Tamil Nadu Power Limited • Cheyyur Infra Limited • Deoghar Mega Power Limited • Bihar Mega Power Limited • Chhattisgarh Surguja Power Limited • Tatiya Andhra Mega Power Limited	Nil
Chairman/ Membership of committees* across all public companies	**Power Finance Corporation Limited** • Member, Audit Committee, • Member, Stakeholders Relationship and Shareholder'/ Investor' Grievance Committee	**Power Finance Corporation Limited** • Member, Stakeholders Relationship and Shareholder'/Investor' Grievance Committee	Nil

* Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders' Grievance Committee

DIRECTORS' PROFILE

Shri Rajeev Sharma
Chairman and Managing Director
DIN: 00973413

Shri Rajeev Sharma, 59 years, is the Chairman and Managing Director (CMD) of PFC. As CMD, PFC he is spearheading the operations of PFC and also playing a critical role in implementation of key power sector initiatives of Govt. of India namely Integrated Power Development Scheme, 24X7 Power for All, Ultra Mega Power Projects, Independent Transmission Projects and Ujjwal Discom Assurance Yojana.

Shri Sharma holds B.Tech (Electrical) from G. B. Pant University and Masters' Degree in Engineering from IIT Roorkee and also Masters' Degree in Business Administration from FMS, Delhi University.

Shri Sharma has more than 34 years of varied power sector experience. He has more than 22 years' experience of power sector policy making, initiating & implementing reform measures and project implementation at premier organizations like Central Electricity Authority (CEA), Ministry of Power (MoP) and Power Grid. He is considered the architect of Government's flagship schemes like Deen Dayal Upadhyaya Gram Jyoti Yojana, Rajiv Gandhi Grameen Vidyutikaran Yojana and Restructured Accelerated Power Development and Reforms Programme (R-APDRP). Further, he has more than 14 years' experience of financing power sector and implementing key power sector reforms, which includes almost 10 years of Board level experience at leading Navratna Companies i.e. PFC and Rural Electrification Corp. Ltd. (REC).

Shri Rajeev Sharma has taken over the charge of 'Chairman and Managing Director' of PFC with effect from October 1, 2016. He has spearheaded the creation of one of India's largest financing institutions with loan book of ₹ 6 Lac Crs, after successful acquisition of Govt's 52.63% stake in REC for a consideration of ₹ 14,500 Crs. He was also instrumental in PFC getting approval from Ministry of Finance and Ministry of Power for raising funds through 54EC Capital Gain Tax bonds. Under his tenure, PFC has substantially diversified its borrowing portfolio by raising foreign currency loans/ bonds.

Prior to joining PFC, Shri Sharma was the Chairman and Managing Director of REC. Under his dynamic leadership, Shri Sharma helped REC scale greater heights in financial and operational performance by doubling the revenue and profits in the last five years. He was Business Today's choice of 'Best CEO' of a PSU (Public Sector Undertaking).

In Ministry of Power, he was looking after the matters of major power CPSEs like POWERGRID, THDC, NHPC, SJVN, NEEPCO & BBMB. He was also instrumental in the issuance of guidelines for private sector participation in transmission sector and also the Hydroelectric Power initiative for 50,000 MW where shelf of 162 projects across 16 states were identified for conducting pre-feasibility studies. In CEA, he was involved with the design, engineering and consultancy of Nathpa Jhakri Hydro Electric Project (1500 MW). During his tenure as Deputy Secretary in MoP, important projects like 2000 MW Talcher- Kolar HVDC Bipole and Tala Transmission System (first public private partnership) of POWERGRID were approved by the Government. He has also looked after APDRP, RGGVY apart from central power sector undertakings THDC, NEEPCO, BBMB and SJVNL.

Shri Rajeev Sharma was holding 32574 equity shares in the company as on March 31, 2019.

Shri. Naveen Bhushan Gupta

Director (Finance)
DIN: 00530741

Shri Naveen Bhushan Gupta, 59 years, is a member of the Institute of Chartered Accountants of India.

He has more than 32 years of experience in power sector and has served in various capacities in organisations like NHPC, Power Grid Corporation of India Ltd. and Power Finance Corporation Limited. He carries with him rich experience in the fields of Fund Management, International Finance, Internal Audit, Accounts finalization, Lending Policies, Resource Mobilization etc. He joined PFC in September, 2005 and before his appointment to the post of Director (Finance), he has been working as Executive Director (Finance) in PFC.

Shri Naveen Bhushan Gupta was holding 24584 equity shares in the Company as on March 31, 2019.

Shri Praveen Kumar Singh

Director (Commercial)
DIN: 03548218

Shri Praveen Kumar Singh, 57 years, holds B.Tech. (Electrical) from IIT-BHU and M. Tech in Energy & Environment Management from IIT, Delhi. He has also completed "Global Energy MBA Program" from Bayer College of Business, University of Houston, USA. Prior to taking over as Director (Commercial), Shri Singh, has served as Executive Director (Projects) in PFC. He worked in various units of Projects Division in PFC for over 24 years. Earlier he had also worked for BHEL & CII for over 9 years. He has been representing PFC in various committees of Govt. of India. Shri Singh is also Nominee Director of PFC on the Board of REC Limited since June 18, 2019. He also holds Directorships on Board of Coastal Karnataka Power Limited, Orissa Integrated Power Limited, Sakhigopal Integrated Power Company Limited, Jharkhand Infrapower Limited, Ghogarpalli Integrated Power Company Limited and PFC Consulting Limited. He also served as appellate authority for RTI purposes in PFC.

Shri Praveen Kumar Singh was holding 32194 equity shares in the Company as on March 31, 2019.

Shri Ravinder Singh Dhillon

Director (Projects)
DIN: 00278074

Shri Ravinder Singh Dhillon, 56 years, holds B.E. (Electrical) from Thapar Institute of Engg. & Tech., and M. Tech. in Power Systems from IIT Delhi. He took over the charge of Director (Projects), Power Finance Corporation Ltd. on June 12, 2019. He has more than 34 years of experience in various areas of power sector and was serving as Executive Director in PFC prior to this appointment. He has worked in various capacities for over 25 years in PFC, handling Project Appraisal, Business Development, Stressed Assets Revival and Monitoring of projects. Before joining PFC, Shri Dhillon worked with Bharat Heavy Electricals Ltd. and Central Electricity Authority for 9 years. He has been a Nominee Director of PFC on the boards of various private and state-sector power companies. He also served as Director (Public Grievances) in PFC.

Shri Ravinder Singh Dhillon, was holding 27050 equity shares in the Company as on March 31, 2019.

Dr. Arun Kumar Verma

Govt. Nominee Director
DIN: 02190047

Dr. Arun Kumar Verma, 60 years, is Government Nominee Director on the Board of PFC since October 13, 2015. He is an Indian Forest Service officer of 1986 Gujrat Cadre and is a Joint Secretary in Ministry of Power. He Holds a Master's degree in physics and is an Associate Member of Indira Gandhi National Forest Academy (AIGNFA) from FRI & C, Dehradun. He has done Ph.D in Tribal Development Policy. He has also done Post Gradute Programme in Public Policy & Management (PGPPM) from Indian Institute of Management, Bengaluru & Maxwell School of Citizenship and International Affairs, Syracuse University, USA.

He has over 32 years of administrative and management experience. He has served the Power Sector earlier as Managing Director, Uttar Gujrat Vij Company Limited. Before joining Ministry of Power, Government of India he was posted as Member Secretary of Gujarat Ecology Commission, Gandhinagar and Project Director of the World Bank Funded Integrated Coastal Zone Management from July 29, 2011 to November 14, 2014. He is also a Government Nominee Director on the Board of Rural Electrification Corporation Limited.

Dr. Arun Kumar Verma, was holding Nil equity shares in the Company as on March 31, 2019.

Shri Sitaram Pareek

Independent Director
DIN.: 00165036

Shri Sitaram Pareek, 67, B.Com, FCA, DISA. He is a member of the Institute of Chartered Accountants of India since 1975. He is the founder partner of M/s SARDA & PAREEK, Chartered Accountants, Mumbai, having over 43 years of experience in Ind-As compliance, Corporate Governance, Due Diligences & Statutory Audit of Companies including Listed & Unlisted,Government, Insurance & NBFC Companies, Non-Profit making organizations etc.

He has handled assignments related to compliances of Indian Taxation, International Taxation, Transfer Pricing, representation before Income Tax Authorities, Appellate Tribunal's (ITAT) & Settlement Commission. He was also a National President during the year 2014-18 and presently working as National Coordinator of one of the leading NGO woking in field of Education, Health and Upliftment of the citizens of the Nation.

He is also on the Board of many Companies including Mumbai Metro One Private Ltd, a joint venture of MMRDA and Reliance ADA group, the first metro rail project in Mumbai. He was appointed on the Board of PFC in February, 2017. As on March 31, 2019, he is the Chairman of Audit Committee and CSR Committee of the Company.

CA Sitaram Pareek was holding Nil equity shares in the Company as on March 31, 2019.

Smt. Gouri Chaudhury

Independent Director
DIN: 07970522

Smt. Gouri Chaudhury, 77, is an Independent Director on the Board of PFC since November 3, 2017. She is M.A. in English and Sangeet Prabhakar (Sitar).

She is a Social Worker and had been a member of the Telephone Advisory Board (TAC) and Member of Film Censor Board.

Smt. Gouri Chaudhury was holding Nil equity shares in the Company as on March 31, 2019.

Shri R.C. Mishra

Independent Director
DIN: 02469982

Shri R.C. Mishra, 66 years, started his career as a Management Trainee in The Punjab National Bank in 1977. Subsequently he joined the Indian Administrative Service (IAS) in 1978. He holds Master degree in Science (M.Sc.) from University of Allahabad and Master degree in Business Administration (M.B.A) from University of Ljubljana, Slovenia. During his Long career spanning around 4 decades, he held several important positions in various Public Enterprises/Institutions, State Government of Manipur and the Government of India including Additional Secretary, Ministry of Urban Development, Govt. of India, Executive Director, Broadcasting Corporation of India (Prasar Bharati), Joint Secretary Ministry of Information and Broadcasting, Govt. of India, Secretary Finance, Govt. of Manipur, Secretary Power Govt. of Manipur, Secretary/Director Industries, Govt. of Manipur, Secretary Education, Government of Manipur, Secretary Tourism, Govt. of Manipur etc.

His last assignment before superannuation in November 2012 was as Chief Provident Fund Commissioner and CEO of Employees Provident Fund Organization – a national level public body – in the grade and pay of Secretary to the Govt. of India. After retirement from IAS, he worked as Member and Acting Chairman, Appellate Authority for Industrial and Financial Reconstruction (AAIFR) under the Department of Financial Services, Ministry of Finance, Govt. of India.

Shri Mishra has a strong academic interest, particularly, in the field of Public Policy and leveraging technology in delivery of Public Services. He prepared various reports/papers for national and international organizations of repute. He worked as Senior Visiting Fellow with the United Nations Environment Program (UNEP). He was also associated with several international bodies in various capacities including UNEP, UNESCO and UNICEF etc.

REPORT OF THE BOARD OF DIRECTORS' FY 2018-19

To
The Members,
Power Finance Corporation Limited

The Board of Directors of your Company are pleased to present their 33rd Annual Report on the performance of your company for the financial year ended March 31, 2019 along with Audited Financial Statements, Auditor's Report, Secretarial Auditor's Report & report by the Comptroller and Auditor General of India.

1.0 FINANCIAL AND OPERATIONAL HIGHLIGHTS

(a) PROFITABILITY

(₹ in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income	**28851.29**	**25980.25**	**54156.83**	**48645.42**
Profit Before Tax	9815.79	5845.11	17862.03	11779.44
Tax expenses	2862.87	1458.34	5221.76	2982.75
Profit After Tax	**6952.92**	**4386.77**	**12640.27**	**8796.69**
Owners of the Company	–	–	9920.86	6688.69
Non-Controlling Interests	–	–	2719.41	2108.00
Total Comprehensive Income	**6745.95**	**4063.03**	**12372.52**	**8480.60**
Owners of the Company	–	–	9681.81	6369.92
Non-Controlling Interests	–	–	2690.71	2110.68

(₹ in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Opening balance of Surplus	3848.43	5184.72	6887.10	5467.43
Profit After Tax for the year	6952.92	4386.77	9920.86	6688.69
Re-Measurement of Defined Benefit Plans	(1.94)	7.50	(8.57)	5.32
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1) (viia) (c) of Income Tax Act, 1961	(353.42)	(372.10)	(497.44)	(548.85)
Transfer to Special Reserve created and maintained u/s 36(1) (viii) of Income Tax Act, 1961	(1577.91)	(1595.06)	(2274.58)	(2428.00)
Transfer to Special Reserve created u/s 45-IC (1) of Reserve Bank of India Act, 1934	(1390.58)	(6.37)	(1997.46)	(6.37)
Transfer to Debenture Redemption Reserve	(289.73)	(292.65)	(393.21)	(396.13)
Transfer to General Reserve	(1000.00)	(1000.00)	(1000.00)	(1263.17)
Transfer to Interest Differential Reserve-KFW Loan (net)	(2.10)	(1.49)	(2.10)	(1.49)
Dividend	0.00	(2059.26)	(1325.29)	(3103.90)
Dividend Distribution Tax	0.00	(404.41)	(299.35)	(633.07)
Transfer from Debenture Redemption Reserve on account of utilization	2.30	0.00	2.30	0.00
Transfer from OCI- Equity Instruments	14.56	0.78	14.56	0.78
Other Comprehensive Income/(Expense)	–	–	(0.11)	(0.04)
Reclassification of gain / loss on sale of equity instrument measured at OCI	–	–	2.85	–
Pooling of interest accounting for common control business combination	–	–	–	3105.90
Closing Balance of Surplus	**6202.53**	**3848.43**	**9029.56**	**6887.10**

(b) LENDING OPERATIONS (excluding R-APDRP/IPDS)

(₹ in crore)

Particulars	2018-19	2017-18
Sanction	95230	116233
Disbursement	67678	64414

(c) INTEGRATED POWER DEVELOPMENT SCHEME (IPDS) OPERATIONS (R-APDRP scheme subsumed)

(₹ in crore)

Particulars	2018-19	Cumulative (upto March'19)
Sanctioned project cost		
a. R-APDRP	(2196)	35327
b. IPDS	3387	32059
Disbursement		
a. R-APDRP	867	12017
b. IPDS	2713	7852

Note : Negative sanction in 2018-19 indicates reduction in cost
Additionally, funds worth ₹ 578 crore (cumulative) have been released under J&K PMDP.

2.0 FINANCIAL PERFORMANCE

2.1 ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Company adopted Ind AS from April 1, 2018 and the effective date of transition was April 1, 2017. Accordingly, the financial statements have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with relevant rules thereunder and directions issued by the RBI (collectively referred to as "Previous GAAP"). The impact of transition has been accounted for in the opening reserves as at April 1, 2017. Results and financial figures for the corresponding period prepared under Previous GAAP stated in this Board Report and its attachments/annexures have been restated to Ind AS.

2.2 REVENUE

The total income achieved by your Company during the FY 2018-19 is ₹ 28,851.29 crore as compared to ₹ 25,980.25 crore in FY 2017-18. Out of it, Revenue from Operations for the year is ₹ 28,842.00 crore as compared to ₹ 25,975.85 crore in the previous year.

2.3 EXPENSES

The total expenditure for the FY 2018-19 amounted to ₹ 19,035.50 crore as against total expenditure of ₹ 20,135.14 crore in FY 2017-18. Out of it, Finance cost amounted to ₹ 18,981.76 crore in FY 2018-19 as compared to ₹ 16,955.89 crore in FY 2017-18. This constituted 99.72% of total expenses in FY 2018-19 as compared to 84.21% in FY 2017-18. During FY 2018-19, Employee Benefit expenses and other expenses, which includes administrative and office expenses were ₹ 288.26 crore (1.51 % of total expenses and 1.52% of finance cost) against ₹ 248.08 crore (1.23% of total expenses and 1.46 % of finance cost) in the previous year.

2.4 PROFIT

During the FY 2018-19, your Company earned a net profit of ₹ 6,952.92 crore as compared to ₹ 4,386.77 crore for the FY 2017-18.

2.5 TOTAL COMPREHENSIVE INCOME

During the FY 2018-19, your Company earned total comprehensive income of ₹ 6,745.95 crore as compared to ₹ 4,063.03 crore for the FY 2017-18.

2.6 SHARE CAPITAL

As on March 31, 2019, the paid-up share capital of your Company was ₹ 2,640.08 crore consisting of 2,64,00,81,408 equity shares of ₹ 10 each. During FY 2018-19 Government of India (GoI) transferred 1,93,72,120 and 16,19,54,570 equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF and CPSE ETF respectively. Consequently, the Government of India's shareholding came down from 65.92% to 59.05%. No dividend is recommended in FY 2018-19 as compared to FY 2017-18, wherein the dividend payout amounted to ₹ 2,059.26 crore.

3.0 OPERATIONAL PERFORMANCE

Your Company sanctioned loans of ₹ 95,230 crore during the FY 2018-19 to State, Central, Private and Joint Sector entities. An amount of ₹ 67,678 crore was disbursed during the same period. With this, as on March 31, 2019, the cumulative sanctions amount to ₹ 7,62,248 crore and cumulative disbursements amount to ₹ 5,87,446 crore.

In addition to above, projects worth ₹ 3,387 crore were sanctioned under IPDS during FY 2018-19. An amount of ₹ 2,713 crore was disbursed under IPDS and ₹ 867 crore under R-APDRP during the same period. With this, cumulative approved project cost amounts to ₹ 32,059 crore under IPDS and ₹ 35,327 crore under R-APDRP and cumulative disbursements of GoI funds to utilities amount to ₹ 7,852 crore under IPDS and ₹ 12,017 crore under R-APDRP.

Your Company did not conduct any auction of its loan assets during FY 2018-19.

3.1 LENDINGS (Excluding R-APDRP/IPDS)

3.1.1 Sector-wise

(₹ in crore)

Category	2018-19		Cumulative upto March, 2019	
	Sanctions	Disbursements	Sanctions	Disbursements
State Sector	71971	58734	549291	428898
Central Sector	1221	819	46069	43778
Joint Sector	5976	3608	47692	34783
Private Sector	16063	4516	119196	79988
Total	**95230**	**67678**	**762248**	**587446**

3.1.2 Discipline-wise

(₹ in crore)

Category	2018-19		Cumulative upto March, 2019	
	Sanctions	Disbursements	Sanctions	Disbursements
Thermal Generation	10239	16059	324073	261376
Hydro Generation (>25MW)	2271	134	48460	34887
Renewable Energy	8139	3900	29129	20094
Renovation, Modernization and Uprating of Thermal & Hydro Power Stations	443	152	12839	11052
Transmission	10351	4222	71873	39499
Distribution	26156	12778	76037	36568
Short Term Loan	12211	12401	82613	80460
Others*	25420	18032	117224	103510
Total	**95230**	**67678**	**762248**	**587446**

** Others include Medium Term Loan, Transitional Finance, Fuel Sources Development, Funding of Regulatory Assets, Buyer Line of Credit, Associated Infrastructure, Equipment Manufacturing Loan, Computerization, Loan for Redemption of bonds, Project settlement, Purchase of power through PXI, Loan for Asset Acquisition, Loan Against Receivables, Bill Discounting, Studies, Pre Investment Fund, Technical Assistance Project, Decentralized Management etc.*

3.2 Financial Assistance under IPDS/R-APDRP

(₹ in crore)

Scheme	2018-19		Cumulative upto March, 2019	
	Approved project cost	Disbursements* (GoI funds)	Approved project cost	Disbursements*
R-APDRP				
Part A (IT)	(219)	314	5156	4040
Part A (SCADA)	–	48	1251	639
Part B	(1977)	505	28920	7338
Sub - Total	**(2196)**	**867**	**35327**	**12017**
IPDS				
IPDS	3387	2713	32059	7852

** In addition to above, during FY 2018-19, ₹ 41 crore were released by MoP for nodal agency fee/ enabling activities under IPDS, ₹ 59 crore under Part-C including re-imbursement of PFC's actual expenditure of R-APDRP. Cumulatively, MoP has released an amount of ₹ 166 crore for nodal agency fee/enabling activities under IPDS and ₹ 471 crore under Part-C of R-APDRP.*

The MoU targets agreed with MoP under IPDS/ R-APDRP for FY 2018-19 and actual achievements during the year is tabulated below:

Sl. No.	MoU Parameter	FY2018-19		Cumulative	
		Target	Actual	Target	Actual
1	IPDS work completion (No. of Circles)	223	223+	223	223+
2	IPDS Ph-II implementation (No. of Towns)	350	365	350	365
3	Award of ERP work (No. of Utilities)	29	21*	29	21
4	Verification of Part-A IT completion by TPIEA-IT (No. of Towns) (Cum.)	605	357*	1400	1152
5	SCADA under Part-A completion (No. of Towns) (Cum.)	30	27*	55	52
6	Capacity Building (Mandays)	5,000	5,022	–	–

*Note : MoP has approved relaxation of shortfall in achievement of MoU targets due to external factors

4.0 REALISATION

Your Company gives utmost priority to the realisation of its dues towards principal, interest etc. under various financial assistance such as rupee term loans, working capital, lease financing, foreign currency loans, loans for equipment financing and guarantee fee. The Recovery Rate for the performing loan assets for the FY 2018-19 is 99.01%.

Provisioning on Stage-III Loan Assets has been decreased by an amount of ₹ 780 crore during the year. The Company has made a total provision of ₹ 15,021 crore (excluding LoC) towards Stage- III Loan Assets against Loan Assets in its Annual Accounts upto the year 2018-19. After making provision on Stage-III assets, the level of net Stage-III Assets has been recorded at ₹ 14,332 crore which is 4.55% to the Total Gross Loan Assets as on March 31, 2019.

In addition to above, your company has also made a provision of ₹ 857 crore and ₹ 303 crore on Stage-I Loan Assets and Stage-II Loan Assets respectively as on March 31, 2019, which would strengthen PFC's balance sheet by providing a adequate provisioning and inspire higher levels of confidence amongst investors, regulators and other stakeholders in your company.

5.0 BORROWINGS

5.1 DEPOSITS

Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY 2018-19. Further, no Perpetual Debt Instruments (PDI) were issued by your company during FY 2018-19.

5.2 BORROWINGS FROM DOMESTIC MARKET

The major borrowings from Domestic market during the FY 2018-19 are given as follows:- (₹ in crore)

S. No.	Source	Amount
1.	Commercial Paper (CP)	*9,634.38
2.	Bonds – Private Placement (Taxable)	25,862.50
3.	Bonds – Private Placement (Sec 54 EC)	491.95
4.	Term Loans	41,979.00
	TOTAL	**77,967.83**

* Excluding CP raised and repaid during the year of ₹ 22,199.71 crore

5.3 CASH CREDIT/ OVERDRAFT FACILITIES

For day to day operations, your company continued to follow prudent strategies for optimum utilization of fund based resources. To hedge any financial liquidity bottlenecks, ample credit lines to the tune of ₹ 14,600 crore were available as on March 31, 2019 by various scheduled commercial banks to the company for short term funding which do not bear any commitment charges towards unutilized limits.

5.4 EXTERNAL BORROWINGS

The foreign currency denominated borrowings during FY 2018-19 are as follows: (₹ in crore)

S. No.	Source	Amount
1.	Bonds under MTN / GMTN programme	5,568
2.	Syndicated Loans	2,883
3.	FCNR (B) loans*	2,031
	TOTAL	**10,482**

** FCNR(B) Loans are not external borrowing in terms of ECB guidelines issued by RBI*

Green Bonds

PFC's Green Bond Framework was established in October, 2017 as approved by Climate Bonds Initiative, London, UK. Your Company issued its first USD Green bond in December, 2017 and raised US $400 million at a coupon of 3.75% and these bonds are listed on the London Stock Exchange's new International Securities Market (ISM) and Singapore Stock Exchange. The funds raised have been utilized to finance renewable energy projects as per the "Eligible Projects" under PFC's Green Bond Framework. As at March 31, 2019, outstanding loan balances of Solar & Wind energy projects funded by PFC are ₹ 7,484 crore and ₹ 6,961 crore respectively.

5.5 EXTERNALLY AIDED PROJECTS

No loans have been availed from Multilateral/ Bilateral agencies during FY2018-19. Outstanding balance from such agencies as at March 31, 2019 is as follows:

Particulars	Amount
KFW I	EUR 61,87,159
Credit National	EUR 64,67,904
ADB	USD 119,72,518

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

6.1 CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION

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

6.2 FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange outgo aggregating ₹ 1424.29 crore was made on account of debt servicing, financial & other charges, travelling and training expenses.

The Foreign exchange earnings for the FY 2018-19 were nil.

7.0 CREDIT RATING

Domestic

Credit Ratings by Domestic credit rating agencies for domestic program of the Company as at March 31, 2019:

S. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

International

Long term foreign currency issuer rating assigned to the Company as at March 31, 2019:

S. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Standard & Poor (S&P)	BBB-
3.	Moody's	Baa3

The rating as mentioned above stands same during the year.

8.0 RISK MANAGEMENT

8.1 ASSET LIABILITY MANAGEMENT

Your Company has put in place an effective Asset Liability Management System and constituted an Asset Liability Management Committee (ALCO) headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on quarterly basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates.

The asset liability management maturity pattern of items of assets and liabilities as on March 31, 2019 is set out below:

(₹ in crore)

Bucket as at March 31, 2019	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	14133.64	4955.46	21785.18	0.00	696.50
Over 1 Month upto 2 Months	1833.07	1928.13	4915.00	0.00	0.00
Over 2 Months upto 3 Months	0.00	1264.76	7495.20	0.00	2080.35
Over 3 Months & upto 6 Months	0.00	9225.21	10292.05	0.00	0.00
Over 6 Months & upto 1 Year	0.00	16559.51	19088.10	0.00	3468.40
Over 1 Year & upto 3 Years	0.00	50663.28	76608.05	0.00	4971.67
Over 3 Years & upto 5 Years	0.00	49879.10	32730.60	0.00	9235.95
Over 5 Years	0.00	165146.63	87160.38	23.84	8373.99

8.2 FOREIGN CURRENCY RISK MANAGEMENT

Your Company has put in place Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forwards, options, principal swaps and forward rate agreements.

As on March 31, 2019, the details of outstanding foreign currency liabilities are USD 3,612 mn, JPY 60,079 mn & EUR 13 mn; out of which USD 2,400 mn & JPY 9,670 mn are hedged. Further, 85% of the foreign currency portfolio with residual maturity up to 8 years has been hedged.

8.3 INTEGRATED ENTERPRISE WIDE RISK MANAGEMENT

Your Company being a Financial Institution in the business of lending to power sector is exposed to several risks in the course of its business. In this regard, the Company had put in place an Integrated Enterprise Wide Risk Management Policy (IRM policy). In order to implement the IRM Policy, your company had constituted a Risk Management Compliance Committee of Directors to monitor various risks arising in the operations.

Under the IRM policy, the Company has to identify the principal risks which may have an impact on its profitability/revenues. In this regard, the Company has identified 11 significant risk parameters which arise from the Companies business model and from its use of financial instruments. These risk parameters cover the major operational risks, financial risks, market risks, regulatory risks etc. faced by the Company and are regularly assessed as per the prescribed Risk Assessment Criteria. To facilitate this assessment, Your Company has put in place a mechanism to ensure that the identified risks are monitored carefully and managed efficiently.

9.0 ULTRA MEGA POWER PROJECTS (UMPPs) AND INDEPENDENT TRANSMISSION PROJECTS (ITPs)

9.1 UMPPs

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

As on March 31, 2019, 17 UMPPs have been identified by MoP for development which are located in the states namely Madhya Pradesh (1), Gujarat (2), Chhattisgarh (1), Karnataka (1), Maharashtra (1), Andhra Pradesh (2), Jharkhand (2), Tamil Nadu (2), Odisha (3), Bihar (1) and Uttar Pradesh (1).

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

PFC incorporated a total of 19 wholly owned Special Purpose Vehicles (SPVs) for the UMPPs. Out of these, 14 Operating SPVs were incorporated to undertake preliminary site investigation activities and obtain appropriate regulatory and other approvals for water, environment etc. necessary to conduct the bidding process for these projects. These Operating SPVs are meant to be eventually transferred to successful bidder(s) selected through a Tariff Based International Competitive Bidding Process in accordance with the guidelines notified by MoP under section 63 of Electricity Act, 2003. The successful bidders are then expected to develop and implement these projects. 5 additional infrastructure SPVs were incorporated for holding the land and coal blocks for Odisha UMPP, Cheyyur UMPP, Deoghar and Tilaiya UMPP in Jharkhand and Bihar UMPP. These infrastructure SPVs would be transferred to the respective procurers of power from these projects.

Out of the above 19, 4 UMPPs have been transferred to successful bidders.

9.2 ITPs

Ministry of Power has also initiated Tariff Based Competitive Bidding Process for development and strengthening of Transmission system through private sector participation.

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

30 Special Purpose Vehicles (SPVs), 2 by PFC and other 28 by PFC Consulting Limited have been established for ITPs. Out of these 30 SPVs, 19 SPVs were transferred to the successful bidders, 6 SPVs for which bidding process are under progress, 4 SPVs are in process of closure and 1 SPV Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010.

10.0 INTEGRATED POWER DEVELOPMENT SCHEME (with RESTRUCTURED ACCELERATED POWER DEVELOPMENT AND REFORM PROGRAMME (R-APDRP) SUBSUMED IN IT)

In order to provide impetus to strengthening of power distribution sector in urban area, Ministry of Power, Government of India launched "Integrated Power Development Scheme" (IPDS) on December 3, 2014. Following components are covered under the scheme:

i) Strengthening of sub-transmission and distribution networks in the urban areas;

ii) Metering of distribution transformers/ feeders/ consumers in the urban areas.

iii) IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12th and 13th Plans by carrying forward the approved outlay for R-APDRP to IPDS.

iv) Schemes for Enterprise Resource Planning (ERP) and IT enablement of balance urban towns. Scope of IT enablement has been extended to all 4041 towns as per Census 2011.

v) Smart metering solution for performing UDAY States and Solar panels on Govt. buildings with net-metering.

vi) Gas Insulated switchgear (GIS) Sub-stations.

vii) Real Time-Data Acquisition System (RT-DAS) projects for accurate measurement of power interruption parameters like SAIDI/SAIFI.

Erstwhile, R-APDRP Scheme has been subsumed in newly launched IPDS scheme.

The above excluding (iii), have an estimated outlay of ₹ 32,612 crore including a budgetary support of ₹ 25,354 crore from Government of India during the entire implementation period.

R-APDRP scheme cost of ₹ 44,011 crore including a budgetary support of ₹ 22,727 crore as already approved by CCEA will be carried forward to the new scheme of IPDS in addition to the outlay ₹ 32,612 crore as indicated above.

Progress of implementation

IPDS

Under IPDS, Out of NIT issued worth ₹ 28,940 crore, projects worth ₹ 27,486 crore has already been awarded in 531 out of 546 sanctioned circles and implementation has started in said circles. Further, your company also sanctioned ₹ 753 crore as counterpart loans and disbursed an amount of ₹ 1,650 crore under IPDS during the year.

R-APDRP

With the measures taken so far, 20 out of 21 Data Centers, 20 out of 21 Disaster Recovery Centres and 44 out of 46 Customer Care Centers (except Puducherry and Odisha) have been commissioned. Further, 1378 towns have been declared Go-Live and declaration of Go-Live in balance 27 towns of Odisha(12),Tamil Nadu(8), Puducherry(4) and Arunachal Pradesh(3) is under progress. In 1378 Go-live towns, all business process software modules are functional and energy audit reports are being derived from the IT system implemented under the scheme.

During the year, your company disbursed an amount of ₹ 143 crore and cumulatively ₹ 2,662 crore as counterpart loan under Part-B of R-APDRP. Implementation work of distribution system strengthening has been reported complete in 1195 towns out of 1227 towns.

Cumulatively, 57 out of 59 sanctioned SCADA Control Centers have been commissioned and 52 out of 59 SCADA towns were completed.

The reduction in AT&C loss is already visible in 1081 R-APDRP towns (as per Post Go-Live reports) as on March 31, 2019, because of establishment of IT system and Part-B completion in various towns coupled with administrative and other measures. Thus, your company shall be contributing towards improving financial health of Distribution Utilities.

Other developments:

- **Revamped IPDS web-portal** with provision of on-line submission of IPDS DPRs and maintaining MIS. The revamped portal also includes 7 post Go-Live parameters viz. AT&C loss reduction, Consumer Grievance Redressal, New Connection release, High loss feeders, power reliability indices, Feeder meter communication and digital payment along with their graphical analytics. These post Go-live parameters are being monitored on monthly basis and States are being ranked based on improvement on these parameters that are being shared in monthly RPM meetings. All the model documents, guidelines, Links for bidding documents of Utilities, events etc. are regularly posted on dedicated IPDS web portal.
- A system has been developed in-house for **web-based project monitoring** of IPDS/ R-APDRP on IPDS web portal. Discoms are uploading award details, work execution details along with financial progress of the projects on the portal at regular intervals. MoP/ PFC is monitoring the progress of project implementation online through the system. New tabs have been added in the project monitoring system for monitoring of IT Phase-II implementation, Collection of ERP DPRs, Capturing of counterpart fund and own fund details under IPDS. Further, new provisions made for fetching separate MIS reports for use of the Hon'ble MoSP (IC), MoP Officials and Utility officials.
- **Capacity building/**training of Utility personnel is also carried out under IPDS – RAPDRP to enhance their skill. Capacity Building programme was rolled-out in-house, in which 5,022 man-days achieved in FY 2018-19. PFC/MoP also organizes workshops on project management, guidelines, best practices etc. for dissemination of information. PFC/MoP also issues guidelines for simplification of implementation procedures. Large scale peer-learning workshop for sharing of best practices was also conducted by PFC.
- PFC on behalf of Ministry of Power has developed a Mobile App **URJA** for **Urban Power Distribution Sector** to enhance Consumer Connect, Project Monitoring of Urban Distribution Sector projects etc. The App broadly covers Consumer/Discoms Dashboard, IPDS and R-APDRP monitoring. The App also depicts Town Wise AT&C Loss, New Service Connection, Consumer Complaints Redressal, Feeder with Highest AT&C Loss, SAIDI SAIFI, Feeder Meter Communication, Town-wise E-Payment/Digital Payment of R-APDRP towns and daily outage schedules in various Utilities. The web version of URJA is also available at www.urjaindia.co.in.
- **Online Feeder Monitoring system** has been developed as an integral part of National Power Portal (NPP). NIC along with PFC is implementing the project. The Feeder data of 49 Discoms in 29 States has been received and integrated on NPP. As on March 31, 2019, Master data of 36,673 feeders and transaction data of 31,696 Feeders uploaded by Discoms on NPP for urban towns. Reports based on said data are being generated online and are being sent regularly to MDs of respective Discoms to enable them to initiate administrative actions for improvement.
- Coordination for adoption of toll free number **1912**, the short code for electricity complaints, by all Utilities on pan-India basis. 1912 has already been implemented in all 62 Discoms (61 with all service providers). 1912 has been implemented as Toll free facility in 60 Discoms.
- PFC on behalf of Ministry of Power has engaged IPDS Consultants as Urban Vidyut Abhiyanta (UVA) purely on contractual basis. There are 41 UVAs engaged with PFC. PFC has deployed 38 UVAs in DISCOMs and 3 at PFC HQ to monitor IPDS project implementation. As per the direction of MoP vide its letter dated March 4, 2016, expenditure on appointment of UVAs are being borne by PFC. Process of appointment of 16 UVAs/ Consultants is underway against resignation/ attrition for filling up vacancies.
- Feeder Manager Recognition & Awards scheme under IPDS has been instituted by Ministry of Power in order to recognize efforts of DISCOMs/ Feeder Managers working towards reduction of AT&C loss. Feeder Managers are given this award during the Review Planning and Monitoring meeting by Hon'ble MoSP/ Secretary (Power) on the basis of their performance w.r.t AT&C loss reduction/ Energy saving/ Revenue saving on feeder. So far, 65 Feeder Managers across DISCOMs have been awarded in the above categories on monthly basis for the period from Sept, 2017 to Aug, 2018. First Feeder Manager Workshop was held in Kodaikanal to share best practices among the feeder managers from 18- 20th Jan, 2018 and Second Feeder Manager Workshop was held from 28-30th Sept in Puducherry.
- IPDS guidelines envisaged appointment of Third Party Concurrent evaluating Agency (TPCEA) by PFC, Nodal agency for concurrent and post implementation evaluation of the sanctioned IPDS schemes for assuring quality of work in projects being carried out by Utilities. PFC has completed appointment of TPCEA for states for smooth implementation of the scheme. The appointment has been made after reverse e-auction bidding for 15 groups covering 33 states/UTs across India. Stage –I inspection is already completed in 490 circles and Stage-II inspection is underway in most Utilities.

Impact Assessment of RAPDRP /IPDS

In order to assess the impact of RAPDRP, the Nodal agency was asked to carry out detailed assessment on how the scheme has eased the life of consumers and has benefited the Discoms.

As per the Region-wise study conducted by the four independent consultants,

- Savings to the tune of ₹ 3052 crore in 2017-18 were estimated from the AT&C loss reductions in the sampled 249 towns out of the total 1405 RAPDRP towns
- Reduction in AT&C losses was reported in 90% of the sampled towns.
- Nearly 100% AMR based metering achieved on all urban feeders. Focus shifted to Feeder level energy audit and intervention for AT&C loss reduction
- SCADA implementation in larger towns lead to reduction in downtime in case of outages
- Centralized customer care centers established in 45 Utilities, have simplified the processes and enhanced the service delivery to consumers.
- Introduction of Spot Billing Machines, lead to reduction in billing errors
- Manifold increase in Digital payments by consumers observed in many Discoms,
- Online gateways for payments, complaints, customer care etc., have done away with long queues and hours of waiting time and added ease of life to consumers
- Establishment of universal customer support number "1912" implemented by all Discoms.
- Large scale addition of Distribution Infrastructure resulted in improved voltage profile and reliability of power supply.
- Extensive use of AB cabling was encouraged in implementation of RAPDRP.

Further, to check the quality of works of completed RAPDRP projects, Quality Council of India has also been appointed by MoP.

11.0 INITIATIVES TOWARDS REFORMS AND RESTRUCTURING

Categorization of Utilities

For purposes of funding, your company classifies State/Central Sector Generation, Transmission Utilities & Project SPVs into A++, A+, A, B, C and 'non-responsive' categories. The categorization (biannual) of State Power Generation and Transmission utilities is arrived based on the evaluation of utility's performance against specific parameters covering operational & financial performance including regulatory environment, generation of audited accounts, etc.

With regard to State Power Distribution utilities (including SEBs/utilities with integrated operations), your company's categorization policy provides for adoption of MoP's Integrated Ratings by aligning such ratings/gradings with PFC's standard categories of A++, A+, A, B and C.

The categorization enables your company to determine credit exposure limits and pricing of loans to the state power utilities. As on April 25, 2019, 127 utilities were categorized, out of which 13 utilities were categorized as "A++", 43 as "A+", 39 as "A", 17 as "B", 13 as "C" and 2 as "non-responsive".

Annual Report on the Performance of State Power Utilities

Your Company compiles the Report on the Performance of State Power Utilities (SPUs) on an annual basis. The latest report for the three years period ending on March 31, 2018 is under compilation. The Report is a comprehensive study of the performance of the State Power Utilities on key financial and operational parameters. The Report contains key performance parameters e.g. profitability, gap between average cost of supply and average realization (Rs./kwh), net worth, capital employed, receivables, payables, capacity (MW), generation (Mkwh), AT&C losses (%) etc. and consumption pattern of the sector at utility, state, regional and national level.

12.0 POLICY INITIATIVES

Your Company constantly reviews its policy framework so as to align itself with the market requirements and also with its corporate objectives. In this regard, the following policy initiatives were undertaken during FY 2018-19:

- Your company has aligned its lending policy for the renewable energy sector with the prevailing business environment, so to enhance its market share.
- In order to expedite the appraisal process and to capture more business in Solar & wind sector, your company has introduced online screening of Solar & Wind proposals.
- The company has introduced market friendly policies for pre-payment & release of collateral securities, to attract more business.
- Mechanism for the prompt payment to IPPs by Discoms is being evolved, on the advice of MoP.
- Review of appraisal system including project & Promoter rating framework for Private Projects, so as to make the appraisal process dynamic and also more robust.
- An online system was introduced for banks to check LoC issued by PFC to safeguard against frauds, in light of the recent events in banking industry w.r.t. LOU's.

13.0 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

Your Company is exempt from the provisions of Section 186 of the Companies Act, 2013. However, details of equity investments made during the FY 2018-19 are as follows:-

- During the FY 2017-18, PFC had approved an additional investment of ₹ 241 crore towards equity contribution in Energy Efficiency Services Limited (EESL), a Joint Venture Company of NTPC, PFC, REC and POWERGRID. Out of the above said approval, PFC has subscribed 9,90,00,000 equity shares of ₹ 10 each amounting to ₹ 99,00,00,000 in EESL's Rights Issue on April 27, 2018 under the first tranche and the same were allotted to PFC by EESL on July 2, 2018.
- PFC has acquired 10,39,399,343 equity shares of face value of ₹ 10 each at the rate of ₹ 139.5036 per share amounting to ₹ 14,499,99,50,186 in REC on March 28, 2019.

14.0 SUBSIDIARIES

- Your Company had been offering consultancy support to the Power Sector through its Consultancy Services Group (CSG) since October 1999. Leveraging the experience of the CSG Unit and appreciating the growth in the services offered by the Group and recognizing the potential of such services in reforming Power Sector, your Company decided to organize the services as a distinct dedicated business entity. Accordingly, PFC Consulting Limited (PFCCL) was incorporated in the form of a wholly owned subsidiary of your company on March 25, 2008, in order to give it requisite autonomy in functions and flexibility in operations.
- To focus on additional business in the area of equity financing, your Company had incorporated Power Equity Capital Advisors Private Limited (PECAP), a wholly owned subsidiary. However, it has not been able to transact any business due to lack of business proposals even after its acquisition by PFC and accordingly approval has been sought from MoP for dissolving and getting the name of the Company struck off from the records of Registrar of Companies. Ministry of Power (MoP), Government of India (GoI) vide its letter no F.No.7/13/2012-PFC Desk(1) dated March 19, 2019 has conveyed its approval for dissolving/striking off the name of PECAP from the records of Registrar of Companies under the provisions of section 248 to 252 of the Companies Act, 2013. The same is under process.
- Pursuant to the order of Ministry of Corporate Affairs dated February 5, 2019, PFC Capital Advisory Services Limited (PFCCAS, a wholly owned subsidiary of the Company) has been amalgamated with PFC Consulting Limited, wholly owned subsidiary of the Company w.e.f. the appointed date i.e. April 1, 2018.
- Further, pursuant to the order of Ministry of Corporate Affairs dated February 7, 2019, PFC Green Energy Limited (PFCGEL, a wholly owned subsidiary of the Company) has been amalgamated with the Company from the appointed date i.e. April 1, 2017.
- Further, your Company is designated by Ministry of Power, Government of India as the 'nodal agency' for facilitating development of Ultra Mega Power Projects and its wholly owned subsidiary i.e. PFC Consulting Limited is the 'Bid Process Coordinator' for Independent transmission projects. As on March 31, 2019, for the said purpose, the following Special Purpose Vehicles (SPVs) have been incorporated as subsidiaries/deemed subsidiaries of the Company:

  i) Chhattisgarh Surguja Power Limited (Previously known as Akaltara Power Ltd.)
  ii) Coastal Karnataka Power Limited
  iii) Coastal Maharashtra Mega Power Limited
  iv) Coastal Tamil Nadu Power Limited
  v) Orissa Integrated Power Limited
  vi) Sakhigopal Integrated Power Company Limited
  vii) Ghogarpalli Integrated Power Company Limited
  viii) Tatiya Andhra Mega Power Limited
  ix) Deoghar Mega Power Limited
  x) Cheyyur Infra Limited
  xi) Odisha Infrapower Limited
  xii) Deoghar Infra Limited
  xiii) Bihar Infrapower Limited
  xiv) Bihar Mega Power Limited

xv) Jharkhand Infrapower Limited

xvi) Ballabhgarh-GN Transmission Company Limited*

xvii) Tanda Transmission Company Limited *

xviii) Mohindergarh-Bhiwani Transmission Limited*

xix) South-Central East Delhi Power Transmission Limited*

xx) Bijawar-Vidarbha Transmission Limited*

xxi) Shongtong Karcham-Wangtoo Transmission Limited*

xxii) Vapi II North Lakhimpur Transmission Limited*

xxiii) Lakadia-Vadodara Transmission Project Limited*

xxiv) Bikaner-Khetri Transmission Limited*

xxv) Fatehgarh-II Transco Limited*

xxvi) Bhuj-II Transmission Limited*

** wholly owned subsidiaries of PFC Consulting Limited*

- During the year, the Company acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value ₹ 10/- per share) in REC Limited (REC) at ₹ 139.5036 per share for a total cash consideration of ₹ 1,44,99,99,50,186/- on March 28, 2019. By virtue of this investment, the Company has become the holding company of REC and REC has become subsidiary of PFC in terms of the provisions of the Companies Act, 2013. Consequently, the following subsidiaries of REC as on March 31, 2019 have also become subsidiaries of PFC:

i) REC Transmission Projects Company Limited

ii) REC Power Distribution Company Ltd

iii) Koderma Transmission Limited

iv) Mandar Transmission Limited

v) Dinchang Transmission Limited

vi) Chandil Transmission Limited

vii) Dumka Transmission Limited

viii) Bhind-Guna Transmission Limited

ix) Jam Khambaliya Transco Limited

x) Ajmer Phagi Transco Limited

xi) WRSS XXI (A) Transco Limited

xii) Udupi Kasagode Transmission Limited

xiii) Khetri Transco Limited

xiv) Lakadia Banaskantha Transco Limited

- Further, since PFC acquired REC on March 28, 2019, the holding of REC in Energy Efficiency Services Limited (EESL) i.e. 21.70% which when combined with PFC's share in EESL i.e. 36.36% amounts to 58.06%. Accordingly, your company has since become the holding company of EESL and EESL has become subsidiary of PFC in terms of the provisions of the Companies Act, 2013. Consequently, the following subsidiaries of EESL as on March 31, 2019 have also become subsidiaries of PFC:

i) Creighton Energy Limited

ii) EESL EnergyPro Assets Limited

iii) Anesco Energy Services (South) Limited

iv) EPAL Holdings Limited

v) Edina Power Services Limited

vi) Edina UK Limited

vii) Armoura Holdings Limited

viii) Edina Manufacturing Limited

ix) Edina Acquisition Limited

x) Edina Limited

xi) Edina Australia Pty Limited

xii) Stanbeck Limited

xiii) Edina Power Limited

14.1 PFC CONSULTING LIMITED

PFC Consulting Limited is mandated to promote, organize and carry out consultancy services to the Power Sector and is also undertaking the work related to the development of UMPPs. PFCCL has been nominated as the 'Bid Process Coordinator' for selection of developer for the Independent Transmission Projects (ITPs) by Ministry of Power, GoI.

The Services offered by PFCCL are broadly in the following areas:

- Advisory services on issues emanating from implementation of Electricity Act 2003 like reform, restructuring, regulatory etc.
- Bid process management including Tariff based competitive bidding as per the Guidelines issued by MoP, GoI for various segments of Power Sector
- Project-structuring/ planning/ development/ specific studies, implementation monitoring, efficiency improvement projects
- Human Resource Management Plans
- Organisation performance improvement plans
- Contract related services for power sector
- Financial management, resource mobilization, accounting systems etc.
- Coal block development
- Renewable and non-conventional energy project development including “Waste to Energy” Projects
- Advisory Services for Distribution System Improvement Schemes
- Project Management Activities under IPDS and DDUGJY Schemes
- Detailed Project Reports and selection of Implementation Agency for Smart Grid
- Bidding under DEEP Portal for procurement of Power (for Short Term, Medium Term & Pilot Schemes)
- Consultancy services relating to takeover & transfer of equity
- Valuation of Land Bank & shares
- Assessment of Implementation of GST
- Energy Portfolio Management
- LIE, LIA & TEV study

Till date, consultancy services have been rendered to 68 clients spread across 24 States/UTs by PFCCL. The total number of assignments undertaken as on date is 125.

Further, during the FY 2018-19, the total income of PFCCL was ₹ 70.17 crore vis-à-vis ₹ 79.73 crore in the previous FY 2017-18, net worth of PFCCL as on March 31, 2019 was ₹ 91.74 crore as compared to ₹ 198.32 crore on March 31, 2018 and the net profit earned by PFCCL during FY 2018-19 was ₹ 22.00 crore as against the corresponding net profit of ₹ 26.88 crore last fiscal.

14.2 REC LIMITED

PFC acquired 103,93,99,343 equity shares of REC (representing 52.63% of the share capital of REC Limited) from President of India at a consideration of ₹ 1,44,99,99,50,186/- at the rate of ₹ 139.5036 per share on March 28, 2019.

Power Finance Corporation Ltd. has since become the holding company and also a promoter of REC.

REC is also a Navratna Central Public Sector Undertaking under the Ministry of Power and one of the leading infrastructure finance company. REC is also a Systemically Important, Non-Deposit Accepting, Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company

(IFC). Its business activities involve financing projects in the complete power sector value chain, be it generation, transmission or distribution. REC provides financial assistance to state electricity boards, state governments, central/state power utilities, independent power producers, rural electric cooperatives and private sector utilities.

REC sanctioned loans of ₹ 1,15,957 crore during the FY 2018-19 and an amount of ₹ 72,165 crore was disbursed during the same period.

Further, during the FY 2018-19, the total income of REC was ₹ 25,341.16 crore vis-à-vis ₹ 22,467.35 crore in the previous FY 2017-18 and the net profit earned by REC during FY 2018-19 was ₹ 5,763.72 crore as against the corresponding net profit of ₹ 4,419.89 crore in last fiscal.

Further details about the operational and financial performance of the Company are available on its website i.e. www.recindia.nic.in.

14.3 ENERGY EFFICIENCY SERVICES LIMITED

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. The shareholding of your company as on March 31, 2019 is 36.36%.

Consequent upon acquisition of controlling stake in REC Limited (REC) on March 28, 2019, EESL has been reclassified from associate to a subsidiary company during the Company holds 36.36% ownership interest and its subsidiary REC holds 21.70% ownership interest as on March 31, 2019.

Further, during the FY 2018-19, the total income of EESL was ₹ 1935.67 crore vis-à-vis ₹ 1410.70 crore in the previous FY 2017-18, net worth of EESL as on March 31, 2019 was ₹ 839.97 crore as compared to ₹ 644.43 crore on March 31, 2018 and the net profit earned by EESL during FY 2018-19 was ₹ 95.10 crore as against the corresponding net profit of ₹ 39.46 crore last fiscal.

15.0 JOINT VENTURES, ASSOCIATE COMPANIES AND OTHER MAJOR INVESTMENTS

15.1 PTC INDIA LIMITED

PTC India Limited (PTC) was jointly promoted by Power Grid, NTPC, NHPC and PFC. PFC has invested ₹ 12 crore in PTC which is 4.05% of PTC's total equity. PTC is the leading provider of power trading solutions in India, a Government of India initiated public-private partnership, whose primary focus is to develop a commercially vibrant power market in the country. During the FY 2018-19, PTC maintained its leadership position with trading volumes of 62.49 BUs. PTC has reported profit after tax of ₹ 262.32 crore for the FY 2018-19.

15.2 POWER EXCHANGE INDIA LIMITED

Power Exchange India Limited (PXIL) is India's first institutionally promoted Power Exchange, that provides innovative and credible solutions to transform the Indian Power Markets. PXIL, provides nation-wide, electronic exchange for trading of power and handles power trading and transmission clearance, simultaneously, it provides transparent, neutral and efficient electronic platform. PXIL offers various products such as Day Ahead, Day Ahead Contingency, Any Day, Intra Day and Weekly Contracts. PXIL provides trading platform for Renewable Energy Certificates. PFC's investment in equity shares of PXIL as on March 31, 2019 is ₹ 3.22 crore. Due to erosion of Net Worth of PXIL, PFC has provided the entire investment amount of ₹ 3.22 crore as provision for diminution in the value of investment in its books.

15.3 SHREE MAHESHWAR HYDEL POWER CORPORATION LIMITED

In June, 2016, PFC, being one of the lenders of Shree Maheshwar Hydel Power Corporation Limited (SMHPCL) had enforced its legal rights as per the Pledge deed dated November 30, 2006 as amended from time to time and subordinate loan agreement dated September 29, 2006, by invoking the shares pledged by the promoters of SMHPCL in favor of PFC and by partial converting sub debt loan into equity shares. Upon invocation of pledged shares and partial conversion of sub-debt, the total shareholding of PFC in SMHPCL is 13,18,46,779 equity shares of ₹ 10 each representing 23.32% of paid up equity share capital of SMHPCL. However, the matter is subjudice.

16.0 MEMORANDUM OF UNDERSTANDING WITH GOVT. OF INDIA

Your Company has been consistently accorded 'Excellent' Rating by Government of India since FY 1993-94 except for FY 2004-05. For the FY 2017-18, your company was accorded 'Excellent rating'. The rating for FY 2018-19 is still awaited.

17.0 PRESIDENTIAL DIRECTIVES

Ministry of Power vide its letter dated May 10, 2018 issued Presidential Directives with regard to the pay scale revision for Board level and below Board level executives w.e.f. January 1, 2017 in accordance with DPE OMs dated August 3, 2017 and August 4, 2017. In line with the Presidential Directives, the pay scales for Board level and below Board level executives of your Company as well as other perks and allowances, etc. have been revised w.e.f. January 1, 2017.

18.0 CORPORATE SOCIAL RESPONSIBILITY

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

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

During the year, PFC implemented wide range of activities in the field of Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled. Further, DPE vide OM dated December 10, 2018 has instructed CPSEs to spend 60% of CSR budget for thematic programme (i.e. School Education and Healthcare for year 2018-19) preferably in aspirational districts.

For the FY 2018-19, the Board had approved the CSR budget of ₹ 148.15 crore based on 2% of the average stand-alone Profit Before Tax as per Companies Act, 2013 excluding dividend received from other companies covered under and complying with Section 135 of the Act in line with Rule 2(f) (ii) of Companies (CSR Policy) Rules 2014.

The projects sanctioned in a year are completed in subsequent years and there is milestone linked payment to various stages of completion of the project. Further, as per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year for utilization for the purpose for which it was allocated.

Accordingly, the total amount to be spent in the financial year amounted to ₹ 279.38 crore (i.e. ₹ 148.15 crore for FY 2018-19 and ₹ 131.23 crore carried forward from previous years). However, out of which ₹ 100.50 crore was spent during FY 2018-19.

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

19.0 HRD INITIATIVES

DEVELOPMENT & TRAINING

During FY 2018-19, in order to ensure specific skill development, the focus of conducting in house programs was maintained in line with the corporate goals. Customized programs like training on KYC policy, Executive Development Programs, Leadership & Team Building, Appraisal & Disbursement Procedures, Outbound Experiential Learning, Developing Positive Thinking, Stress & Health Management, etc. were organized along with other need-based programs.

During the year 2018-19, 14 in-house training programs were organized by the company for its employees. A total of 2219 man-days were achieved by conducting various in-house programs and by sponsoring employees to other need based programs conducted by external training agencies.

RECREATIONAL ACTIVITIES

Your Company is committed towards holistic personality development of its employees through facilities like Gymnasium, Library, Table Tennis and participation of employees in various sports, cultural and literary activities.

As a member of Power Sports Control Board, your company has been organizing an Inter-CPSU Tournament every year for the employees of PSCB member organisations. During the FY 2018-19, PFC organized 23rd Inter-CPSU Badminton Tournament under the aegis of PSCB. Employees of PFC exhibited enthusiastic participation in various Inter-CPSU sports tournaments such as Cricket, Badminton, Table Tennis, Carrom, Chess, Kabaddi, etc. organized by the PSCB member organisations. The participation in these sports results in a greater level of team spirit and fitness among the employees.

During the period, the Company observed National Unity Day on October 31, 2018 and celebrated Communal Harmony Campaign during November 19, 2018 to November 26, 2018 by holding slogan writing competitions among the employees. National Productivity Week was celebrated by the Company during February 18, 2019 to February 25, 2019 by organizing essay writing competition and holding an expert talk on the theme for the employees. Various other events and get-togethers were also organized during the year to mark special occasions such as New Year, Foundation Day, etc. and employees participated with zeal and enthusiasm. On the occasion of PFC Foundation Day, a Kavi Sammelan was organized at PFC premises. Eminent poets like Shri Ashok Chakradhar, Sh. Hari Om Panwar, Sh. Pratap Faujdar and Sh. Vineet Chauhan entertained PFC employees with their poetic performance.

HUMAN RESOURCE MANAGEMENT

Your company has put in place effective human resource acquisition and maintenance function, which is benchmarked with best corporate practices designed to meet the organizational needs. This apart from other strategic interventions leads to an effective management of Human Resources thereby ensuring high level of productivity.

The Industrial Relations within the company has been very cordial and harmonious with the employees committing themselves entirely to the objectives of the company. There was no mandays lost during the year under review. The attrition rate for the period from April 1, 2018 to March 31, 2019 was zero.

WELFARE MEASURES

Your Company endeavors to follow the best management practices of the industry. The employees of the company have access to the Top Management officials thereby contributing effectively in the management and growth of the company. Commitment of the workforce is ensured through an effective package of welfare measures which include comprehensive insurance, medical facilities and other amenities which lead to a healthy workforce. During the period, several new initiatives were taken for employees' welfare such as amendments in Medical Attendance Rules, Leave Rules etc.

RESERVATION OF POSTS

Group	Total Employees as on March 31, 2019	SCs	SC%	STs	ST%	OBC	OBC%
A	474	83	17.51%	28	5.91%	81	17.08%
B	6	1	16.67%	1	16.67%	0	0.00%
C	17	3	17.65%	1	5.88%	3	17.65%
D	1	0	0.00%	0	0.00%	0	0.00%
Total	**498**	**87**	**17.47%**	**30**	**6.02%**	**84**	**16.87%**

PFC makes all efforts to ensure compliance of the Directives and Guidelines issued by the Government of India from time to time pertaining to the welfare of SC/ ST/ OBC/ ESM/PwD employees. The steps taken include due reservations and relaxation as applicable under the various directives for direct recruitment as well as for promotions. Separate Liaison officers have been appointed to look into the matter of reservations.

REPRESENTATION OF WOMEN EMPLOYEES

Your Company has women in important and critical functional areas. Women representations have gone across hierarchical levels. The Company provides equal growth opportunities for the women in line with Government of India philosophy on the subject. The women are adequately represented, with 20.68% of the total work force.

Group	Total Employees as on March 31, 2019	Number of Women Employees	Percentage of overall staff strength
A	474	100	21.09%
B	6	0	0.00%
C	17	3	17.65%
D	1	0	0.00%
Total	**498**	**103**	**20.68%**

PFC as part of its social responsibility, makes all efforts to ensure compliance of the Directives and guidelines issued by the Government of India from time to time pertaining to the welfare of female employees.

INTERNAL COMPLAINTS COMMITTEE

An Internal Complaints committee to examine the cases related to sexual harassment is in place under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013. During the FY 2018-19, no complaint has been filed under the said Act.

20.0 DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, it is confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) such accounting policies have been selected, applied consistently and judgments & 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 and loss of the company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

(e) the company has laid down internal financial controls to be followed and that such internal financial controls are adequate and are operating effectively.

(f) the company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21.0 STATUTORY AUDITORS

M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for the FY 2018-19 by the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2018-19 and have given their report without any qualification, reservation, adverse remark or disclaimer. The copy of the audit report is annexed with Annual Report.

SECRETARIAL AUDITOR

Agarwal S. & Associates, Company Secretaries was appointed as the Secretarial Auditor of the Company for the FY 2018-19 by the Board of Directors of the Company.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY 2018-19 along with copy of the audit report is annexed with Annual Report.

22.0 COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India (C&AG) has mentioned that on the basis of audit, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report. The copy of the report of C&AG is annexed with Annual Report.

23.0 DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Auditor of the Company i.e. A.R. & Co., Chartered Accountants quarterly certifies on the adequacy of internal financial controls with reference to the financial statements of the Company.

The Statutory Auditors of the Company i.e. M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

24.0 COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

25.0 PARTICULARS OF REMUNERATION U/S 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of remuneration of each director to the median employees' remuneration and details of employees receiving remuneration exceeding the limits as prescribed from time to time in the Board's Report.

However, as per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Board's Report.

26.0 ANNUAL RETURN LINK

An extract of the Annual Return in the prescribed format is annexed with the Annual Report.

27.0 REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's Report.

28.0 DEBENTURE TRUSTEES

The details of Debenture Trustees appointed by the company for the different series of Bonds issued by your company are annexed with Annual Report.

29.0 STATUS OF UNCLAIMED AMOUNTS

Bonds

The total unclaimed and unpaid amount as on March 31, 2019 was ₹ 15.10 crore (principal plus interest). The unpaid/ unclaimed amount of bonds transferred to IEPF during FY 2018-19 is ₹ 0.14 crore.

Equity

The unclaimed balance amount of dividend (equity) as on March 31, 2019 was ₹ 3.38 crore. The unclaimed amount of ₹ 6,77,584 related to "Application money due for refund" and unclaimed dividend of ₹ 8,33,402 become due for transfer during the year ended March 31, 2019 and was accordingly transferred to Investor Education and Protection Fund (IEPF).

30.0 EMPLOYEES STOCK OPTIONS PLAN (ESOP)

The Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India, through its directions on pay revision had made it mandatory for all the Central Public Sector Enterprises (CPSEs) to formulate an Employee Stock Option Plan (ESOP) and pay 10% to 25% of the Performance Related Pay (PRP) of the employees in the form of ESOPs. In accordance with these directions of the DPE, the Board of Directors of your company had formulated an Employee Stock Option Plan titled as 'PFC-ESOP 2010'. Shareholders had also approved this Employee Stock Option Plan in their 24th Annual General Meeting held on September 21, 2010. Subsequently, the Board of Directors had decided that 25% of the PRP of the employees should be given in the form of ESOPs. However, later in view of a clarification dated July 30, 2012 issued by DPE, this PRP based Stock Option Plan has been made optional. The above scheme has been implemented in the Company as per the applicable Rules/Regulations/DPE guidelines and clarifications. A certificate in this regard by statutory auditors will be placed at the ensuing AGM of the Company.

Further, as on date, there is no option pending for grant or exercise under the 'PFC-ESOP 2010'.

Further no option was granted/exercised to/by any employee during the year 2018-19.

31.0 VIGILANCE

During the FY 2018-19, the Vigilance Unit functioned as an effective tool of management, the thrust being on preventive vigilance. This aspect was emphasized by conducting periodic and surprise inspections of various units on constant basis. The Vigilance Unit also issued directions/effective guidelines to rationalize systems and procedures to eliminate gaps and confirming transparency in day-to-day operations. Information technology was used as an effective tool for providing on-line services to all the stakeholders and to enhance organizational efficiency. The Vigilance Unit carried out detailed investigation in respect of complaints registered during this period.

In compliance of the instructions of CVC, the sensitive posts in the Company were identified and the concerned officers were rotated on a regular basis. Agreed lists for the year 2018 were finalized in respect of corporate office at Delhi and regional offices at Mumbai and Chennai in consultation with the CBI. Prescribed periodical statistical returns were sent to CVC, CBI, MoP on time.

The Vigilance Unit continuously worked for systemic improvements with a view to increase transparency, objectivity and accountability in the operations of the Company. Thus, it has contributed towards overall improvement in the functioning through efficiency and effectiveness of the organization.

32.0 OFFICIAL LANGUAGE

It is a matter of great pride that your Company has been awarded the First Prize in Public Sector Category in Region 'A' of 'Rajbhasha Kirti Puraskar' for the year 2017-18 by Rajbhasha Vibhag, Ministry of Home Affairs for its concerted efforts made in implementation of Official Language Policy. CMD, PFC received the prestigious award from Hon'ble Vice President of India, Sh. M. Venkaiah Naidu. The Prize has been received by PFC for the 5th time in a row.

PFC's Quarterly Magazine 'Urja Deepti' and a book 'App Deepo Bhav' written by a PFC employee were released in the Hindi Advisory Committee Meeting held on April 11, 2018.

On the occasion of PFC Foundation Day, a Kavi Sammelan was organized. Hindi Day and Hindi Month were celebrated to create a Hindi oriented environment. During the Hindi Month, various competitions were organized. On the eve of Samapan Samaroh of 'Hindi Mah', a Cultural Programme was organized on October 12, 2018 in which employees of your company presented a Cultural Programme comprising of various Indian dance forms, Songs, Kavya Path and Natika etc. On the occasion of 'Vishwa Hindi Diwas' a dance ballet namely 'Shri Krishna' was organized by the artists of Shri Ram Bhartiya Kala Kendra.

10 Hindi workshops for 279 executives and 2 days Rajbhasha Sammelan for 28 Senior Executives as well as 2 Sangoshthies were organized. Internal inspections in the form of personal contact programme were conducted. Three Issues including 'Yog Evam Rajbhasha Visheshank' of house magazine 'Urja Deepti' were also published.

All these efforts were motivational tools in creating possibilities of better and progressive use of Hindi in the Company.

33.0 RIGHT TO INFORMATION ACT

The main objective of the Right to Information Act, 2005, is to ensure greater and more effective access to information and to maintain transparency and improve accountability in the working of the public departments both Central and State. The Right to Information Act, 2005 is an Act of the Parliament of India to provide for setting out the practical regime of right to information for citizens. It also endeavors to promote transparency and accountability in the working of the Government, to contain corruption and to enhance people's participation in the democratic process by making the citizens informed about the activities of the Government. Under the Act, it is believed that an informed citizen is better equipped to keep necessary vigil on the instruments of governance and make the government more accountable. The information seekers, have, subject to few exceptions, an overriding right under the Act, to get information lying in the possession of the Public Authorities.

An elaborate mechanism has been set up throughout your Company to deal with requests received under the RTI Act, 2005. Your company has implemented the Right to Information Act, 2005 to provide information to the citizens of India and also to maintain accountability and transparency in the working of the company. The Company has designated a Public Information Officer (PIO) and First Appellate Authority (RTI) at its registered office for effective implementation of the RTI Act. The relevant information/ disclosures are also made available on the official website (www.pfcindia.com) of the company. During the FY 2018-19, all 131 applications received under the RTI Act, were duly processed and replied to. Your company has also complied with the requirement of filing of online RTI Quarterly Returns on the portal of Central Information Commission (CIC) for the FY 2018-19.

Further, in order to strengthen compliance of the provisions of disclosures as contained in Section 4 of the RTI Act, 2005, Department of Personnel & Training (DoPT) vide its OM No. 1/6/2011-IR dated April 15, 2013 issued guidelines on the following :-

(i) Suo moto disclosure of more items under Section 4;

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

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

(iv) Compliance mechanism for suo moto disclosure (proactive disclosure) under RTI Act, 2005.

In compliance of the aforesaid Guidelines, PFC has placed the requisite information on the website of the company.

Besides the above, PFC is also linked with the online RTI Portal of Govt. of India, Department of Personnel & Training (https://rtionline.gov.in), which enables citizens of India, to file RTI applications/first appeals online along with payment gateway. Payment can be made through internet banking of SBI & its associate banks, debit/credit cards of Master/Visa and RuPay cards.

34.0 GRIEVANCE REDRESSAL

Your Company has a Grievance Redressal System for dealing with grievances of the public at large. The systems are duly notified and the Nodal Officers ensure quick redressal of grievances within the permissible time frame. Your Company has also notified Citizen's Charter to ensure transparency in its work activities. The Charter is available on the website of PFC to facilitate easy access.

35.0 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and company's operations during the FY 2018-19.

36.0 DETAILS OF PROCUREMENT FROM MSEs

The details of the procurements made from Micro and Small Enterprises (MSEs) during the FY 2018-19 and the targets for FY 2019-20 as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 along with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 is as under:

S.No.	Particulars	FY 2018-19	Target for FY 2019-20
I	Total annual procurement (in value)	26.24 crore	30.38 crore
II	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	9.21 crore	7.6 crore
III	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	0.55 crore	1.22 crore
IV	% age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	35.09%	25%
V	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	2.10%	4%
VI	Total number of vendor development programmes for MSEs	2 Half yearly	2
VII	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	http://www.pfcindia.com/Home/VS/125	

37.0 STATUTORY AND OTHER INFORMATION

Information required to be furnished as per the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE's Guidelines on Corporate Governance for CPSEs etc. is annexed to this report as follows:

Particulars	Annexure
Details of Debenture Trustees	A
Extract of Annual Return	B
Annual Report on CSR Activities	C
Disclosure of particulars of contracts/arrangements entered into by the company with related parties (AOC-2)	D
Management Discussion and Analysis Report	E
Integrated Reporting	F
Report on Corporate Governance	G
Business Responsibility Report	H
Secretarial Audit Report	I

38.0 ACKNOWLEDGEMENT

The Board of Directors acknowledge and place on record their appreciation for the guidance, co-operation and encouragement extended to the Company by the Government of India, Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, Reserve Bank of India, Department of Public Enterprises, Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited and other concerned Government departments/agencies at the Central and State level as well as various domestic and international financial institutions/banks, agencies etc.

The Board also conveys its gratitude to the shareholders, various International and Indian Banks/Multilateral agencies/financial Institutions/ credit rating agencies for the continued trust and for the confidence reposed by them in PFC. Your Directors would also like to convey their gratitude to the clients and customers for their unwavering trust and support.

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

The Board also recognize and appreciate the untiring efforts and contributions made by the employees to ensure excellent all round performance of your Company.

For and on behalf of the Board of Directors

Rajeev Sharma

(Rajeev Sharma)
Chairman & Managing Director
DIN: 00973413

Place : New Delhi
Dated : 30.07.2019

Annexure A of Board's Report

Debenture Trustees appointed by the company for the different series of Bonds

Sl. No.	Name & Address of Trustee	Bond Series
1.	**IDBI Trusteeship Services Ltd** Vishawastha Bhavan, 1st Floor 218 Pratapganj Peth Satara- 415002	7.6% TAXABLE BOND SERIES XXV 8.85% TAXU BOND SERIES XXVIII 8.60% TAX BOND SERIES-57 B 8.60% TAX BOND SERIES-57 C 8.80% TAXU BOND SERIES-59B INCMTBMK+179BSP TAXU BOND SERIES-60B 8.50% TAXU BOND SERIES-61 8.50% TAXU BOND SERIES-61 8.70% TAXU BOND SERIES-62A 8.80% TAXU BOND SERIES-62B 8.90% TAXU BOND SERIES-63 8.90% TAXU BOND SERIES-63 8.95% TAXU BOND SERIES-64 8.95% TAXU BOND SERIES-64
2.	**PNB Investment Services Ltd.** 10, Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi-110049	8.70% TAXU PFC Bonds-65-Series 8.70% TAXU PFC Bonds-65-Series 8.65% TAXU PFC Bonds-66 A-Series 8.75% TAXU PFC Bonds-66 B-Series 8.85% TAXU PFC Bonds-66 C-Series 8.70% TAXU PFC Bonds-68 B-Series 8.78% TAXU PFC Bonds-70-Series 9.05% TAXU PFC Bonds-71 Series 9.05% TAXU PFC Bonds-71 Series 9.05% TAXU PFC Bonds-71 Series 8.99% TAXU PFC Bonds-72 B-Series 9.18%TAXU PFC Bonds – Series 73 9.70% TAXU PFC Bonds – Series 74 9.61% TAXU PFC Bonds – Series 75-C 9.36% TAXU PFC Bonds – Series 76-A 9.46% TAXU PFC Bonds – Series 76-B 9.45% TAXU PFC Bonds – Series 77-B 7.51% SEC TAX FREE PFC Bonds – Series 79-A 7.75% SEC TAX FREE PFC Bonds – Series 79-B 8.09% SEC TAX FREE PFC Bonds – Series 80-A 8.16% SEC TAX FREE PFC Bonds – Series 80-B 9.30% TAXU PFC Bonds – Series 85-C 9.26% TAXU PFC Bonds – Series 85-D 9.42% TAXU PFC Bonds – Series 87-D 9.48% TAXU PFC Bonds– Series 88-C Infrastructure Bonds (2011-12) – tranche 1- Series-I Infrastructure Bonds (2011-12) – tranche 1- Series-II Infrastructure Bonds (2011-12) – tranche 1- Series-III Infrastructure Bonds (2011-12) – tranche 1- Series-IV 8.43% Series I Private Placement Infra 8.43% Series II Infra Private Placement 8.72%Series III Infra bonds Private Placement 8.72% Series IV Infra Bonds Private Placement

Sl. No.	Name & Address of Trustee	Bond Series
3.	**Catalyst Trusteeship Ltd. (Formerly GDA Trusteeship Ltd.)** "GDA HOUSE", Plot No.85, Bhusari Colony (Right), Paud Road, Pune-411038	7.21% TAX FREE Bond Series 94-A 7.38% TAX FREE Bonds Series 94-B 7.22% TAX FREE Bonds Series 95-A 7.38% TAX FREE Bonds Series 95-B BOND SERIES 91-B 9.29% PFC Bonds Series 92-C 8.82% PFC Bonds Series 99-B 8.86% PFC Bonds Series 100-A 8.84% PFC Bonds Series 100-B 9.00% PFC Bonds Series 101-B 8.90% PFC Bonds Series 102-A (II) 8.90% PFC Bonds Series 102-A (III) 8.87% PFC BOND SERIES 102-B 8.94% PFC Bonds Series 103 9.15% PFC Bonds Series 115-II 9.20% PFC Bonds Series 115- III 9.37% PFC Bonds Series 117-B 9.39% PFC Bonds Series 118-B-I 9.39% PFC Bonds Series 118-B-II 9.39% PFC Bonds Series 118-B-III 9.32% PFC Bonds Series 119-B 8.98% PFC Bonds Series120-A 8.98% PFC Bonds Series 120-B 8.96% PFC Bonds Series 121-B 8.76% PFC Bonds Series 122 8.65% PFC Bonds Series 123-B 8.66% PFC Bonds Series 123-C 8.52% PFC Bonds Series 124-A 8.55% PFC Bonds Series 124-B 8.48% PFC Bonds Series 124-C 8.65% PFC Bonds Series 125 8.65% PFC Bonds Series 126 8.36% PFC Bonds Series 127 8.20% PFC Bonds Series 128 8.42% PFC Bonds Series 130-B 8.39% PFC Bonds Series 130-C 8.38% PFC Bonds Series 131-B 8.41% PFC Bonds Series 131-C Infrastructure Bonds (2010-11)– tranche 1-Series-I Infrastructure Bonds (2010-11)– tranche 1-Series-II Infrastructure Bonds (2010-11)– tranche 1-Series-III Infrastructure Bonds (2010-11)– tranche 1-Series-IV 8.20% Public Issue of Tax Free Bonds FY 2011-12 8.30% Public Issue of Tax Free Bonds FY 2011-12
4.	**Vistra ITCL (India) Ltd. (Formerly IL&FS Trust Company Limited)** IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051	Zero Coupon Bonds-(2022) XIX Series 8.19% PFC Subordinated Tier II- Debt Bond Series 105 8.01% TAX FREE BOND SERIES 107-A 8.46% TAX FREE BOND SERIES 107-B

Sl. No.	Name & Address of Trustee	Bond Series
		9.65% PFC Subordinated Tier II- Debt Bond Series 111 9.70% TAXABLE SECURED BOND SERIES 112B 9.70% TAXABLE SECURED BOND SERIES 112C 9.70% PFC Subordinated Tier II- Debt Bond Series 114 7.19% 10YRS TAX FREE BONDS 12-13 TR -I SERIES 1 7.69% 10YRS TAX FREE BONDS 2012-13 TR-I SERIES-1 7.36% 15YRS TAX FREE BONDS 2012-13 TR-I SERIES-2 7.86% 15YRS TAX FREE BONDS 2012-13 TR-I SERIES-2 6.88% TR-2 TAX FREE BONDS 12-13 7.38% TR-2 TAX FREE BONDS 12-13 7.04% TR-2 TAX FREE BONDS 12-13 7.54% TR 2 TAX FREE BONDS 12-13 8.18% Tax Free Bonds 13-14 Series 1A 8.43% Tax Free Bonds 13-14 Series 1B 8.54% Tax Free Bonds 13-14 Series 2A 8.79% Tax Free Bonds 13-14 Series 2B 8.67% Tax Free Bonds 13-14 Series 3A 8.92% Tax Free Bonds 13-14 Series 3B
5.	**Milestone Trusteeship Services Pvt. Ltd** 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051. Tel: 022-67167082 Fax 022-67167077	8.50% PFC BOND SERIES 135-B 7.16% PFC BOND SERIES 136 8.53% PFC BOND SERIES 137 8.45% PFC BOND SERIES 138 8.36% PFC BOND SERIES 140-B 8.46% PFC BOND SERIES 141-A 8.00% PFC BOND SERIES 142-A 7.85% PFC BOND SERIES 145 8.05% PFC BOND SERIES 146 8.03% PFC BOND SERIES 147 7.95% PFC BOND SERIES 148 8.04% PFC BOND SERIES 149 7.50% PFC BOND SERIES 150-A 7.63% PFC BOND SERIES 150-B 7.47% PFC BOND SERIES 151-A 7.56% PFC BOND SERIES 151-B 7.55% PFC BOND SERIES 152 7.40% PFC BOND SERIES 153 7.27% PFC BOND SERIES 154 7.27% PFC BOND SERIES 155 7.27% PFC BOND SERIES 156-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 157 7.27% PFC BOND SERIES 158-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 159 7.27% PFC BOND SERIES 160-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 163 7.27% PFC BOND SERIES 164-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 165 7.11% PFC TAXFREE BONDS 1A 17.10.2025 7.36% TAXFREE BONDS 1B 17.10.2015

Sl. No.	Name & Address of Trustee	Bond Series
		7.27% TAXFREE BONDS 2A 17.10.2015 7.52% TAXFREE BONDS 2B 17.10.2015 7.35% TAXFREE BONDS 3A 17.10.2015 7.60% TAXFREE BONDS 3B 17.10.2015 7.46% PFC BOND SERIES 166 7.30% PFC BOND SERIES 167 7.28% PFC BOND SERIES 168 A 7.44% PFC BOND SERIES 168 B 7.10% PFC BOND SERIES 169 A 7.30% PFC BOND SERIES 169 B 7.35% PFC BOND SERIES 170 A 7.65% PFC BOND SERIES 170 B 7.62% PFC BOND SERIES 171 7.74% PFC BOND SERIES 172 7.73% PFC BOND SERIES 173 A 7.73% PFC BOND SERIES 173 B 7.80% PFC BOND SERIES 174 7.75% PFC BOND SERIES 175 7.53% PFC BOND SERIES 176 A 7.99% PFC BOND SERIES 176 B 5.25% PFC 54EC BOND SERIES I
6.	**Beacon Trusteeship Ltd.** 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (E), Mumbai-400051	Series 177 Series 178 Series 179-A Series 179-B Series 180 Series 181 Series 182 Series 183 Series 184-A-Sub Debt Series 184-B- Sub Debt Series 185- Sub Debt 5.75% PFC 54EC BOND SERIES II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L65910DL1986GOI024862	
ii)	Registration Date	July 16, 1986	
iii)	Name of the Company	Power Finance Corporation Limited	
iv)	Category / Sub-Category of the Company	Public Company/Government Company, NBFC, Limited by Shares, Company having share capital	
v)	Address of the Registered office and contact details	**Registered Office** 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001	**Company Secretary** Shri Manohar Balwani Tel: +91 11 23456020 Fax: +91 11 23456786 e-mail: investorsgrievance@pfcindia.com
vi)	Whether listed company (Yes / No)	Yes	
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032, Telangana, India Tel: +91 40 67162222 Email: einward.ris@karvy.com Website: www.karvyfintech.com	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Interest on Loans and Income from other services	64920 (Other Financial Services and Activities - Other Credit Granting)	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	PFC Consulting Limited	U74140DL2008GOI175858	Subsidiary	100	Section 2(87) of the Companies Act, 2013
2	Power Equity Capital Advisors Private Limited	U65100DL2008PTC175845	Subsidiary	100	
3	REC Limited (Formerly Rural Electrification Corporation Limited)	L40101DL1969GOI005095	Subsidiary	52.63	
4	Energy Efficiency Services Limited	U40200DL2009PLC196789	Subsidiary	58.06 (out of which 36.36% directly and 21.70% through REC)	
5	Coastal Maharashtra Mega Power Limited	U40102DL2006GOI146953	Subsidiary	100	
6	Sakhigopal Integrated Power Company Limited	U40108DL2008GOI178409	Subsidiary	100	
7	Orissa Integrated Power Limited	U40102DL2006GOI152423	Subsidiary	100	
8	Ghogarpalli Integrated Power Company Limited	U45207DL2008GOI178456	Subsidiary	100	
9	Coastal Karnataka Power Limited	U40102DL2006GOI146109	Subsidiary	100	
10	Tatiya Andhra Mega Power Limited	U40200DL2009GOI189476	Subsidiary	100	
11	Coastal Tamil Nadu Power Limited	U40102DL2007GOI157615	Subsidiary	100	
12	Deoghar Mega Power Limited	U40300DL2012GOI234839	Subsidiary	100	
13	Chhattisgarh Surguja Power Limited	U40102DL2006GOI146111	Subsidiary	100	
14	Cheyyur Infra Limited	U93000DL2014GOI263819	Subsidiary	100	
15	Deoghar Infra Limited	U93000DL2015GOI282164	Subsidiary	100	
16	Odisha Infrapower Limited	U93000DL2014GOI263902	Subsidiary	100	
17	Bihar Infrapower Limited	U93000DL2015GOI282192	Subsidiary	100	
18	Bihar Mega Power Limited	U93000DL2015GOI282653	Subsidiary	100	
19	Jharkhand Infrapower Limited	U40300DL2015GOI288311	Subsidiary	100	
20	Tanda Transmission Company Limited	U74999DL2013GOI257471	Subsidiary	Subsidiaries through PFC Consulting Limited	
21	Ballabhgarh-GN Transmission Company Limited	U74999DL2013GOI257470	Subsidiary		
22	South-Central East Delhi Power Transmission Limited	U40109DL2015GOI276863	Subsidiary		
23	Mohindergarh-Bhiwani Transmission Limited	U40106DL2014GOI274558	Subsidiary		
24	Bikaner-Khetri Transmission Limited	U40108DL2019GOI346433	Subsidiary		
25	Shongtong Karcham-Wangtoo Transmission Limited	U40300DL2017GOI310556	Subsidiary		
26	Bhuj-II Transmission Limited	U40300DL2019GOI346552	Subsidiary		
27	Bijawar- Vidarbha Transmission Limited	U40300DL2017GOI310540	Subsidiary		
28	Fatehgarh-II Transco Limited	U40300DL2019GOI346583	Subsidiary		
29	Vapi II- North Lakhimpur Transmission Limited	U40100DL2018GOI335750	Subsidiary		
30	Lakadia- Vadodra Transmission Project Limited	U40105DL2019GOI347349	Subsidiary		
31	REC Power Distribution Company Ltd	U40101DL2007GOI165779	Subsidiary	Subsidiaries through REC	
32	REC Transmission Projects Company Limited	U40101DL2007GOI157558	Subsidiary		
33	Dinchang Transmission Limited	U40300DL2015GOI288066	Subsidiary		
34	Koderma Transmission Limited	U40300DL2018GOI331192	Subsidiary		
35	Chandil Transmission Limited	U40108DL2018GOI330905	Subsidiary		
36	Mandar Transmission Limited	U40101DL2018GOI331526	Subsidiary		
37	Dumka Transmission Limited	U40300DL2018GOI331490	Subsidiary		
38	Bhind-Guna Transmission Limited	U40300DL2018GOI338734	Subsidiary		
39	Jam Khambaliya Transco Limited	U40105DL2019GOI347089	Subsidiary		
40	Udupi Kasargode Transmission Limited	U40100DL2018GOI342365	Subsidiary		
41	Ajmer Phagi Transco Limited	U40101DL2019GOI347423	Subsidiary		
42	Khetri Transco Limited	U40100DL2019GOI347127	Subsidiary		
43	WRSS XXI (A) Transco Limited	U40107DL2019GOI347713	Subsidiary		
44	Lakadia Banaskantha Transco Limited	U40107DL2019GOI347428	Subsidiary		
45	Creighton Energy Limited	07729268	Subsidiary	Subsidiaries through EESL	
46	EESL EnergyPro Assets Limited	10568873	Subsidiary		
47	Edina Acquisition Limited	11216307	Subsidiary		
48	Anesco Energy Services (South) Limited	08112903	Subsidiary		
49	Edina Limited	108087	Subsidiary		
50	EPAL Holdings Limited	11217655	Subsidiary		
51	Edina Australia Pty Limited	ABN77166334416	Subsidiary		
52	Edina Power Services Limited	151045	Subsidiary		
53	Stanbeck Limited	343017	Subsidiary		
54	Edina UK Limited	05660595	Subsidiary		
55	Edina Power Limited	NI048701	Subsidiary		
56	Armoura Holdings Limited	197018	Subsidiary		
57	Edina Manufacturing Limited	NI029915	Subsidiary		
58	Shree Maheshwar Hydel Power Corporation Limited	U40101MP1993PLC007667	Associate Company	23.32	Section 2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoter and Promotor Group									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt/ State Govt (s)	1740216107	0	1740216107	65.92	1558889417	0	1558889417	59.05	(6.87)
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**1740216107**	**0**	**1740216107**	**65.92**	**1558889417**	**0**	**1558889417**	**59.05**	**(6.87)**
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1740216107**	**0**	**1740216107**	**65.92**	**1558889417**	**0**	**1558889417**	**59.05**	**(6.87)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	158677531	0	158677531	6.01	311547880	0	311547880	11.80	5.79
b) Banks / FI	20755909	0	20755909	0.79	18554333	2	18554335	0.70	(0.08)
c) Central Govt/ State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	165642654	0	165642654	6.27	163827217	0	163827217	6.21	(0.07)
f) FIIs	369527793	0	369527793	14.00	439035837	0	439035837	16.63	2.63
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**714603887**	**0**	**714603887**	**27.07**	**932965267**	**2**	**932965269**	**35.34**	**8.27**
2. Non-Institutions									
a) Bodies Corp.	34046057	0	34046057	1.29	22221097	0	22221097	0.84	(0.45)
b) Individuals									
i) Individuals holding nominal share capital upto ₹ 1 lakh	102733167	53121	102786288	3.89	88282914	39650	88322564	3.35	(0.55)
ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	33950121	0	33950121	1.29	2413269	0	24613269	0.93	(0.35)
c) Others									
Clearing Members	5207426	0	5207426	0.20	5820168	0	5820168	0.22	0.02
IEPF	23184	0	23184	0.00	36835	0	36835	0.00	0.00
Non Resident Indians	3277676	0	3277676	0.12	2865120	0	2865120	0.11	(0.02)
NRI Non-repatriation	2132401	0	2132401	0.08	1020453	0	1020453	0.04	(0.04)
Trusts	3838261	0	3838261	0.15	3327216	0	3327216	0.13	(0.02)
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	185208293	53121	185261414	7.02	148187072	39650	148226722	5.61	(1.40)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	899812180	53121	899865301	34.08	1081152339	39652	1081191991	40.95	6.87
Total (A) + (B)	2640028287	53121	2640081408	100.00	2640041756	39652	2640081408	100.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
C. Shares held by Custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**2640028287**	**53121**	**2640081408**	**100.00**	**2640041756**	**39652**	**2640081408**	**100.00**	

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	President of India	1740216107	65.92	Nil	1558889417	59.05	Nil	(6.87)

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**President of India**					
	At the beginning of the year - Opening balance		1740216107	65.92	1740216107	65.92
	Date	**Type of Transaction**				
	18/06/2018	Sale (Transferred to Bharat 22 ETF)	(7176049)	0.28	1733040058	65.64
	04/12/2018	Sale (Transferred to FFO-3 of CPSE ETF)	(109808544)	4.16	1623231514	61.48
	21/02/2019	Sale (Transferred to Bharat 22 ETF)	(12196071)	0.46	1611035443	61.02
	25/03/2019	Sale (Transferred to FFO-4 of CPSE ETF	(52146026)	1.97	1558889417	59.05
	At the End of the year - Closing balance				1558889417	59.05

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**LIFE INSURANCE CORPORATION OF INDIA - ULIF00220091**					
	At the beginning of the year - Opening balance		157476305	5.96	157476305	5.96
	Date	**Type of Transaction**				
	10/08/2018	Sale	(250000)	(0.01)	157226305	5.96
	17/08/2018	Sale	(300000)	(0.01)	156926305	5.94
	24/08/2018	Sale	(100000)	0.00	156826305	5.94
	31/08/2018	Sale	(188331)	(0.01)	156637974	5.93
	07/09/2018	Sale	(177828)	(0.01)	156460146	5.93
	14/09/2018	Sale	(90000)	0.00	156370146	5.92
	21/09/2018	Sale	(50000)	0.00	156320146	5.92
	At the End of the year - Closing balance				**156320146**	5.92
2.	**HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND**					
	At the beginning of the year - Opening balance		85121960	3.22	85121960	3.22
	Date	**Type of Transaction**				
	06/04/2018	Purchase	4000000	0.15	89121960	3.38
	27/04/2018	Purchase	623443	0.02	89745403	3.40
	27/04/2018	Sale	(623443)	(0.02)	89121960	3.38
	04/05/2018	Purchase	456000	0.02	89577960	3.39
	11/05/2018	Purchase	120000	0.00	89697960	3.40
	01/06/2018	Purchase	3500000	0.13	93197960	3.53
	08/06/2018	Purchase	5417000	0.21	98614960	3.74
	15/06/2018	Purchase	5940000	0.22	104554960	3.96
	22/06/2018	Purchase	1522000	0.06	106076960	4.02
	29/06/2018	Purchase	1000000	0.04	107076960	4.06
	06/07/2018	Purchase	2042000	0.08	109118960	4.13
	13/07/2018	Purchase	120000	0.00	109238960	4.14
	20/07/2018	Purchase	820000	0.03	110058960	4.17
	27/07/2018	Purchase	2136000	0.08	112194960	4.25
	03/08/2018	Purchase	7198000	0.27	119392960	4.52
	10/08/2018	Purchase	42000	0.00	119434960	4.52
	17/08/2018	Purchase	12000	0.00	119446960	4.52
	24/08/2018	Purchase	2250000	0.09	121696960	4.61
	31/08/2018	Purchase	300000	0.01	121996960	4.62
	21/09/2018	Purchase	4859000	0.18	126855960	4.81
	28/09/2018	Purchase	7779969	0.29	134635929	5.10
	05/10/2018	Purchase	1504031	0.06	136139960	5.16
	12/10/2018	Purchase	1720000	0.07	137859960	5.22
	26/10/2018	Purchase	1295000	0.05	139154960	5.27
	26/10/2018	Sale	(2154000)	(0.08)	137000960	5.19
	02/11/2018	Purchase	250000	0.01	137250960	5.20
	09/11/2018	Purchase	634000	0.02	137884960	5.22
	16/11/2018	Purchase	12119000	0.46	150003960	5.68
	23/11/2018	Purchase	13418000	0.51	163421960	6.19

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	30/11/2018	Purchase	7176000	0.27	170597960	6.46
	30/11/2018	Sale	(426000)	(0.02)	170171960	6.45
	07/12/2018	Purchase	8125000	0.31	178296960	6.75
	14/12/2018	Purchase	4973800	0.19	183270760	6.94
	28/12/2018	Purchase	1930000	0.07	185200760	7.01
	31/12/2018	Purchase	2000000	0.08	187200760	7.09
	04/01/2019	Purchase	1200000	0.05	188400760	7.14
	11/01/2019	Purchase	1155000	0.04	189555760	7.18
	18/01/2019	Purchase	1470000	0.06	191025760	7.24
	22/02/2019	Purchase	2245835	0.09	193271595	7.32
	01/03/2019	Purchase	1400000	0.05	194671595	7.37
	08/03/2019	Purchase	614000	0.02	195285595	7.40
	29/03/2019	Purchase	3613000	0.14	198898595	7.53
	At the End of the year - Closing balance				198898595	7.53
3.	**UBS PRINCIPAL CAPITAL ASIA LTD**					
	At the beginning of the year - Opening balance		48260435	1.83	48260435	1.83
	Date	**Type of Transaction**				
	06/04/2018	Purchase	1482948	0.06	49743383	1.88
	13/04/2018	Sale	(72000)	0.00	49671383	1.88
	27/04/2018	Purchase	2004000	0.08	51675383	1.96
	04/05/2018	Purchase	5134079	0.19	56809462	2.15
	11/05/2018	Purchase	4294051	0.16	61103513	2.31
	18/05/2018	Purchase	10310000	0.39	71413513	2.70
	25/05/2018	Purchase	2607000	0.10	74020513	2.80
	08/06/2018	Purchase	122924	0.00	74143437	2.81
	15/06/2018	Sale	(122924)	0.00	74020513	2.80
	22/06/2018	Purchase	6061557	0.23	80082070	3.03
	29/06/2018	Purchase	4951443	0.19	85033513	3.22
	06/07/2018	Purchase	5780000	0.22	90813513	3.44
	13/07/2018	Purchase	2682000	0.10	93495513	3.54
	20/07/2018	Purchase	4820000	0.18	98315513	3.72
	27/07/2018	Purchase	1640000	0.06	99955513	3.79
	28/09/2018	Purchase	4953419	0.19	104908932	3.97
	05/10/2018	Purchase	2607581	0.10	107516513	4.07
	12/10/2018	Purchase	1289978	0.05	108806491	4.12
	19/10/2018	Purchase	657826	0.02	109464317	4.15
	26/10/2018	Purchase	2103432	0.08	111567749	4.23
	02/11/2018	Purchase	535299	0.02	112103048	4.25
	07/12/2018	Purchase	4000000	0.15	116103048	4.40
	21/12/2018	Purchase	1820264	0.07	117923312	4.47
	28/12/2018	Purchase	3271981	0.12	121195293	4.59
	11/01/2019	Sale	(444)	0.00	121194849	4.59
	08/02/2019	Purchase	3530922	0.13	124725771	4.72
	15/02/2019	Purchase	1969078	0.07	126694849	4.80

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	22/02/2019	Purchase	3536023	0.13	130230872	4.93
	01/03/2019	Purchase	3039128	0.12	133270000	5.05
	15/03/2019	Purchase	2311000	0.09	135581000	5.14
	29/03/2019	Purchase	6657384	0.25	142238384	5.39
	At the end of the year - Closing balance				142238384	5.39
4.	**RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCEARBIT**					
	At the beginning of the year - Opening balance		26693774	1.01	26693774	1.01
	Date	**Type of Transaction**				
	06/04/2018	Purchase	330737	0.01	27024511	1.02
	06/04/2018	Sale	(108060)	0.00	26916451	1.02
	13/04/2018	Purchase	1032831	0.04	27949282	1.06
	13/04/2018	Sale	(9696)	0.00	27939586	1.06
	20/04/2018	Purchase	1094073	0.04	29033659	1.10
	20/04/2018	Sale	(15828)	0.00	29017831	1.10
	27/04/2018	Purchase	600549	0.02	29618380	1.12
	27/04/2018	Sale	(18180)	0.00	29600200	1.12
	04/05/2018	Purchase	4347	0.00	29604547	1.12
	04/05/2018	Sale	(14544)	0.00	29590003	1.12
	11/05/2018	Purchase	9936	0.00	29599939	1.12
	11/05/2018	Sale	(45756)	0.00	29554183	1.12
	18/05/2018	Purchase	9333	0.00	29563516	1.12
	18/05/2018	Sale	(20604)	0.00	29542912	1.12
	25/05/2018	Purchase	15525	0.00	29558437	1.12
	25/05/2018	Sale	(706908)	(0.03)	28851529	1.09
	01/06/2018	Purchase	36831	0.00	28888360	1.09
	01/06/2018	Sale	(25452)	0.00	28862908	1.09
	08/06/2018	Purchase	7452	0.00	28870360	1.09
	08/06/2018	Sale	(408444)	(0.02)	28461916	1.08
	15/06/2018	Purchase	4380	0.00	28466296	1.08
	15/06/2018	Sale	(20604)	0.00	28445692	1.08
	22/06/2018	Purchase	4968	0.00	28450660	1.08
	22/06/2018	Sale	(12120)	0.00	28438540	1.08
	29/06/2018	Purchase	3649	0.00	28442189	1.08
	29/06/2018	Sale	(477096)	(0.02)	27965093	1.06
	06/07/2018	Purchase	21198	0.00	27986291	1.06
	06/07/2018	Sale	(121341)	0.00	27864950	1.06
	13/07/2018	Purchase	53515	0.00	27918465	1.06
	13/07/2018	Sale	(14568)	0.00	27903897	1.06
	20/07/2018	Sale	(93658)	0.00	27810239	1.05
	27/07/2018	Purchase	6835620	0.26	34645859	1.31
	27/07/2018	Sale	(4622638)	(0.18)	30023221	1.14
	03/08/2018	Purchase	1839368	0.07	31862589	1.21
	03/08/2018	Sale	(316108)	(0.01)	31546481	1.19
	10/08/2018	Purchase	11886	0.00	31558367	1.20

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	10/08/2018	Sale	(116609)	0.00	31441758	1.19
	17/08/2018	Purchase	3031130	0.11	34472888	1.31
	17/08/2018	Sale	(30674)	0.00	34442214	1.30
	24/08/2018	Purchase	3041932	0.12	37484146	1.42
	24/08/2018	Sale	(9919010)	(0.38)	27565136	1.04
	31/08/2018	Purchase	426318	0.02	27991454	1.06
	31/08/2018	Sale	(1337144)	(0.05)	26654310	1.01
	07/09/2018	Purchase	45800	0.00	26700110	1.01
	07/09/2018	Sale	(88093)	0.00	26612017	1.01
	14/09/2018	Purchase	73904	0.00	26685921	1.01
	14/09/2018	Sale	(70617)	0.00	26615304	1.01
	21/09/2018	Purchase	13685	0.00	26628989	1.01
	21/09/2018	Sale	(156156)	(0.01)	26472833	1.00
	28/09/2018	Sale	(1373227)	(0.05)	25099606	0.95
	05/10/2018	Purchase	67178	0.00	25166784	0.95
	05/10/2018	Sale	(33577)	0.00	25133207	0.95
	12/10/2018	Purchase	44373	0.00	25177580	0.95
	12/10/2018	Sale	(132000)	0.00	25045580	0.95
	19/10/2018	Sale	(7194)	0.00	25038386	0.95
	26/10/2018	Sale	(4764972)	(0.18)	20273414	0.77
	02/11/2018	Purchase	7139924	0.27	27413338	1.04
	09/11/2018	Purchase	2000003	0.08	29413341	1.11
	09/11/2018	Sale	(175877)	(0.01)	29237464	1.11
	16/11/2018	Purchase	846000	0.03	30083464	1.14
	16/11/2018	Sale	(14390)	0.00	30069074	1.14
	23/11/2018	Purchase	270000	0.01	30339074	1.15
	23/11/2018	Sale	(2541839)	(0.10)	27797235	1.05
	30/11/2018	Sale	(2396015)	(0.09)	25401220	0.96
	07/12/2018	Purchase	110216059	4.17	135617279	5.14
	07/12/2018	Sale	(1224000)	(0.05)	134393279	5.09
	14/12/2018	Sale	(34275805)	(1.30)	100117474	3.79
	21/12/2018	Purchase	4500000	0.17	104617474	3.96
	21/12/2018	Sale	(11415602)	(0.43)	93201872	3.53
	28/12/2018	Purchase	902400	0.03	94104272	3.56
	28/12/2018	Sale	(14319524)	(0.54)	79784748	3.02
	31/12/2018	Purchase	150	0.00	79784898	3.02
	31/12/2018	Sale	(69680)	0.00	79715218	3.02
	04/01/2019	Purchase	1362222	0.05	81077440	3.07
	11/01/2019	Purchase	62639494	2.37	143716934	5.44
	11/01/2019	Sale	(70788758)	(2.68)	72928176	2.76
	18/01/2019	Sale	(1773999)	(0.07)	71154177	2.70
	25/01/2019	Sale	(893061)	(0.03)	70261116	2.66
	01/02/2019	Purchase	1511062	0.06	71772178	2.72
	01/02/2019	Sale	(10794740)	(0.41)	60977438	2.31

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	08/02/2019	Purchase	2660007	0.10	63637445	2.41
	08/02/2019	Sale	(435685)	(0.02)	63201760	2.39
	15/02/2019	Sale	(3756707)	(0.14)	59445053	2.25
	22/02/2019	Purchase	44	0.00	59445097	2.25
	22/02/2019	Sale	(4929324)	(0.19)	54515773	2.06
	01/03/2019	Purchase	251	0.00	54516024	2.06
	01/03/2019	Sale	(6292098)	(0.24)	48223926	1.83
	08/03/2019	Purchase	65022	0.00	48288948	1.83
	08/03/2019	Sale	(144902)	(0.01)	48144046	1.82
	15/03/2019	Purchase	8614	0.00	48152660	1.82
	15/03/2019	Sale	(3962585)	(0.15)	44190075	1.67
	22/03/2019	Purchase	1367561	0.05	45557636	1.73
	22/03/2019	Sale	(2098553)	(0.08)	43459083	1.65
	29/03/2019	Purchase	50476814	1.91	93935897	3.56
	At the end of the year - Closing balance				**93935897**	**3.56**
5.	**MORGAN STANLEY MAURITIUS COMPANY LIMITED**					
	At the beginning of the year - Opening balance				17373686	0.66
	Date	**Type of Transaction**				
	13/04/2018	Sale	(874)	0.00	17372812	0.66
	20/04/2018	Sale	(6300)	0.00	17366512	0.66
	27/04/2018	Sale	(6639)	0.00	17359873	0.66
	08/06/2018	Sale	(393205)	(0.01)	16966668	0.64
	15/06/2018	Sale	(838377)	(0.03)	16128291	0.61
	22/06/2018	Sale	(312000)	(0.01)	15816291	0.60
	29/06/2018	Sale	(547688)	(0.02)	15268603	0.58
	06/07/2018	Sale	(180000)	(0.01)	15088603	0.57
	13/07/2018	Sale	(32480)	0.00	15056123	0.57
	20/07/2018	Sale	(342000)	(0.01)	14714123	0.56
	27/07/2018	Sale	(439762)	(0.02)	14274361	0.54
	03/08/2018	Sale	(1209718)	(0.05)	13064643	0.49
	17/08/2018	Sale	(63449)	0.00	13001194	0.49
	24/08/2018	Sale	(78000)	0.00	12923194	0.49
	07/09/2018	Sale	(282)	0.00	12922912	0.49
	14/09/2018	Sale	(111344)	0.00	12811568	0.49
	21/09/2018	Sale	(70944)	0.00	12740624	0.48
	28/09/2018	Sale	(3498681)	(0.13)	9241943	0.35
	05/10/2018	Sale	(1982751)	(0.08)	7259192	0.27
	12/10/2018	Sale	(3264000)	(0.12)	3995192	0.15
	19/10/2018	Sale	(264000)	(0.01)	3731192	0.14
	26/10/2018	Sale	(162000)	(0.01)	3569192	0.14
	02/11/2018	Sale	(435801)	(0.02)	3133391	0.12
	09/11/2018	Sale	(3109444)	(0.12)	23947	0.00
	30/11/2018	Sale	(23947)	0.00	0	0.00
	At the End of the year - Closing balance				0	0

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**MIRAE ASSET INDIA EQUITY FUND**					
	At the beginning of the year - Opening balance				7100000	0.27
	Date	**Type of Transaction**				
	27/04/2018	Sale	(500000)	(0.02)	6600000	0.25
	04/05/2018	Sale	(500000)	(0.02)	6100000	0.23
	18/05/2018	Sale	(1000000)	(0.04)	5100000	0.19
	01/06/2018	Purchase	2320024	0.09	7420024	0.28
	08/06/2018	Purchase	2850000	0.11	10270024	0.39
	15/06/2018	Purchase	960000	0.04	11230024	0.43
	17/08/2018	Purchase	396120	0.02	11626144	0.44
	19/10/2018	Purchase	750000	0.03	12376144	0.47
	26/10/2018	Purchase	425000	0.02	12801144	0.48
	16/11/2018	Sale	(4345101)	(0.16)	8456043	0.32
	23/11/2018	Sale	(2571140)	(0.10)	5884903	0.22
	30/11/2018	Sale	(969672)	(0.04)	4915231	0.19
	14/12/2018	Purchase	2500000	0.09	7415231	0.28
	11/01/2019	Purchase	500000	0.02	7915231	0.30
	22/03/2019	Purchase	3377423	0.13	11292654	0.43
	29/03/2019	Purchase	1569400	0.06	12862054	0.49
	At the End of the year - Closing balance				12862054	0.49
7.	**LSV EMERGING MARKETS EQUITY FUND LP**					
	At the beginning of the year - Opening balance				10556100	0.40
	Date	**Type of Transaction**				
	25/05/2018	Purchase	2069400	0.08	12625500	0.48
	At the End of the year - Closing balance				12625500	0.48
8.	**BNP PARIBAS ARBITRAGE**					
	At the beginning of the year - Opening balance				12364874	0.47
	Date	**Type of Transaction**				
	06/04/2018	Sale	(3384000)	(0.13)	8980874	0.34
	04/05/2018	Sale	(53764)	0.00	8927110	0.34
	11/05/2018	Sale	(26844)	0.00	8900266	0.34
	18/05/2018	Sale	(72461)	0.00	8827805	0.33
	25/05/2018	Sale	(88585)	0.00	8739220	0.33
	01/06/2018	Sale	(46255)	0.00	8692965	0.33
	08/06/2018	Sale	(12000)	0.00	8680965	0.33
	22/06/2018	Sale	(1694160)	(0.06)	6986805	0.26
	29/06/2018	Sale	(83484)	0.00	6903321	0.26
	27/07/2018	Sale	(912000)	(0.03)	5991321	0.23
	24/08/2018	Sale	(30000)	0.00	5961321	0.23
	31/08/2018	Purchase	81864	0.00	6043185	0.23
	28/09/2018	Sale	(2046000)	(0.08)	3997185	0.15
	26/10/2018	Sale	(3258000)	(0.12)	739185	0.03
	30/11/2018	Sale	(718931)	(0.03)	20254	0.00
	14/12/2018	Purchase	1440000	0.05	1460254	0.06

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	28/12/2018	Purchase	18600	0.00	1478854	0.06
	11/01/2019	Sale	(688200)	(0.03)	790654	0.03
	18/01/2019	Purchase	434000	0.02	1224654	0.05
	08/02/2019	Purchase	365800	0.01	1590454	0.06
	15/02/2019	Sale	(496000)	(0.02)	1094454	0.04
	22/02/2019	Sale	(620000)	(0.02)	474454	0.02
	08/03/2019	Purchase	2157600	0.08	2632054	0.10
	15/03/2019	Purchase	491069	0.02	3123123	0.12
	22/03/2019	Sale	(43400)	0.00	3079723	0.12
	29/03/2019	Sale	(2078053)	(0.08)	1001670	0.04
	At the end of the year - Closing balance				1001670	0.04
9.	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI**					
	At the beginning of the year - Opening balance				11684839	0.44
	Date	**Type of Transaction**				
	04/05/2018	Sale	(18040)	0.00	11666799	0.44
	11/05/2018	Sale	(17138)	0.00	11649661	0.44
	01/06/2018	Sale	(13530)	0.00	11636131	0.44
	22/06/2018	Sale	(22837)	0.00	11613294	0.44
	29/06/2018	Sale	(464276)	(0.02)	11149018	0.42
	06/07/2018	Sale	(15039)	0.00	11133979	0.42
	13/07/2018	Sale	(23951)	0.00	11110028	0.42
	28/09/2018	Sale	(826260)	(0.03)	10283768	0.39
	16/11/2018	Purchase	13140	0.00	10296908	0.39
	23/11/2018	Purchase	34164	0.00	10331072	0.39
	07/12/2018	Purchase	16644	0.00	10347716	0.39
	21/12/2018	Purchase	47304	0.00	10395020	0.39
	01/02/2019	Purchase	59508	0.00	10454528	0.40
	08/02/2019	Purchase	189810	0.01	10644338	0.40
	29/03/2019	Purchase	23598	0.00	10667936	0.40
	At the end of the year - Closing balance				10667936	0.40
10.	**ABU DHABI INVESTMENT AUTHORITY - PEACOCK**					
	At the beginning of the year - Opening balance				6417301	0.24
	Date	**Type of Transaction**				
	06/04/2018	Sale	(22016)	0.00	6395285	0.24
	13/04/2018	Sale	(252062)	(0.01)	6143223	0.23
	04/05/2018	Purchase	301989	0.01	6445212	0.24
	04/05/2018	Sale	(4608)	0.00	6440604	0.24
	11/05/2018	Sale	(128753)	0.00	6311851	0.24
	18/05/2018	Purchase	217920	0.01	6529771	0.25
	25/05/2018	Sale	(291096)	(0.01)	6238675	0.24
	01/06/2018	Sale	(2193886)	(0.08)	4044789	0.15
	08/06/2018	Sale	(294979)	(0.01)	3749810	0.14
	24/08/2018	Purchase	1000000	0.04	4749810	0.18
	31/08/2018	Purchase	1000000	0.04	5749810	0.22
	05/10/2018	Purchase	606102	0.02	6355912	0.24
	12/10/2018	Purchase	1137942	0.04	7493854	0.28
	26/10/2018	Purchase	1744044	0.07	9237898	0.35
	26/10/2018	Sale	(1744044)	(0.07)	7493854	0.28
	07/12/2018	Purchase	2050000	0.08	9543854	0.36
	01/03/2019	Purchase	554995	0.02	10098849	0.38
	08/03/2019	Purchase	250005	0.01	10348854	0.39
	29/03/2019	Purchase	1186601	0.04	11535455	0.44
	At the end of the year - Closing balance				11535455	0.44
11.	**MORGAN STANLEY (FRANCE) S.A.**					
	At the beginning of the year - Opening balance				10795655	0.41
	Date	**Type of Transaction**				
	06/04/2018	Purchase	2158225	0.08	12953880	0.49
	13/04/2018	Sale	(198000)	(0.01)	12755880	0.48
	20/04/2018	Sale	(6000)	0.00	12749880	0.48
	27/04/2018	Sale	(680541)	(0.03)	12069339	0.46
	04/05/2018	Sale	(3365677)	(0.13)	8703662	0.33
	11/05/2018	Sale	(1909547)	(0.07)	6794115	0.26
	18/05/2018	Sale	(2964108)	(0.11)	3830007	0.15
	25/05/2018	Purchase	1360556	0.05	5190563	0.20
	01/06/2018	Sale	(266095)	(0.01)	4924468	0.19
	08/06/2018	Sale	(1868315)	(0.07)	3056153	0.12
	15/06/2018	Sale	(2910000)	(0.11)	146153	0.01
	22/06/2018	Purchase	74652	0.00	220805	0.01
	29/06/2018	Sale	(88994)	0.00	131811	0.00
	06/07/2018	Purchase	194537	0.01	326348	0.01
	13/07/2018	Purchase	669857	0.03	996205	0.04
	20/07/2018	Sale	(775764)	(0.03)	220441	0.01
	27/07/2018	Purchase	887091	0.03	1107532	0.04
	03/08/2018	Purchase	92117	0.00	1199649	0.05
	10/08/2018	Purchase	51959	0.00	1251608	0.05
	17/08/2018	Sale	(1233218)	(0.05)	18390	0.00
	24/08/2018	Purchase	68424	0.00	86814	0.00
	31/08/2018	Purchase	1564380	0.06	1651194	0.06
	07/09/2018	Purchase	677347	0.03	2328541	0.09
	14/09/2018	Sale	(1443673)	(0.05)	884868	0.03
	21/09/2018	Sale	(254327)	(0.01)	630541	0.02
	28/09/2018	Sale	(630541)	(0.02)	0	0.00
	05/10/2018	Purchase	196487	0.01	196487	0.01
	12/10/2018	Purchase	1123022	0.04	1319509	0.05
	19/10/2018	Sale	(600389)	(0.02)	719120	0.03
	26/10/2018	Purchase	158000	0.01	877120	0.03
	02/11/2018	Purchase	39697801	1.50	40574921	1.54
	09/11/2018	Sale	(7687556)	(0.29)	32887365	1.25

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	16/11/2018	Purchase	3153559	0.12	36040924	1.37
	23/11/2018	Sale	(12043598)	(0.46)	23997326	0.91
	30/11/2018	Purchase	987577	0.04	24984903	0.95
	07/12/2018	Sale	(7925628)	(0.30)	17059275	0.65
	14/12/2018	Sale	(524179)	(0.02)	16535096	0.63
	21/12/2018	Sale	(675422)	(0.03)	15859674	0.60
	28/12/2018	Sale	(1252892)	(0.05)	14606782	0.55
	31/12/2018	Purchase	9523231	0.36	24130013	0.91
	04/01/2019	Purchase	570003	0.02	24700016	0.94
	11/01/2019	Purchase	967268	0.04	25667284	0.97
	18/01/2019	Purchase	2947432	0.11	28614716	1.08
	25/01/2019	Purchase	1971827	0.07	30586543	1.16
	01/02/2019	Purchase	2834482	0.11	33421025	1.27
	08/02/2019	Purchase	6434719	0.24	39855744	1.51
	15/02/2019	Purchase	4610515	0.17	44466259	1.68
	22/02/2019	Purchase	5451576	0.21	49917835	1.89
	01/03/2019	Purchase	2847723	0.11	52765558	2.00
	08/03/2019	Purchase	4461213	0.17	57226771	2.17
	15/03/2019	Purchase	303636	0.01	57530407	2.18
	22/03/2019	Sale	(2555590)	(0.10)	54974817	2.08
	29/03/2019	Sale	(1706811)	(0.06)	**53268006**	2.02
	At the end of the year - Closing balance				**53268006**	2.02
12.	**KOTAK EQUITY ARBITRAGE FUND**					
	At the beginning of the year - Opening balance				10710000	0.41
	Date	**Type of Transaction**				
	13/04/2018	Purchase	6000	0.00	10716000	0.41
	27/04/2018	Sale	(6000)	0.00	10710000	0.41
	11/05/2018	Sale	(6000)	0.00	10704000	0.41
	25/05/2018	Sale	(84000)	0.00	10620000	0.40
	01/06/2018	Purchase	30000	0.00	10650000	0.40
	01/06/2018	Sale	(18000)	0.00	10632000	0.40
	08/06/2018	Purchase	3354000	0.13	13986000	0.53
	15/06/2018	Sale	(210000)	(0.01)	13776000	0.52
	22/06/2018	Sale	(372000)	(0.01)	13404000	0.51
	29/06/2018	Sale	(42000)	0.00	13362000	0.51
	06/07/2018	Purchase	318000	0.01	13680000	0.52
	13/07/2018	Purchase	102000	0.00	13782000	0.52
	20/07/2018	Sale	(582000)	(0.02)	13200000	0.50
	27/07/2018	Purchase	498000	0.02	13698000	0.52
	03/08/2018	Purchase	60000	0.00	13758000	0.52
	17/08/2018	Sale	(6000)	0.00	13752000	0.52
	24/08/2018	Sale	(126000)	0.00	13626000	0.52
	31/08/2018	Sale	(36000)	0.00	13590000	0.51
	14/09/2018	Sale	(96000)	0.00	13494000	0.51

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	21/09/2018	Sale	(59351)	0.00	13434649	0.51
	28/09/2018	Sale	(1056649)	(0.04)	12378000	0.47
	05/10/2018	Sale	(12000)	0.00	12366000	0.47
	12/10/2018	Purchase	180000	0.01	12546000	0.48
	12/10/2018	Sale	(24000)	0.00	12522000	0.47
	19/10/2018	Purchase	30000	0.00	12552000	0.48
	26/10/2018	Sale	(12522000)	(0.47)	30000	0.00
	09/11/2018	Purchase	246000	0.01	276000	0.01
	16/11/2018	Purchase	260532	0.01	536532	0.02
	23/11/2018	Purchase	37148	0.00	573680	0.02
	30/11/2018	Sale	(573680)	(0.02)	**0**	0.00
	At the end of the year - Closing balance				**0**	0.00
13	**BHARAT 22 ETF**					
	At the beginning of the year - Opening balance				10580363	0.40
	Date	**Type of Transaction**				
	06/04/2018	Purchase	29928	0.00	10610291	0.40
	06/04/2018	Sale	(186)	0.00	10610105	0.40
	13/04/2018	Purchase	41148	0.00	10651253	0.40
	13/04/2018	Sale	(28068)	0.00	10623185	0.40
	20/04/2018	Purchase	1908	0.00	10625093	0.40
	20/04/2018	Sale	(132264)	(0.01)	10492829	0.40
	27/04/2018	Sale	(7998)	0.00	10484831	0.40
	04/05/2018	Sale	(83292	0.00	10401539	0.39
	11/05/2018	Purchase	77767	0.00	10479306	0.40
	11/05/2018	Sale	(73632)	0.00	10405674	0.39
	18/05/2018	Purchase	650	0.00	10406324	0.39
	18/05/2018	Sale	(69966)	0.00	10336358	0.39
	25/05/2018	Purchase	9073	0.00	10345431	0.39
	25/05/2018	Sale	(118599)	0.00	10226832	0.39
	01/06/2018	Purchase	16644	0.00	10243476	0.39
	01/06/2018	Sale	(69852)	0.00	10173624	0.39
	08/06/2018	Purchase	14808	0.00	10188432	0.39
	08/06/2018	Sale	(3960)	0.00	10184472	0.39
	15/06/2018	Purchase	3249	0.00	10187721	0.39
	15/06/2018	Sale	(6528)	0.00	10181193	0.39
	22/06/2018	Purchase	56688	0.00	10237881	0.39
	22/06/2018	Sale	(165989)	(0.01)	10071892	0.38
	29/06/2018	Purchase	7132537	0.27	17204429	0.65
	29/06/2018	Sale	(49858)	0.00	17154571	0.65
	06/07/2018	Purchase	6922	0.00	17161493	0.65
	06/07/2018	Sale	(2188488)	(0.08)	14973005	0.57
	13/07/2018	Sale	(919082)	(0.03)	14053923	0.53
	20/07/2018	Purchase	4050	0.00	14057973	0.53
	20/07/2018	Sale	(477588)	(0.02)	13580385	0.51

CORPORATE OVERVIEW

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Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	27/07/2018	Purchase	3375	0.00	13583760	0.51
	27/07/2018	Sale	(923797)	(0.03)	12659963	0.48
	03/08/2018	Purchase	2331	0.00	12662294	0.48
	03/08/2018	Sale	(1143096)	(0.04)	11519198	0.44
	10/08/2018	Purchase	315	0.00	11519513	0.44
	10/08/2018	Sale	(70956)	0.00	11448557	0.43
	17/08/2018	Purchase	3790	0.00	11452347	0.43
	17/08/2018	Sale	(153960)	(0.01)	11298387	0.43
	24/08/2018	Purchase	9348	0.00	11307735	0.43
	24/08/2018	Sale	(235368)	(0.01)	11072367	0.42
	31/08/2018	Purchase	6766	0.00	11079133	0.42
	31/08/2018	Sale	(622416)	(0.02)	10456717	0.40
	07/09/2018	Purchase	3925	0.00	10460642	0.40
	07/09/2018	Sale	(27312)	0.00	10433330	0.40
	14/09/2018	Purchase	1889	0.00	10435219	0.40
	14/09/2018	Sale	(3792)	0.00	10431427	0.40
	21/09/2018	Purchase	3165	0.00	10434592	0.40
	21/09/2018	Sale	(4020)	0.00	10430572	0.40
	28/09/2018	Sale	(372411)	(0.01)	10058161	0.38
	05/10/2018	Purchase	7308	0.00	10065469	0.38
	05/10/2018	Sale	(5385)	0.00	10060084	0.38
	12/10/2018	Purchase	96000	0.00	10156084	0.38
	12/10/2018	Sale	(300)	0.00	10155784	0.38
	19/10/2018	Purchase	1380	0.00	10157164	0.38
	26/10/2018	Sale	(1597740)	(0.06)	8559424	0.32
	02/11/2018	Sale	(1620)	0.00	8557804	0.32
	09/11/2018	Sale	(1320)	0.00	8556484	0.32
	16/11/2018	Sale	(1092)	0.00	8555392	0.32
	23/11/2018	Sale	(152160)	(0.01)	8403232	0.32
	30/11/2018	Sale	(3270200)	(0.12)	5133032	0.19
	07/12/2018	Purchase	4464	0.00	5137496	0.19
	14/12/2018	Sale	(888)	0.00	5136608	0.19
	21/12/2018	Purchase	161392	0.01	5298000	0.20
	21/12/2018	Sale	(4272)	0.00	5293728	0.20
	28/12/2018	Sale	(366380)	(0.01)	4927348	0.19
	31/12/2018	Sale	(1380)	0.00	4925968	0.19
	04/01/2019	Purchase	797708	0.03	5723676	0.22
	11/01/2019	Sale	(164332)	(0.01)	5559344	0.21
	18/01/2019	Purchase	700508	0.03	6259852	0.24
	25/01/2019	Sale	(3360)	0.00	6256492	0.24
	01/02/2019	Sale	(3684)	0.00	6252808	0.24
	08/02/2019	Sale	(409284)	(0.02)	5843524	0.22
	15/02/2019	Sale	(922524)	(0.03)	4921000	0.19
	22/02/2019	Purchase	12108459	0.46	17029459	0.65

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	01/03/2019	Sale	(7506708)	(0.28)	9522751	0.36
	08/03/2019	Sale	(596330)	(0.02)	8926421	0.34
	15/03/2019	Sale	(778224)	(0.03)	8148197	0.31
	22/03/2019	Sale	(1843963)	(0.07)	6304234	0.24
	29/03/2019	Sale	(814560)	(0.03)	**5489674**	0.21
	At the end of the year - Closing balance				**5489674**	0.21
14	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**					
	At the beginning of the year - Opening balance				9060032	0.34
	Date	**Type of Transaction**				
	24/08/2018	Purchase	426278	0.02	9486310	0.36
	22/02/2019	Purchase	540602	0.02	10026912	0.38
	01/03/2019	Purchase	317709	0.01	**10344621**	0.39
	At the end of the year - Closing balance				**10344621**	0.39

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Rajeev Sharma**				
	At the beginning of the year	32574	0.00	32574	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	32574	0.00
	At the end of the year			32574	0.00
2.	**N. B. Gupta**				
	At the beginning of the year	24584	0.00	24584	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	24584	0.00
	At the end of the year			24584	0.00
3.	**D. Ravi (upto May 31, 2018)**				
	At the beginning of the year	2000	0.00	2000	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	2000	0.00
	At the end of the year			2000	0.00
4.	**C. Gangopadhyay**				
	At the beginning of the year	21488	0.00	21488	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	21488	0.00
	At the end of the year			21488	0.00
5.	**P.K. Singh (w.e.f. August 10, 2018)**				
	At the beginning of the year	27194	0.00	27194	0.00
	Increase / Decrease in Shareholding during the year	5000	0.00	32194	0.00
	At the end of the year			32194	

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**Arun Kumar Verma**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00
7.	**Sitaram Pareek**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00
8.	**Gouri Chaudhury**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00
9.	**Manohar Balwani**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crore)

		Secured Loans excluding deposits	Unsecured Loans*	Unsecured Loans (GoI fully serviced bonds	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year						
i)	Principal Amount	20401.59	209136.77	5000.00	0.00	234538.36
ii)	Interest due but not paid	0.00	0.00	–	0.00	0.00
iii)	Interest accrued but not due	818.54	6709.79	38.21	0.00	7566.54
	Total (i+ii+iii)	**21220.13**	**215846.56**	**5038.21**	**0.00**	**242104.90**
Change in Indebtedness during the financial year						
	Addition	6886.42	111321.03	38.21	0.00	118245.67
	Reduction	(8134.24)	(65832.84)	(38.21)	0.00	74005.28
	Exchange loss	0.00	856.66	0.00	0.00	856.66
	Net Change	(1247.82)	46344.85	0.00	0.00	**45097.05**
Indebtedness at the end of the financial year						
i)	Principal Amount	19327.84	255742.78	5000	0.00	280070.62
ii)	Interest due but not paid	0.00	0.00	0.00	0.00	0.00
iii)	Interest accrued but not due	644.47	6448.65	38.21	0.00	7131.33
	Total (i+ii+iii)	**19972.31**	**262191.43**	**5038.21**	**0.00**	**287201.95**

*Notes

1 Exchange rates relevant for closing of annual accounts are as follows:

	31-03-2019	31-03-2018
USD/INR	69.1550	65.1750
JPY/INR	0.624175	0.61505
EUR/INR	77.67250	80.8075

2 In case of principal amount (loan liability), additions represent "borrowing during the year" and reduction represents "repayments during the year".

3 In case of interest payments, the rate relevant for the remittance is used for booking interest expense and therefore, no exchange gain / loss arises for the purpose of accounting. Therefore, change in interest is shown as "addition"

4 Exchange loss mentioned above is calculated as per "taxation method" for reconciliation; in case loss as per amortization rule in AS-11 is taken, opening and closing balances of loan liability will not reconcile.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors: **(In ₹)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Rajeev Sharma	C. Gangopadhyay	D. Ravi (upto May 31, 2018)	N. B. Gupta	P. K. Singh (w.e.f. August 10, 2018)	
1.	**Gross salary**						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10808565	9369191	7046052	8883389	3616032	39723229
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3118923	105333	803914	199317	119780	4347267
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0	0
2.	**Stock Option**	0	0	0	0	0	0
3.	**Sweat Equity**	0	0	0	0	0	0
4.	**Commission**	0	0	0	0	0	0
	- as % of profit	0	0	0	0	0	0
	- others	0	0	0	0	0	0
5.	**Others**	4548693	741786	249615	1468892	484003	7492989
	Total (A)	**18476181**	**10216310**	**8099581**	**10551598**	**4219815**	**51563485**
	Ceiling as per the Act*						

* PFC being a Government Company, the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company.

B. Remuneration to other directors: **(In ₹)**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Sitaram Pareek	Gouri Chaudhry	
1.	**Independent Directors***	**Sitaram Pareek**	**Gouri Chaudhry**	
	Fee for attending board / committee meetings	660000	540000	1200000
	Commission	-	-	-
	Others	8200	6200	14400
	Total (1)	**668200**	**546200**	**1214400**
2.	**Other Non-Executive Directors #**	**Arun Kumar Verma**		
	Fee for attending board / committee meetings	0		
	Commission	0		
	Others	0		
	Total (2)	**0**		
	Total (B)=(1+2)			**1214400**
	Total Managerial Remuneration (A+B)			**52777885**
	Overall Ceiling as per the Act*			

Note: Others include out of pocket expenses, reimbursement of travelling exp. & honorarium for attending the meeting of DPC for promotion

*The Independent Directors were paid the sitting fees at a rate fixed by the Board i.e. ₹ 20,000 within the limits as prescribed under the Companies Act, 2013 i.e. ₹ 1,00,000 for attending each meeting of the Board and Committees of Directors.

#Government nominees are not entitled to any remuneration or sitting fee from the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD (In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Shri Manohar Balwani, CS	Total Amount
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5668186	5668186
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	431967	431967
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others	0	0
5.	Others (Contribution to Superannuation Benefits, Residential Lease & Non Taxable Perquisites)	629538	629538
	Total	**6729691**	**6729691**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (In ₹)

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Annual Report on CSR Activities for the FY 2018-19

(Pursuant to Rule 9 of Companies (Accounts) Rules, 2014 and Rule 8 of Companies (Corporate Social Responsibility Policy), Rules, 2014)

S. No.	Particulars	Details
1	A brief outline of PFC's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The aim of PFC's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society. PFC's CSR and Sustainability Policy approved by the Board of Directors on the recommendation of CSR & SD Committee of Directors is in compliance with the Companies Act, 2013 and DPE guidelines. In line with Section 135 of the Companies Act, 2013, at least 2% of the average Stand-alone Net Profit Before Tax (PBT) of the company earned during the three immediately preceding financial years is allocated every financial year for CSR activities. PFC has implemented its CSR and Sustainability Policy with all its earnest and zeal. To oversee the activities of CSR, PFC has in place a Board level CSR&SD Committee of Directors headed by an Independent Director. During the year, PFC implemented wide range of activities in the field of Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled. Further, DPE vide OM dated December 10, 2018 has instructed CPSEs to spend 60% of CSR budget for thematic programme (i.e. School Education and Healthcare for year 2018-19) preferably in aspirational districts. The details of the PFC's CSR policy and projects/programs is available at the following links: http://pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSRpolicy_07032019.pdf http://pfcindia.com/DocumentRepository/ckfinder/files/CSR/List_of_the_projects_CSR_FY_18_19.pdf
2.	The Composition of the CSR Committee	PFC has in place a CSR & SD Committee of Directors to give directions to the CSR and SD activities and to make recommendations to the Board of Directors for taking up various CSR & SD projects. As on March 31, 2019 the Committee comprised of the following: 1. Shri Sitaram Pareek, Independent Director — Chairman 2. Shri Praveen Kumar Singh, Director (Commercial) — Member 3. Shri Chinmoy Gangopadhyay, Director (Projects) — Member
3.	Average net profit of PFC for last three financial years	₹ 7,407.42 crore
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	For the FY 2018-19, the Board had approved the CSR budget of ₹ 148.15 crore based on 2% of the average stand-alone Profit Before Tax as per Companies Act 2013 excluding dividend received from other companies covered under and complying with Section 135 of the Act in line with Rule 2(f) (ii) of Companies (CSR Policy) Rules 2014.
5.	Details of CSR spent during the financial year*:	
a	Total amount to be spent for the financial year;	₹ 279.38 crore (i.e. ₹ 148.15 crore for FY 2018-19 and ₹ 131.23 crore carried forward from previous years)
b	Amount unspent , if any;	₹ 178.88 crore^
c	Manner in which the amount spent during the financial year is detailed below.	During FY 2018-19, ₹ 100.50 crore has been spent in the following manner:-

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 18-19 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)#	Amount spent: Direct or through Implementing agency
1	Water Distribution Pipeline in selected wards of Chanderi town, Ashok Nagar district	Sanitation/Drinking water / Healthcare	Madhya Pradesh	3.66	1.46	3.29	Through Implementing agency
2	Relief & Rehabilitation activities in the flood affected areas of Uttarakhand for re-building of infrastructure destroyed during calamity	Others	Uttarakhand	3.00	0.50	1.52	
3	Supply, installation and commissioning of Mini/Micro Off Grid Solar PV Power Plant in three villages - Phoj Kudana, Bhoj Plasra & Patiye ki Bhood under Ambala circle	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Haryana	3.84	0.05	0.05	
4	Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Bihar	8.99	1.60	8.99	
5	LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Arunachal Pradesh	15.12	2.73	10.87	
6	Implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi, Uttar Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.11	0.97	
7	Implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.11	0.97	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 18-19 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)#	Amount spent: Direct or through Implementing agency
8	Providing the services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area	Sanitation/Drinking water / Healthcare	Uttar Pradesh	8.00	2.46	5.60	
9	Multi Therapy Unit under Integrated Muscular Dystrophy Rehabilitation Centre (IMDRC) at Solan	Sanitation/Drinking water / Healthcare	Himachal Pradesh	1.94	0.39	1.75	
10	Implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit, Uttar Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	-	0.13	1.14	
11	Employment Oriented Training and Skill Development programme for SC/ST/OBC/Women & EWS of society for 2000 persons	Education / Vocational Skill development	Pan India	7.89	0.79	7.71	
12	Skill Development programme for persons belonging to SC/ST/OBC/ Women/PWD & EWS of society for 3000 persons phase-I	Education / Vocational Skill development	Pan India	9.30	0.93	9.30	
13	Provisioning of Hi-End Prosthetic & Orthotic Artificial Limbs to Persons with Disabilities (PwDs) in Mumbai and its suburb areas i.e Thane, Kalyan, Raigad,Uraan.	Sanitation/Drinking water / Healthcare	Maharashtra	1.10	0.25	1.08	
14	Skill Development programme for SC/ST/ OBC/Women/PWD & EWS of society for 900 persons	Education / Vocational Skill development	Pan India	2.20	0.21	2.19	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 18-19 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)#	Amount spent: Direct or through Implementing agency
15	Implementation of 500 nos. of solar based LED Street Lighting System in Basti	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.28	0.13	1.14	
16	Fitment of cochlear Implants to 100 nos. Hearing Impaired Children	Sanitation/Drinking water / Healthcare	Pan India	6.31	1.60	6.31	
17	Solar Community Irrigation Schemes for 1000 Hectares area	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Chhattisgarh	24.00	0.27	13.01	
18	500 nos. of solar based LED Street Lighting System in Shrawasti	Environmental Sustainability (Solar applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.13	0.11	1.01	
19	Employment oriented Skill Development Programme for SC/ST/OBC/Women & EWS for 1200 persons	Education / Vocational Skill development	Pan India	4.53	1.72	4.01	
20	500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) district phase-II	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.11	1.08	
21	Solar based LED Street Lighting System (SLS) and Solar High Mast Lights (SHMLS) in Deoria region	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	0.49	0.21	0.21	
22	Solar based LED Street Lighting System (SLS) and Solar High Mast Lights (SHMLS) in Agra (North), Agra (South) and Firozabad regions	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	2.26	1.30	1.30	
23	Construction of 580 Hand Washing Units in Govt. schools of Sitamarhi	Sanitation/Drinking water / Healthcare	Bihar	1.99	1.79	1.79	
24	Supply, Installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages in Pali	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Rajasthan	1.14	0.91	1.14	
25	Skill Development Training Programme for SC/ST/ OBC/PWD/Women & EWS of society for 2500 candidates-phase-II	Education / Vocational Skill development	Pan India	15.00	4.77	14.93	
26	Supply, Installation and Commissioning of 450 nos. of LED based Solar Street Lighting System (SLS) in various villages in Bijnor	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.07	0.51	1.03	
27	Supply and Installation of 500 Nos. India Mark II Hand Pumps for Drinking Water purposes in Rural Areas of Machhalishahar Region, Jaunpur	Sanitation/Drinking water / Healthcare	Uttar Pradesh	2.18	0.46	1.31	
28	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in Akbarpur, Kanpur Dehat	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.07	0.22	0.22	
29	Up-gradation of selected Primary Schools in Lucknow	Education / Vocational Skill development	Uttar Pradesh	0.14	0.14	0.14	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 18-19 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)#	Amount spent: Direct or through Implementing agency
30	Skill Development Training for Unemployed Youth belongs to SC/ST/OBC/ PwD/Women/EWS sections of society - 3000 persons-Phase-II	Education / Vocational Skill development	Pan India	9.30	8.37	8.37	
31	Supply, Installation and Commissioning of 500 nos. of LED Based Solar Street Lighting Systems in Giridih-phase-II	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Jharkhand	1.23	0.99	1.23	
32	Supply, installation and commissioning of 725 nos. of LED based Solar Street Lighting System (SLS) in various villages of Sitamarhi	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Bihar	1.79	1.37	1.79	
33	Development of Park (Pocket 7A) at Deen Dayal Upadhyay Marg, Delhi	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Delhi	5.00	1.00	5.00	
34	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting (SLS) in various villages of Bikaner	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Rajasthan	1.23	1.23	1.23	
35	Supply, Installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Shrawasti District	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.23	0.49	0.49	
36	Pradhan Mantri Sahaj Bijli Har Ghar Yojana' (SAUBHAGYA) at the cost of ₹ 41.40 crore (approx.) in the state of Jharkhand	Others	Jharkhand	41.50	41.50	41.50	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 18-19 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)#	Amount spent: Direct or through Implementing agency
37	Financial Assistance of ₹ 18.52 crore plus overhead cost (as per actual) to "Project of Development works in the 3 blocks (Piro, Bihiya, Jagdishpur) of Arrah District, Bihar-Bhojpur Village Development Programme "	Others	Bihar	18.52	7.97	7.97	
38	Supply, Installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Agra	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.13	1.02	1.02	
39	Supply, Installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Lalganj	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.13	1.02	1.02	
40	Supply, Installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Baghpat	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.13	1.02	1.02	
41	Supply, Installation and commissioning of 500 nos. LED based Solar Street Lighting System (SLS) in various villages of Mahbubnagar and Ranga Reddy Districts	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Telangana	1.40	1.26	1.26	
42	Contribution of ₹ 2 Crore to Swachh Kumbh Kosh, Kumbh Mela 2019	Sanitation/Drinking water / Healthcare	Uttar Pradesh	2.00	2.00	2.00	
43	Impact Assessment/ Training/ Pay & Allowances etc.	Administrative Overheads	NA	5.29	5.29	14.80	
				TOTAL	100.50		

Including expenditure on activities carried forward from previous years.

6.	In case PFC has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, PFC shall provide the reasons for not spending the amount in its Board report.	The projects sanctioned in a year are completed in subsequent years and there is milestone linked payment to various stages of completion of the project. As per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year for utilization for the purpose for which it was allocated.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of PFC's CSR and Sustainability Policy is in compliance with CSR objectives and Policy of PFC.

** Based on utilization certificates*

^As per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year for utilization for the purpose for which it was allocated.

Note: During the FY 2018-19, an amount of ₹ 118.19 crore (including Administrative Overheads) has been disbursed against CSR activities and the balance amount (including refund, if any) to be disbursed as on March 31, 2019 is ₹ 118.51 crore.

Sd/-
(Rajeev Sharma)
Chairman & Managing Director
DIN: 00973413

Sd/-
(Sitaram Pareek)
Chairman, CSR Committee
DIN: 00165036

Annexure D of Board's Report

Form No. AOC-2

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

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

S.No.	Particulars	Details
1.	**Details of contracts or arrangements or transactions not at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	**Details of material contracts or arrangement or transactions at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	The President of India acting through Ministry of Power, Government of India, Promoter of PFC
(b)	Nature of contracts/arrangements/transactions	The Company entered into a related party transaction with Government of India to acquire GoI's 1,03,93,99,343 fully paid up equity shares of REC Limited together with management control.
(c)	Duration of the contracts/ arrangements/transactions	March, 2019
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	PFC acquired 103,93,99,343 equity shares of REC (representing 52.63% of the share capital of REC) from President of India at a consideration of ₹ 1,44,99,99,50,186/- at the rate of ₹ 139.5036 per share on March 28, 2019.
(e)	Date(s) of approval by the Board, if any:	December 20, 2018
(f)	Amount paid as advances, if any:	–

For and on behalf of the Board of Directors

Sd/-
(Rajeev Sharma)
Chairman & Managing Director
DIN: 00973413

Place : New Delhi
Dated : 30.07.2019

Annexure E of Board's Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of the Company (PFC) is pleased to present its Report on Industry scenario including Company's performance during the FY 2018-19.

(A) Industry Structure and Development

India is amongst the fastest developing countries in the world in terms of GDP as well as the electricity consumption. The challenge is to meet the energy needs of high economic growth & electricity consumption of about 1.3 billion people. The development of an efficient, coordinated, economical and robust electricity system is essential for smooth flow of electricity from generating station to load centers and for optimum utilization of resources in the country, in order to provide reliable, affordable, un-interruptible (24x7) and Quality Power for All.

India's power sector is undergoing a noteworthy change, and this has redefined the industry outlook. Demand for electricity is seeing a steady growth with a pick-up in the economy, especially manufacturing activity, as well as favorable government policy. Electrification is increasing with the support of the government schemes like DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana) and IPDS (Integrated Power Development Scheme). Government initiatives like 24x7 power to all households and Ujwal Discoms Assurance Yojana (UDAY), which has improved viability of distribution companies to buy more power to serve more customers have helped the sector witness robust growth. The government is also targeting to increase renewable capacity. The Government of India approved National Policy on Biofuels-2018, with expected benefits of cleaner environment, health benefits, employment generation and boost to infrastructural investment in rural areas.

However, in order to further boost the sector, there is requirement for further reforms relating to prioritising efficient coal allocation and delivery, promoting competition in coal and electricity supply, rationalising energy prices and using incentives to promote more efficient power generation and delivery.

Generation

Installed Capacity

As on March 31, 2019, India's total installed capacity was 3,56,100 MW. Thermal sources continued to have a dominant share at around 63% (2,26,279 MW), Hydro around 13% (45,399 MW), Renewable around 22% (77,642 MW) and Nuclear around 2% (6780 MW). The installed capacity stood at around 30% (1,05,076 MW) in state sector, around 46% (1,64,428 MW) in private sector and around 24% (86,596 MW) in central sector. The capacity addition target for the FY 2018-19 was set at 8106 MW. However, a capacity addition of 5921 MW has been achieved during the FY 2018-19.

Transmission

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centres. For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power transmission system, augmentation of the National Grid and enhancement of the transmission system network are required. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers.

At the end of the fiscal 2019, our country had an extensive transmission network spanning 4,13,407 Ckms (at the 220 kV and above voltage levels). Further against a target of adding 22,647 Ckms of transmission lines for FY 2018-19, 22,437 Ckms have been achieved.

Distribution

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. At the same time this is also true that Power distribution is the weakest link in the electricity supply chain. It assumes great significance as this segment has a direct impact on the sector's commercial viability, and ultimately on the consumers who pay for power services.

Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states. Government of India provides assistance to states through various Central Sector / centrally sponsored schemes for improving the distribution sector. Several initiatives have been introduced to reduce Aggregate Technical and Commercial (AT&C) losses along with a definitive regulatory framework. Electricity Act 2003, National Electricity Policy 2005 and National Tariff Policy 2006 are important regulations governing the sector today with an aim to bring competition in the sector and improve the services to the end consumers.

Reform of Indian distribution companies have always remained a key challenge. To improve the distribution segment's performance, Government of India had launched a very comprehensive power sector reform scheme i.e. Ujjwal Discom Assurance Yojana to turnaround Discoms (UDAY) in 2015. The said scheme is the largest contributor in India's power reforms story for bringing about a turnaround of state distribution entities.

Further, Government of India launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) for development of rural and urban distribution sector. Also Government of India has launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme which aims to ensure electrification of households in the country. With Government of India's push for reforming distribution sector and that the substantial investments have been made, this has resulted in reduction in gap between ACS and ARR and reduction in AT&C losses.

(B) Opportunities & Threats

Opportunities

Your Company is a leading financial institution in India focused on the power sector. It plays a strategic role in the GoI's initiatives for the development of the power sector in India. PFC works closely with GoI, State Governments, power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, it is involved in various GoI programs for the power sector, including acting as the nodal agency for the UMPP program and the IPDS/(R-APDRP subsumed in it) and as a bid process coordinator through its wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

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

In view of the above and keeping in mind the huge funds requirements to boost the Indian power sector, PFC is very well placed to tap the opportunities which is visible from its financial and operational performance during the last so many years.

Threats, Risks & Concerns

Inspite of the fact that PFC is a very sound financial player in power sector, its business is not free from risks. The company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks. The following are some of the risks and concerns faced by your company:

1. **Economic slowdown.**

   A slowdown in economic growth in India could adversely impact the business of PFC. PFC's performance and the growth of its business are dependent on the performance of the overall Indian economy.

2. **Financial Health of State DISCOM's**

   Years of populist tariff schemes, considerable AT&C losses and operational inefficiencies have adversely affected the financial health of State DISCOM's form where the money comes ultimately.

3. **Credit risks**

   Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower will default on contractual repayments under a loan or an advance.

4. **Legal risk**

   Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations.

5. **Interest rate risks**

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

6. **Changes in legislation**

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

(C) Segment-wise or product-wise performance

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

(D) Outlook

It is expected that India will remains as one of the fastest growing emerging market economies in the world with persistent growth, despite the challenging environment. With key reforms on the block, India is seen as an engine of global growth. Factors like structural reform push, implementation of GST, adoption of inflation targeting measures, new bankruptcy code, financial inclusion, liberalization of foreign direct investment, measures to curb black money and encouraging digitization through alignment of information aggregating platforms, will help India in improving its productivity dynamics and achievement of sustainable growth. Enhanced spending on infrastructure including power, faster implementation of projects and continuation of reforms are expected to provide further impetus to growth. All these factors suggest that India's financial sector is also poised for robust growth.

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. Further, the national solar mission has been launched to harness its full potential as part of meeting the country's energy security. India has huge potential to become the leader in this area. Solar parks and solar plants have to be established to ensure that solar energy reaches even the remotest corners in the country. This sector is bound to play a major role in the years ahead as the country looks to meet its energy needs.

(E) Internal control system and its adequacy

The Company is having an internal control system including suitable monitoring procedures commensurate with its size of operations. Internal Auditor of the company works on a continuous basis, covering the financial and other matters. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants in close co-ordination with Company's own internal audit department. Further, the findings of the different audits are also periodically reviewed by the Audit Committee of the Board.

The Internal Auditor of the Company i.e. AR & Company, Chartered Accountants quarterly certified on the adequacy of internal financial controls with reference to the financial statements of the Company. The Statutory Auditor of the Company i.e. M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control as per Guidance Note of the Institute of Chartered Accountants of India.

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

(F) Discussion on Financial Performance with respect to Operational Performance

Your company continued to accomplish a healthy growth during the FY 2018-19. The total income stood at ₹ 28,851 crore as compared to ₹ 25,980 crore in FY 2017-18. Profit after Tax (PAT) grew by 58% from ₹ 4,387 crore in FY 2017-18 to ₹ 6,953 crore in FY 2018-19.

Further, Net Worth (share capital plus all reserves) of the company grew by 17% in FY 2018-19 to ₹ 43,288 crore as compared to ₹ 36,956 crore in FY 2017-18 and the loan assets as at March 31, 2019 grew by 13% to ₹ 3,14,667 crore from ₹ 2,79,329 crore as at March 31, 2018.

Because of improved financial health of the company, all the important financial parameters have gone up in the FY 2018-19. Return on net worth has increased from 12.12% in FY 2017-18 to 17.33% in FY 2018-19. Return on total assets has increased from 1.65% in FY 2017-18 to 2.33% in FY 2018-19. Although Debt Equity Ratio have slightly gone up from 6.21 time in FY 2017-18 to 6.66 time in FY 2018-19.

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

(G) Material Developments in Human Resources / Industrial Relations front

Your Company endeavors to follow the best management practices of the industry. Commitment of the workforce is ensured through an effective package of welfare measures which include comprehensive insurance, medical facilities and other amenities which lead to a healthy workforce. Your Company considers its employees as most valuable resources and lays great emphasis on their continuous development including their skill enhancement. As part of the overall human resource development plan, the company has an annual training plan system to assess the training needs of its employees. Requisite skills are also imparted across all level of employees through customized training intervention. The Company has very cordial and harmonious relationship with its employees. There were no man-days lost during the period under review. The attrition rate for the period from April 1, 2018 to March 31, 2019 was zero. Total Number of employees on the rolls of the Company as on March 31, 2019 was 498.

(H) Corporate Social Responsibility and Sustainable Development (CSR&SD)

Your company, through its Corporate Social Responsibility and Sustainable Development initiatives, aims to become a socially responsible corporate entity committed to improve the quality of life of the society at large. In line with this, your company's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) ensures that your Company becomes a socially responsible corporate entity by undertaking projects for Sustainable Developments.

During the year, PFC implemented wide range of activities in the field of Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled. For the FY 2018-19, the Board of Directors had approved the CSR budget of ₹ 148.15 crore.

(I) Renewable and Clean Development Mechanism

India is taking several steps to frutify its dream of a clean energy future for the 'New India'. The largest renewable capacity expansion programme in the world is being taken up by India. The government is aiming to increase share of clean energy through massive thrust in renewables. Core drivers for development and deployment of new and renewable energy in India have been Energy security, Electricity shortages, Energy Access, Climate change etc.

The Government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives etc. The National Solar Mission aims to promote the development and use of solar energy for power generation and other uses, with the ultimate objective of making solar energy compete with fossil-based energy options. The objective of the National Solar Mission is to reduce the cost of solar power generation in the country through long-term policy, large scale deployment goals, aggressive R&D and the domestic production of critical raw materials, components and products. Renewable energy is becoming increasingly cost-competitive as compared to fossil fuel-based generation.

Keeping in view the Government thrust in clean energy sources, PFC is also focusing more and more on finance to clean/renewable energy projects. During FY 2018-19, PFC issued sanctions of ₹ 2,271 crore to Hydro Generation (>25MW) and disbursed ₹ 134 crore. Further, PFC sanctioned ₹ 8,139 crore to renewable energy projects and disbursed an amount of ₹ 3,900 crore during the same period.

Cautionary Note

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

Annexure F of Board's Report

INTEGRATED REPORTING

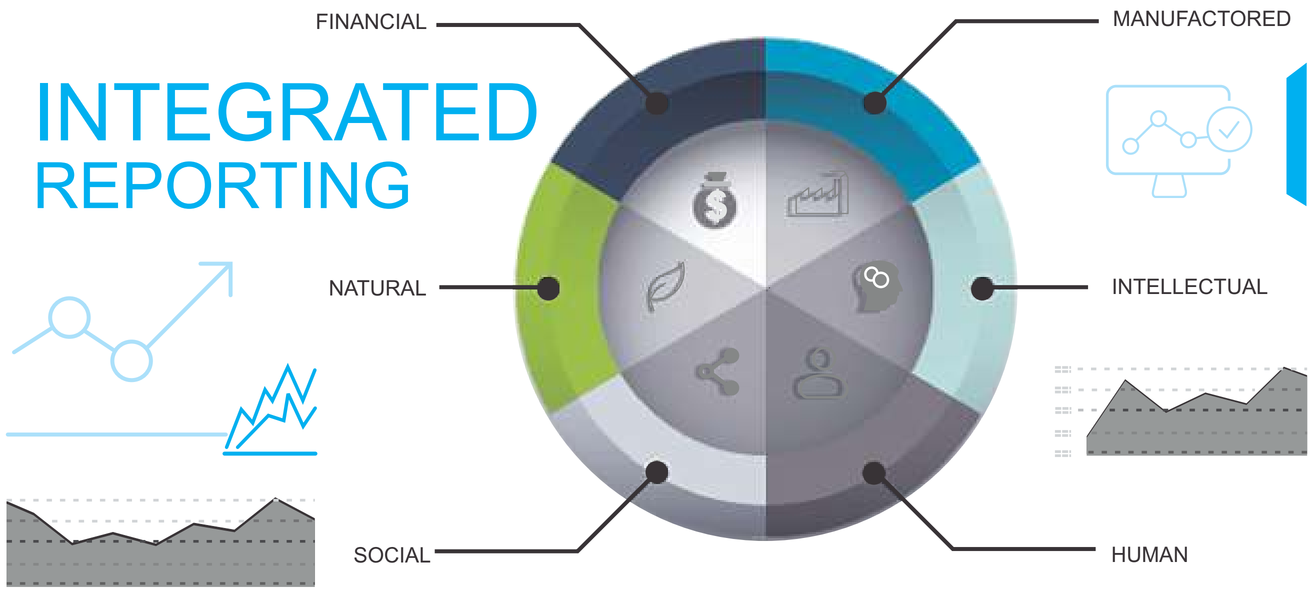
Every organization depends on various capitals for success and it is very important to know how these capitals particularly non-financial parameters create value for the organization and all the stakeholders.

SEBI vide its circular dated February 6, 2017 advised top 500 listed companies to adopt Integrated Reporting (IR) on a voluntary basis from the financial year 2017-18 onwards. PFC by including prescribed non-financial disclosures in its annual report continuously strives to adopt best international practices.

Integrated reporting framework, enables your company to not only highlight its non-financial performance but also the connections between the financial and the non-financial performance. This disclosure is structured using the capitals model of value creation, adopted by the International Integrated Reporting Council (IIRC) in the International Framework and explains our dependence and impact on the forms of capital that are fundamental to our ability to create value over the long term.

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

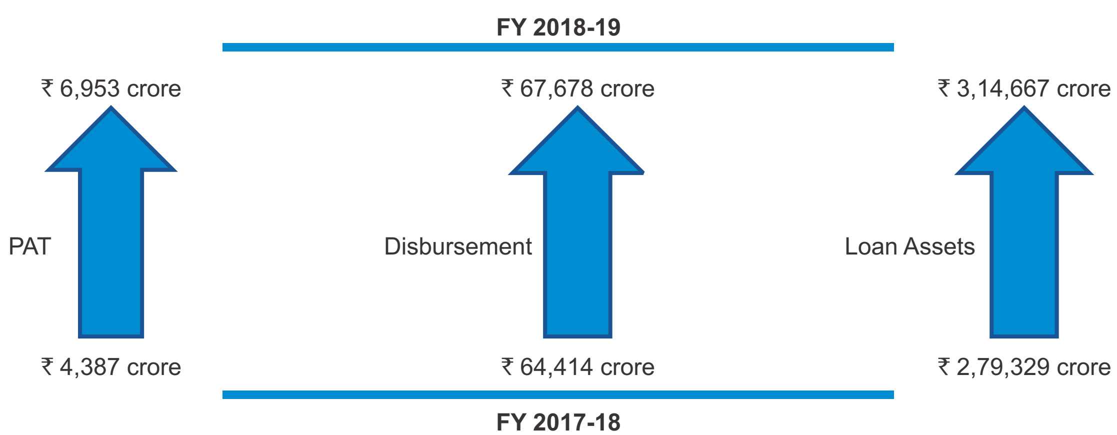
The six capitals



Financial capital

Financial capital is broadly understood as the pool of funds available to an organization. This is a very important capital because it also serves as a medium of exchange that can obtain value through conversion into other forms of capital.

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



The above volumes speak for themselves. PFC through its financial capital is contributing in creating superior value for its stakeholders especially by playing the role of a pioneer in power sector funding and as a result contributing to the development of power sector of the county. By using the financial capital, PFC is also creating other capitals like Human capital and Social and relationship capital.

Manufactured capital

PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only. Hence this Capital has limited applicability in PFC. However, PFC contributes to manufactured capital by way of its tangible and intangible infrastructure.

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

PFC invests in physical assets, which includes physical infrastructure, IT systems & infrastructure to improve efficiency and delivery mechanism, which ultimately leads to better services to all the associated stakeholders.

Existing manufactured capital enables PFC to be able to be responsive to market or social needs. By creating this limited Manufactured Capital, PFC reduces resource use at national level and focuses more on human creativity, thus enhancing both efficiency and sustainable development of our country.

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

Intellectual capital

Intellectual capital is broadly understood as Intangibles that provide competitive advantage, including intellectual property, such as patents, copyrights, software and organizational systems, procedures and protocols and intangibles that are associated with the brand and reputation that an organization has developed.

PFC works closely with Government of India, State Governments, power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, PFC is involved in various GoI programs for the power sector, including acting as the nodal agency for the UMPP program and the IPDS/R-APDRP and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for the ITP scheme. As nodal agency for various programmes of the government, your company is contributing towards development of power sector and improving financial health of Distribution Utilities.

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

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

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

Human capital

Human capital refers to the skills and know-how of an organization's professionals as well as their commitment and motivation and their ability to lead, cooperate or innovate.

Your company has put in place effective human resource acquisition and maintenance system, which is benchmarked with best corporate practices designed to meet the organizational needs. This apart from other strategic interventions leads to an effective management of Human Resources thereby ensuring high level of productivity.

PFC is having highly skilled, professionally qualified and experienced workforce. PFC follows best management practices. The employees of the company have access to the Top Management officials thereby contributing effectively in the management and growth of the company. PFC believes that employees become empowered only when they are aware of the policies and processes that impact them, therefore, PFC has institutionalized key policies relating to human resource, which ensures commitment of the workforce through an effective package of welfare measures which include medical facilities, Child Care Leave and other amenities which lead to a healthy workforce.

The relations within the company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the company. The reason being, PFC has been consistent in holistic personality development of its employees through facilities like Gymnasium, participation of employees in various sports, cultural and literary activities. PFC also organizes various events like essay writing competition, Slogan writing competition and linguistic fest from time to time. The participation in such activities results in a greater level of team spirit and fitness among the employees.

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

Social and relationship capital

Social and relationship capital refers to the resources and value created by the relationship between an organization and all its stakeholders. These relationships include ties with the community, government relations, customers and supply chain partners.

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

PFC has a CSR and Sustainability policy in place. The aim of the policy is to ensure that the Company becomes socially responsible corporate entity committed to improving the quality of life of the society at large. For the FY 2018-19, the Board approved the CSR budget of ₹ 148.15 crore. During the year, PFC implemented wide range of activities in the field of Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled. Further, DPE vide OM dated December 10, 2018 has instructed CPSEs to spend 60% of CSR budget for thematic programme (i.e. School Education and Healthcare for year 2018-19) preferably in aspirational districts.

PFC as a part of its social responsibility makes all efforts to ensure compliance of the Directives and Guidelines issued by the Government of India from time to time pertaining to the welfare of SC/ ST/ OBC/ PwD employees. The steps taken include due reservations and relaxation as applicable under the various directives for direct recruitment as well as for promotions.

Natural capital

Natural capital refers to all renewable and non-renewable environment resources such as water, land, energy on which an organization depends to operate.

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

PFC, while doing its business, considers it imperative to follow an environment friendly approach. In line with its responsible lending strategy and practices, PFC's renewable business has reached to newer heights. PFC along with Power Grid, NTPC and REC incorporated Energy Efficiency Services Limited (EESL) on December 10, 2009 for implementation of Energy Efficiency projects in India and abroad.

Your company through such measures contributes in preservation and enhancing natural capital. Through investment in renewable products, promoting renewable energy and works towards integrating positive environmental action in business, PFC is committed to create Natural Capital and by doing so also making its Brand visible world over.

Annexure G of Board's Report

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is one key element in improving economic efficiency and growth as well as enhancing investor confidence. It essentially involves balancing the interests of all the stakeholders in a company i.e. shareholders, management, customers, suppliers, financiers, government and the society at large.

Your Company is committed to sound corporate governance practices based on conscience, openness, fairness, professionalism and accountability to build confidence of its various stakeholders thereby paving the way for its long term success.

A Report in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Director's Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance:

1. Brief Statement on company's philosophy on Corporate Governance

Your Company's Corporate Governance philosophy is based on two core principles. These are:

i. Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and

ii. This freedom of management should be exercised within the framework of regulatory environment and effective accountability.

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

The Board of your Company also firmly endorses the principles of governing disclosures and obligations as provided in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as guiding force.

2. Board of Directors

The Board of Directors of your Company provides leadership, objective judgment and strategic guidance to the Company. The Board Charter can be said to be governed within the framework set out in the Companies Act, Memorandum of Association, Articles of Association of the company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and internal codes/procedures of the company etc.

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

Composition

PFC is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India as on March 31, 2019 holds 59.05% of the total paid-up share capital of the Company and as per Articles of Association of the Company, the power to appoint Directors vests in the President of India. Further, in terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

As on March 31, 2019 the Company's Board comprised of seven Directors which includes four whole time functional Directors, one part time Government Nominee Director and two non-official part time (Independent) Directors. A brief profile of all the Directors is provided in this Annual report.

During the FY 2018-19, the following changes took place in the composition of the Board of Directors of the Company:-

i) Consequent upon reaching the age of superannuation, Shri D. Ravi, Director (Commercial), ceased to be a Member of the Board w.e.f. June 1, 2018.

ii) Further, Shri Rajeev Sharma took the additional charge of Director (Commercial) w.e.f. June 1, 2018.

iii) Consequent upon appointment by Ministry of Power, Government of India, Shri Praveen Kumar Singh assumed the charge of Director (Commercial) w.e.f. August 10, 2018.

Further, consequent upon reaching the age of superannuation, Shri Chinmoy Gangopadhyay, Director (Projects), ceased to be a Member of the Board w.e.f. May 1, 2019. Consequent upon appointment by Ministry of Power, Government of India, Shri Ravinder Singh Dhillon assumed the charge of Director (Projects) w.e.f. June 12, 2019 and Shri R.C Mishra is appointed as Independent Director w.e.f. July 11, 2019.

During the year, in absence of requisite number of Independent Directors on the Board of the Company, the composition of the Board of Directors was not in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by DPE.

The Company has already requested Ministry of Power, Government of India, the appointing authority, to expedite appointment of the requisite number of Independent Directors on the Board of the Company to enable the company to comply with the applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance.

The composition of Board of Directors as on March 31, 2019 was as follows:

Whole Time Directors		
i)	Shri Rajeev Sharma	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel
ii)	Shri N.B Gupta	Director (Finance), Chief Finance Officer and Key Managerial Personnel
iii)	Shri Chinmoy Gangopadhyay*	Director (Projects) and Key Managerial Personnel
iv)	Shri Praveen Kumar Singh	Director (Commercial) and Key Managerial Personnel
Government Nominee Director		
v)	Dr. Arun Kumar Verma	Director (Government Nominee)
Non-Official Part Time (Independent) Director		
vi)	Shri Sitaram Pareek	Independent Director
vii)	Smt. Gouri Chaudhury	Independent Director

** Superannuated on April 30, 2019*

Your Company has under the RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, formulated a Fit and Proper Policy for ascertaining the fit and proper status of the directors of the Company. The Nomination and Remuneration Committee of the Company has in terms of the said policy ascertained the Functional and Independent Directors as fit and proper to hold the office of Director on the Board of the Company for the FY 2018-19.

Further, pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has obtained a certificate from a Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authority.

Since, PFC is a Government Company, the Directors on the Board of the Company are appointed by the Government of India through Ministry of Power. Further, PFC being an NBFC engaged in the business of Financing Power Sector, the Ministry of Power ensures that the Directors appointed on the Board of the Company have the requisite skills and expertise in the areas required to conduct affaires of the Company i.e. finance and technical etc. The list of core skills, expertise, and competencies of the Members of the Board are detailed hereinafter in the report.

Board Meetings

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

During the year under review, the Board met 13 times on the following dates:

(i) May 25, 2018 (ii) June 28, 2018 (iii) July 24, 2018 (iv) August 21, 2018 (v) September 11, 2018 (vi) October 18, 2018 (vii) November 2, 2018 (viii) December 11, 2018 (ix) December 20, 2018 (x) January 31, 2019 (xi) February 11, 2019 (xii) March 19, 2019 and (xiii) March 27, 2019.

Annual General Meeting

The last Annual General Meeting of the Company was held on September 11, 2018.

Directors' attendance at the Board Meetings held during the FY 2018-19 and at the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of other companies, core skills, expertise, and competencies of the Members of the Board etc. are as follows:

Name and Designation	Board Meetings		No. of other Directorships as on March 31, 2019*	Chairmanship/ Membership in the committees of other companies as on March 31, 2019**		Attendance at the last AGM held on September 11, 2018	Core skills, expertise, and competencies
	Held during the tenure	Attended		Member	Chairman		
Shri Rajeev Sharma Chairman and Managing Director	13	13	2	Nil	Nil	Present	• B. Tech (Electrical) from G. B. Pant University and Master's Degree in Engineering from IIT Roorkee and also Master's Degree in Business Administration from FMS, Delhi University. • More than 34 years of experience in Power Sector.
Shri Chinmoy Gangopadhyay Director (Projects)	13	13	7#a	1	Nil	Present	• B. Tech (Electrical), IIT Kharagpur and also Master's Degree in Business Administration from FMS, Delhi University. • More than 38 years of experience in Power Sector.
Shri N.B. Gupta Director (Finance)	13	13	5	Nil	Nil	Present	• Member of the Institute of Chartered Accountants of India. • More than 32 years of experience in Power Sector.
Shri Praveen Kumar Singh Director (Commercial) (w.e.f. August 10, 2018)	10	9	5	Nil	Nil	Present	• B. Tech in Electrical Engineering from IIT-BHU • M. Tech (Energy and Environment Management), IIT New Delhi. • Global Energy MBA Program, Bayer College of Business, University of Houston, USA. • More than 34 years of experience in Power Sector.
Shri D. Ravi Director (Commercial) (upto May 31, 2018)	1	1	–	–	–	–	• B.E (Electrical And Electronics Engineering) • Diploma in Business Management • More than 36 years of experience in Power Sector.
Dr. Arun Kumar Verma Director (Government Nominee)	13	9	2#b	Nil	Nil	Not Present	• Indian Forest Service officer of 1986 Gujrat Cadre and Joint Secretary in Ministry of Power. • Master's degree in physics • Associate Member of Indira Gandhi National Forest Academy (AIGNFA) from FRI & C, Dehradun. • Ph. D in Tribal Development Policy Post Gradute

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2019*	Chairmanship/ Membership in the committees of other companies as on March 31, 2019**		Attendance at the last AGM held on September 11, 2018	Core skills, expertise, and competencies
	Held during the tenure	Attended		Member	Chairman		
							Programme in Public Policy & Management (PGPPM) from Indian Institute of Management, Bengaluru & Maxwell School of Citizenship and International Affairs, Syracuse University, USA.
Shri Sitaram Pareek Independent Director	13	13	Nil	Nil	Nil	Present	• B.Com, FCA, DISA • Member of the Institute of Chartered Accountants of India • Founder partner of M/s SARDA & PAREEK, Chartered Accountants, Mumbai
Smt Gouri Chaudhury Independent Director	13	12	Nil	Nil	Nil	Present	• M.A. in English • Sangeet Prabhakar (Sitar) • Social Worker

* *Does not include Directorship in Private Companies, Section 8 Companies under the Companies Act, 2013 and Foreign Companies.*

** *Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee.*

Details of Directorship in Listed Entities

#a Nominee Director of PFC in PTC India Limited and PTC India Financial Services Limited

#b Director in PTC India Limited and Government Nominee Director in REC Ltd.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director. None of the Directors of the Company are in any way related to each other.

Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held on March 27, 2019 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. All the Independent Directors attended the said Meeting.

Declaration by Independent Directors

All the Independent Directors in the first meeting of the Board of the FY 2018-19 held on May 25, 2018, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs.

Further, all the Independent Directors in the first meeting of the Board of the FY 2019-20 held on May 17, 2019 gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfill the conditions specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management. No Independent Director has resigned during the FY 2018-19.

Familiarization programme for Independent Directors

The details of familiarization programmes imparted to Independent Directors are displayed on the Company's website after completion of the programme. The details posted on the website can be accessed following the weblink: http://www.pfcindia.com/DocumentRepository/ckfinder/files/Investors/Equities/Familiarisation_programs_imparted_to_Independent_Directors.pdf

3. Committees of the Board of Directors

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

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

3.1 Audit Committee of Directors

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

The Audit Committee of the company constituted by the Board comprises of two independent directors and one functional Director. The meetings of the committee, during the year, were chaired by an independent director.

As on March 31, 2019, the Audit Committee comprised of the following:

Name of Member	Designation
Shri Sitaram Pareek	Chairman
Smt. Gouri Chaudhury	Member
Shri Chinmoy Gangopadhyay	Member

The Company Secretary continued to be the Secretary to the Committee. The role, terms of reference, scope and authority of Audit Committee are as provided under the relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

During the FY 2018-19, eight meetings of the Audit Committee were held i.e. (i) May 25, 2018 (ii) June 28, 2018 (iii) July 24, 2018 (iv) September 11, 2018 (v) November 2, 2018 (vi) December 3, 2018 (vii) December 20, 2018 and (viii) February 11, 2019.

The details of the meetings attended by members during the FY 2018-19 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Sitaram Pareek	Independent Director	8	8
Smt Gouri Chaudhury	Independent Director	8	7
Shri Chinmoy Gangopadhyay	Director (Projects)	8	8

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

Further, the head of internal audit, independent Internal Auditors and representative of the statutory auditor(s) were invited to the Audit Committee Meetings for interacting with the members of the committee.

3.2 Nomination and Remuneration Committee

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

As on March 31, 2019, the Nomination and Remuneration Committee comprised of the following:

Name of Member	Designation
Shri Sitaram Pareek	Chairman
Smt Gouri Chaudhury	Member
Shri P. K. Singh (w.e.f. August 10, 2018)	Member

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

During the year, in absence of requisite number of Independent Directors on the Board of the Company, the composition of the Nomination and Remuneration Committee was not in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by DPE.

Once the Independent Directors is appointed on the Board of the Company by Ministry of Power, Government of India, the committee shall be reconstituted by including the requisite number of Non- Executive Directors.

The Role and Terms of Reference of the Nomination and Remuneration Committee are as provided under the relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

During the FY 2018-19, three meetings of the Nomination and Remuneration Committee were held i.e. (i) November 2, 2018 (ii) December 3, 2018 and (iii) January 7, 2019.

The detail of the meeting attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Sitaram Pareek	Independent Director	3	3
Smt Gouri Chaudhury	Independent Director	3	3
Shri P. K. Singh (w.e.f. August 10, 2018)	Director (Commercial)	3	2

Remuneration Policy

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

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

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

Similar exemption has been requested by some of the PSUs through Department of Public Enterprises, from SEBI under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration of Whole Time Directors

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

Details of remuneration of Whole Time Directors of the company during FY 2018-19 are given below:

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentives (₹)	Stock Options (₹)	Total (₹)	Number of shares held as on March 31, 2019
Shri Rajeev Sharma	37,65,869	95,24,220	0	51,86,092	0	1,84,76,181	32574
Shri D. Ravi (upto May 31, 2018)	25,63,837	17,32,311	0	38,03,433	0	8,09,95,81	NA
Shri Chinmoy Gangopadhyay	39,98,205	24,34,652	0	37,83,453	0	1,02,16,310	21488
Shri N. B. Gupta	41,99,700	32,89,095	0	30,62,803	0	1,05,51,598	24584
Shri P. K. Singh (w.e.f. August 10, 2018)	21,81,637	12,80,273	0	7,57,905	0	42,19,815	32194

Notes:

1. The performance linked incentives are paid as per the Performance Related Pay (PRP) System of the Company.
2. The appointment of Directors and terms of appointment including remuneration, notice period, severance fees, if any etc. are decided by President of India.

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

The Independent & Government Nominee Directors do not have any material pecuniary relationship or transactions with the Company. However, the Independent Directors were paid the sitting fees at a rate fixed by the Board for attending the meetings of the Board and Committees of Directors. Sitting fee of ₹ 20,000 was paid for attending each meeting of the Board and Committees of Directors for the FY 2018-19.

Government nominee director is not entitled to any remuneration or sitting fee from the Company.

As on March 31, 2019, Dr. Arun Kumar Verma, Government Nominee Director, Shri Sitaram Pareek, Independent Director and Smt Gouri Chaudhury, Independent Director hold nil shares in the Company.

3.3 Stakeholder Relationship and Shareholders'/Investors' Grievance Committee

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

As on March 31, 2019 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following:

Name of Member	Designation
Smt. Gouri Chaudhury	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta	Member

Shri Manohar Balwani, Company Secretary acts as the Compliance Officer of the Company.

During the FY 2018-19, four meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held i.e. (i) May 25, 2018 (ii) August 21, 2018 (iii) November 2, 2018 and (iv) February 11, 2018.

The detail of the meeting attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Gouri Chaudhury	Independent Director	4	4
Shri Chinmoy Gangopadhyay	Director (Projects)	4	4
Shri N. B. Gupta	Director (Finance)	4	4

Information on investor complaints for the year ended March 31, 2019 is as follows:

Particulars	Equity	Bonds
Pending at the beginning of the year	1*	5
Received during the year	886	3020
Disposed off during the year	887	3025
Lying unresolved at the end of the year	0	0

*subjudice

3.4 Risk Management Committee

Risk Management Committee has been constituted to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities.

As on March 31, 2019 the Risk Management Committee comprised of the following:

Name	Designation
Shri N. B. Gupta	Chairman
Shri Chinmoy Gangopadhyay	Member

During the FY 2018-19, four meetings of the Risk Management Committee were held on (i) May 17, 2018 (ii) September 27, 2018 (iii) December 27, 2018 and (iv) March 25, 2019.

The detail of the meetings attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Chinmoy Gangopadhyay	Director (Projects)	4	4
Shri N. B. Gupta	Director (Finance)	4	4

3.5 CSR & Sustainable Development Committee of Directors

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

As on March 31, 2019 the CSR & Sustainable Development Committee comprised of the following:

Name	Designation
Shri Sitaram Pareek	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri P. K. Singh (w.e.f. August 10, 2018)	Member

During the FY 2018-19, eight meetings of the CSR & Sustainable Development Committee of Directors were held on (i) May 7, 2018 (ii) July 13, 2018 (iii) July 24, 2018 (iv) September 11, 2018 (v) December 20, 2018 (vi) January 31, 2019 (vii) February 11, 2019 and (viii) March 27, 2019.

The detail of the meetings attended by members during the FY 2018–19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Sitaram Pareek	Independent Director	8	8
Shri Chinmoy Gangopadhyay	Director (Projects)	8	8
Shri D. Ravi (upto May 31, 2018)	Director (Commercial)	1	1
Shri Rajeev Sharma (w.e.f. June 1, 2018 upto August 9, 2018)	Chairman & Managing Director and Additional Charge of Director (Commercial)	2	1
Shri P. K. Singh (w.e.f. August 10, 2018)	Director (Commercial)	5	5

3.6 Loans Committee of Directors

The Loans Committee of the Directors has been constituted for sanctioning of financial assistance upto ₹ 500 crore to individual schemes or projects including enhancement of financial and lease assistance and relaxation of eligibility conditions, subject to overall ceiling of ₹ 10,000 crore in a financial year.

As on March 31, 2019 the Loans Committee comprised of the following:

Name	Designation
Shri Rajeev Sharma	Chairman
Dr. Arun Kumar Verma	Member
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta	Member
Shri P. K. Singh (w.e.f. August 10, 2018)	Member

During the FY 2018-19, five meetings of the Loans Committee were held on (i) June 19, 2018 (ii) September 27, 2018 (iii) December 13, 2018 (iv) January 31, 2019 and (v) March 19, 2019.

The detail of the meetings attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Rajeev Sharma	Chairman and Managing Director	5	5
Dr. Arun Kumar Verma	Government Nominee Director	5	5
Shri Chinmoy Gangopadhyay	Director (Projects)	5	4
Shri N.B Gupta	Director (Finance)	5	5
Shri P. K. Singh (w.e.f. August 10, 2018)	Director (Commercial)	4	4

3.7 Committee of Functional Directors

The Committee of Functional Directors has been constituted for sanctioning of financial assistance upto ₹ 100 crore to individual schemes or projects including enhancement of financial and lease assistance and relaxation of eligibility conditions, subject to overall ceiling of ₹ 4,000 crore in a financial year.

As on March 31, 2019, the Committee of Functional Directors comprised of the following:

Name	Designation
Shri Rajeev Sharma	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta	Member
Shri P. K. Singh (w.e.f. August 10, 2018)	Member

During the FY 2018-19, six meetings of the Committee of Functional Directors were held on (i) May 1, 2018 (ii) June 8, 2018 (iii) August 8, 2018 (iv) September 26, 2018 (v) January 8, 2019 and (vi) March 25, 2019.

The detail of the meetings attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Rajeev Sharma	Chairman and Managing Director	6	6
Shri D.Ravi (upto June 1, 2018)	Director (Commercial)	1	1
Shri Chinmoy Gangopadhyay	Director (Projects)	6	6
Shri N.B Gupta	Director (Finance)	6	6
Shri P.K Singh (w.e.f. August 10, 2018)	Director (Commercial)	3	3

3.8 Investment Committee of Directors

The Investment Committee of Directors has been constituted for approving equity investment in IPOs of Central Power Sector Undertakings and also other related matters like exit/sale decisions, the number of shares to be applied through IPO, individual investment limit in each company on case to case basis, etc.

As on March 31, 2019 the Investment Committee of Directors comprised of the following:

Name	Designation
Shri Rajeev Sharma	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta	Member
Shri P. K. Singh (w.e.f. August 10, 2018)	Member

During the FY 2018-19, six meeting of the Investment Committee of Directors were held on (i) June 25, 2018 (ii) August 8, 2018 (iii) November 13, 2018 (iv) December 20, 2018 (v) January 8, 2019 and (vi) March 25, 2019.

The detail of the meetings attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Rajeev Sharma	CMD	6	6
Shri Chinmoy Gangopadhyay	Director (Projects)	6	6
Shri N. B. Gupta	Director (Finance)	6	6
Shri P. K. Singh (w.e.f. August 10, 2018)	Director (Commercial)	4	4

3.9 HR Committee

HR Committee has been constituted to consider and submit their recommendations to the Board of Directors on all HR related matters before they are submitted to the Board for approval.

As on March 31, 2019 the HR Committee comprised of the following:

Name	Designation
Shri P. K. Singh (w.e.f. August 10, 2018)	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta	Member

During the FY 2018-19, three meetings of the HR Committee were held on (i) June 11, 2018 (ii) August 14, 2018 and (iii) October 18, 2018.

The detail of the meetings attended by members during the FY 2018-19 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Rajeev Sharma Additional Charge of Director (Commercial) (w.e.f. June 1, 2018 till August 9, 2018)	Chairman and Managing Director	1	1
Shri Chinmoy Gangopadhyay	Director (Projects)	3	2
Shri N.B Gupta	Director (Finance)	3	3
Shri P.K Singh (w.e.f. August 10, 2018)	Director (Commercial)	2	2

4. General Body Meeting

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

AGM	Date	Day	Time	Location	Special Resolution
30th	August 19,2016	Friday	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-03.	• Modification in existing borrowing limit approved under section 180 (1) (c) of the Companies Act 2013. • For Raising funds upto ₹ 55,000 crore through issue of Bonds/ Debentures etc. on Private Placement basis in India or outside India.
31st	September 20,2017	Wednesday	11.00 A.M.	Talkatora Indoor Stadium, Talkatora Garden, New Delhi – 04.	• For Raising funds upto ₹ 65,000 crore through issue of Bonds/ Debentures/ notes/ debt securities on Private Placement basis in India and/or outside India.
32nd	September 11,2018	Tuesday	11.30 A.M.	Talkatora Indoor Stadium, Talkatora Garden, New Delhi – 04.	• Appoint Smt. Gouri Chaudhury, 76 years, as an Independent Director of the Company. • For Raising funds upto ₹ 65,000 crore through issue of Bonds/ Debentures/ notes/debt securities on Private Placement basis in India and/or outside India. • Approve scheme of arrangement for Amalgamation of PFC Green Energy Limited with PFC and their respective shareholders and creditors under Sections 230-232 of Companies Act, 2013.

Further, an Extra Ordinary General Meeting (EGM) of the Company was held on Tuesday, March 19, 2019 at 10:30 A.M. at Dr, SRKVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2 , Near APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010 to seek approval of the shareholders to enter into a Related Party Transaction (RPT) for acquiring GoI's 1,03,93,99,343 fully paid up equity shares of REC Limited together with management control.

POSTAL BALLOT

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

5. Disclosures

The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interest of the Company. Further, the Company did not enter into any significant related party transactions with board members where they had personal interest. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Related Party Transaction" and the same is available at http://www.pfcindia.com/Default/ViewFile/?id=1561552784406_Final%20Policy%20on%20RPT%201705 2019.pdf &path=Page.

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years. However, during FY 2018-19, the Company was in receipt of notices of penalty from National Stock Exchange and Bombay Stock Exchange for non- compliance of the requirement of composition of the Board and Nomination and Remuneration Committee.

The Company has in place an Internal Complaints committee to examine the cases related to sexual harassment under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013. During the FY 2018-19, no complaint has been filed under the said Act.

In terms of the requirements under Section 177 of the Companies Act, 2013 read with the relevant Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to, inter-alia, establish a 'Vigil Mechanism'/ 'Whistle Blower Policy' for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. As an integral part of such Vigil Mechanism, the Whistle Blower Policy of PFC has been put in place and it is affirmed that no personnel has been denied access to the Audit Committee. The same is available at http://www.pfcindia.com/Default/ ViewFile/?id=1490188785276_ WBP.pdf&path=Page.

Pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Material Subsidiary" and the same is available at http://www.pfcindia.com/Default/ViewFile/?id=1561552854274_ Final%20Policy%20for%20Material%20 Subsidiary17052019.pdf&path=Page

No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

Your Company has broadly complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India. Information on adoption / non-adoption of the non-mandatory requirements is given at **Annexure A** of this Report.

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

The total fee paid by your company to the Statutory Auditors is ₹ 1.09 crore.

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

6. Means of Communication

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

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

7. CEO/CFO certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO i.e. Chairman & Managing Director and CFO i.e. Director (Finance) was placed before the Board of Directors at its meetings held on May 29, 2019 (Copy enclosed at **Annexure B** of this Report).

8. Compliance with applicable laws

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

9. Code of Conduct

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

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed at **Annexure C** of this Report.

10. Code for Prevention of Insider Trading

In pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, your Company has reviewed & redrafted the comprehensive Code i.e. "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in the Securities of Power Finance Corporation Limited" to preserve the confidentiality and to prevent misuse of un-published price sensitive information. All Designated Employees and other Connected Persons as mentioned in the Code have a duty to safeguard the confidentiality of all such information obtained in the course of his or her assignment at the company and not to misuse his or her position or information to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as Compliance Officer and is responsible for ensuring adherence of the said Code.

In line with the requirement of the said Code, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. The Compliance Officer notified the closure of trading window on the website of the company well in advance restraining all the employees and other connected person not to deal in the securities of the Company when the trading window is closed.

The copy of the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in the Securities of Power Finance Corporation Limited" is also available on the company website (http://www.pfcindia.com/Default/ViewFile/?id=1558715955387_Insider%20 Trading%20Code.pdf&path=Page)

11. Shareholders Information

a) Annual General Meeting

Date	Time	Venue
August 27, 2019	11.00 A.M.	Talkatora Indoor Stadium, New Delhi -110004

b) Financial calendar for FY 2019-20 (Tentative)

Particulars	Date
Financial year	April 1, 2019 to March 31, 2020
Un-audited financial results for the first three quarters	Will be announced within 45 days from the end of each quarter.
Audited Financial Results	Audited Financial Results will be announced on or before May 30, 2020.
AGM (Next year)	August 2020

c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 22, 2019 to August 27, 2019 inclusive of both days.

d) Payment of Dividend

The Board of Directors of your Company have not recommended any dividend during the FY 2018-19.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Dividend Distribution Policy", annexed herewith at **Annexure D** of this Report and the same is available at http://www.pfcindia.com/Default/ViewFile/?id=1546009180778_Dividend Distribution.pdf &path=Page.

e) Dividend History

Year	Total Paid-up Capital (₹ in crore)	Total Amount of Dividend paid (₹ in crore)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2013-14	1320.03 (Interim)	1161.63	88	February 17, 2014
	1320.04 (Final)	26.40	2	October 10, 2014
	Total	**1188.04**	**90**	–
2014-15	1320.04 (Interim)	1122.04	85	March 13, 2015
	1320.04 (Final)	79.20	6	October 8, 2015
	Total	**1201.24**	**91**	–
2015-16	1320.04 (1st Interim)	1161.64	88	January 4, 2016
	1320.04 (2nd Interim)	594.02	45	February 24, 2016
	1320.04 (Final)	79.20	6	September 1, 2016
	Total	**1834.86**	**139**	–
2016-17	2640.08 (Interim)	1320.04	50	April 7, 2017
	Total	**1320.04**	**50**	–
2017-18	2640.08 (1st Interim)	1584.05	60	November 23, 2017
	2640.08 (2nd Interim)	475.21	18	March 19, 2018
	Total	**2059.26**	**78**	–

f) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

National Stock Exchange of India Limited (NSE)	Bombay Stock Exchange Limited (BSE)
Exchange Plaza, Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051 Scrip Code: PFC EQ	Floor – 25, PJ Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 532810
Stock Code (ISIN) : INE134E01011	

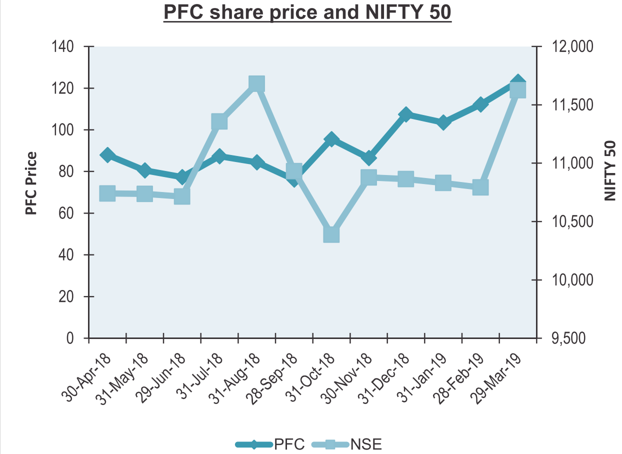
The annual listing fees for the FY 2019-20 have been paid to NSE and BSE.

g) Market Price Data

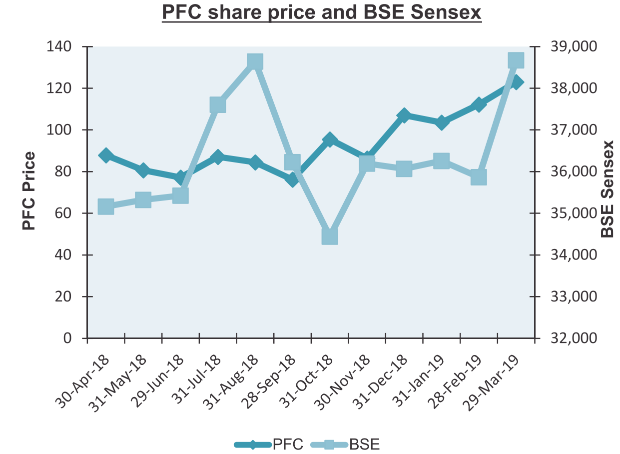
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'18	90.55	90.60	82.65	82.80	87.95	87.90
May'18	90.15	90.15	71.05	71.20	80.55	80.70
June'18	85.95	88.00	73.40	73.35	77.30	77.15
July'18	87.85	87.65	67.50	67.60	87.30	87.10
August'18	88.80	88.75	78.50	78.60	84.40	84.50
September'18	90.70	90.70	72.90	72.45	76.10	76.15
October'18	96.15	96.00	72.25	72.35	95.50	95.50
November'18	108.55	108.50	86.00	86.00	86.45	86.35
December'18	108.00	107.70	83.10	83.35	107.35	107.05
January'19	110.30	110.20	98.30	98.45	103.55	103.55
February'19	113.75	113.70	98.00	98.15	112.15	112.20
March'19	124.30	124.20	106.80	106.95	123.10	123.00

h) Performance in comparison to indices

PFC share price and NIFTY 50



PFC share price and BSE Sensex



i) Registrar and Transfer Agent for Equity Shares

Communication Address

Karvy Fintech Private Limited
"Karvy Selenium Tower B", Plot No. 31 & 32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad-500 032, Telangana, India
Tel: +91 40 67162222
Email: einward.ris@karvy.com
Website: www.karvyfintech.com

j) Share Transfer System

Transfer of equity shares in electronic form are done through the depositories with no involvement of the Company. Share transactions are simpler and faster in electronic form. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to the Company to register the transfer.

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

k) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2019 is as follows:

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2018	4	1592
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2018-19	0	0
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2018-19	0	0
Less: Number of shares which were transferred to IEPF Account during the year 2018-19	1	160
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2019	3	1432

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

l) Distribution of shareholding

- Distribution of shareholding as on March 31, 2019

S. No.	Amount	No. of shareholders	% of shareholders	Amount (₹)	% of shares
1	1-5000	2,27,450	84.60	33,32,56,580	1.26
2	5001-10000	23,850	8.87	19,16,07,750	0.73
3	10001-20000	9,889	3.68	14,76,93,810	0.56
4	20001-30000	2,659	0.99	6,82,49,930	0.26
5	30001-40000	1,277	0.47	4,61,67,620	0.18
6	40001-50000	903	0.34	4,23,67,470	0.16
7	50001-100000	1,436	0.53	10,43,58,430	0.40
8	100001 & Above	1,391	0.52	25,46,71,12,490	96.46
	Total	**2,68,855**	**100**	**26,40,08,14,080**	**100**

- Shareholding pattern as on March 31, 2019

Category	Total No. of shares	% to Equity
President of India	1,55,88,89,417	59.05
Foreign Portfolio Investors	43,74,43,521	16.57
Mutual Funds	31,12,52,890	11.79
Insurance Companies	16,38,27,217	6.21
Resident Individuals	10,57,42,493	4.01
Bodies Corporate	2,10,32,419	0.80
Banks	1,09,49,607	0.42
Indian Financial Institutions	76,04,728	0.29
HUF	58,55,193	0.22
Clearing Members	58,20,168	0.22
Trusts	33,27,216	0.13
Non Resident Indians	28,65,120	0.11
Foreign Institutional Investors	15,92,316	0.06
Employees	13,38,147	0.05
NBFC's	11,88,678	0.05
Non Resident Indian non repatriable	10,20,453	0.04
Alternate Investment Fund	2,94,990	0.01
IEPF	36,835	0.00
Total	**2,64,00,81,408**	**100**

m) Dematerialization of shares

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2019.

Description	No. of Shares	% to total Capital Issued
NSDL	2,59,50,70,572	98.30
CDSL	4,49,71,184	1.70
Physical	39,652	0.00
Total	**2,64,00,81,408**	**100**

n) Outstanding GDR and ADR Warrants or any convertible instruments, conversion date and likely impact on equity

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

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

Your Company has put in place Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap and forward rate agreements.

p) Address for correspondence

Registered Office
'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001

Company Secretary
Shri Manohar Balwani
Tel: +91 11 23456020
Fax: +91 11 23456786
e-mail: investorsgrievance@pfcindia.com

q) **List of all Credit Ratings**

Domestic

Credit Ratings by Domestic credit rating agencies for domestic program of the Company as at March 31, 2019:

S. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

International

Long term foreign currency issuer rating assigned to the Company as at March 31, 2019:

S. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Standard & Poor (S&P)	BBB-
3.	Moody's	Baa3

The rating as mentioned above stands same during the year.

r) **Preferential Allotment/Qualified Institutions placement**

During the year, company has not raised any money by way of Preferential Allotment/Qualified Institutions placement of shares or other convertible securities.

Annexure A of Report on Corporate Governance

Non-Mandatory Requirements

The status of non-mandatory requirements pertaining to Corporate Governance Section of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

1. **The Board:** The Company is headed by an executive Chairman.
2. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company.
3. **Modified opinion(s) in audit report:** It is always Company's endeavour to move towards a regime of financial statements with unmodified audit opinion.
4. **Reporting of Internal Auditor:** The Internal auditors of the company are invited to the Meetings of the Audit Committee and regularly interact with the members of the Audit committee.

Annexure B of Report on Corporate Governance

Certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify to the Board of Directors that:

We have reviewed financial statements and the cash flow statement for the year ended 31.03.2019 and that to the best of our knowledge and belief:

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

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

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

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

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

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

ii) That the Company has adopted Indian Accounting Standards (Ind AS) from FY 2018-19 and hence Significant Accounting policies have been re-drafted in accordance with requirements of Ind AS: and

iii) That there are no instances of significant fraud of which we have become aware of during FY 2018-19. However, frauds committed by two borrowers with an outstanding principal amount of ₹ 664.02 crore as on 31.03.2019 has been/being reported to Fraud Monitoring Cell of RBI. To the best of our knowledge, neither management nor employee of PFC having a significant role in PFC's internal control system over financial reporting was involved in the said fraud.

Sd/- **(N. B. Gupta)** **Director (Finance) / CFO** **DIN - 00530741**	Sd/- **(Rajeev Sharma)** **Chairman & Managing Director / CEO** **DIN - 00973413**

Annexure C of Report on Corporate Governance

Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance:

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2019."

Sd/-
Rajeev Sharma
Chairman & Managing Director
DIN: 00973413

Annexure D of Report on Corporate Governance

Dividend Distribution Policy of Power Finance Corporation Limited

I Background

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

Since PFC is amongst the top 500 listed entities as per the criteria as at March 31, 2016, the dividend distribution policy has been formulated.

II Policy Framework

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration, 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, SEBI and other guidelines, to the extent applicable.

III Factors in consideration

PFC has been consistently paying dividends and is committed to deliver sustainable value to all stakeholders. Dividend is declared at the Annual General Meeting of the shareholders of the Company, based on the recommendations of the Board of Directors. It is at the discretion of the Board to recommend dividend. The Board may also declare interim dividend.

The decision regarding dividend pay-out is a crucial decision as it balances the amount of profit to be distributed among shareholders of the company with the requirement of deployment of internal accruals for its sustenance and growth plans. The factors generally considered before recommending/declaring dividend are as follows:

A. Circumstances under which the shareholders of the Company may or may not expect dividend

The factors that may generally be considered by the Board before making any recommendations for the dividend include, but are not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

B. Financial Parameters that shall be considered while declaring dividend

Being a Central Public Sector Enterprise, the Company endeavors to declare the dividend as per the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM, Govt. of India on 27.05.2016, mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions.

Nonetheless, Company is expected to pay the maximum dividend permissible under the Act under which it has been set up, unless lower dividend proposed to be paid is justified on a case to case basis at the level of Ministry of Power after considering the following financial parameters:

(i) Net-worth and Capacity to borrow;

(ii) Long-term borrowings;

(iii) CAPEX/Business Expansion needs;

(iv) Retention of profit for further leveraging in line with the CAPEX needs; and

(v) Cash and bank balance.

C. Internal and External factors that shall be considered for declaration of dividend

C.1 Internal Factors

C.1.1 Capital to Risk-weighted Assets Ratio

Being an IFC, PFC is required to maintain a CRAR at a certain level. Accordingly, the expected figure for CRAR is also taken into consideration while declaring dividend so that it does not breach the prescribed figure.

C.1.2 Net Worth of the Company

As per the extant guidelines issued by DIPAM, Govt. of India, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Being a Government Company, PFC is required to comply with these guidelines.

Apart from the above parameters, the Company may also consider various other internal factors, which inter alia include:

- Present & future capital requirements of the existing businesses;
- Additional investments in subsidiaries/associates of the Company;
- Any other factor as deemed fit by the Board.

C.2 External Factors

C.2.1 Economic Environment

In case of uncertain or recessionary economic and business conditions, the Company will endeavor to retain larger part of profits to build up reserves to sustain future updowns.

C.2.2 Statutory Provisions and Guidelines

The Company will adhere to the restraints imposed by Companies Act with regard to declaration of dividend. Further, being a Government Company, the Company shall also consider the guidelines in force in respect of dividend declaration as issued from time to time by the Govt. of India or by any other statutory bodies.

D. Utilization of Retained Earnings

The Company is engaged into financing the power sector. The retained earnings will be deployed in line with the objects of the company as detailed in the Memorandum of Association of the company, thus contributing to the growth of the business and operations of the Company.

E. Parameters to be adopted with regard to various classes of shares

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

Other provisions

In case of any subsequent changes in any Statutory Act, Rules, Regulations etc. which makes any of the provisions in this policy inconsistent with them, then the provisions of the Statutory Act, Rules, Regulations etc. would prevail over the policy.

CMD is authorized to approve any minor modifications/ deviations to the policy and will be the competent authority for any interpretation regarding the policy.

Certificate on Corporate Governance

The Members,
Power Finance Corporation Limited

We have examined the compliance of conditions of Corporate Governance by **Power Finance Corporation Limited** for the year ended 31st March , 2019, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

(i) Regulation 17 (1) of SEBI (LODR) Regulations, 2015 and Para 3.1.2 & 3.1.4 of the DPE Guidelines on Corporate Governance require that not- less than fifty percent of the Board of Directors comprising of non-executive directors and in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors. As on March 31, 2019, the Board of Directors of the Company was headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members, however, the Board of Company comprises of 7 Directors, which includes 4 whole time Members of the Board , 1 Part Time Government Nominee Director and 2 Non-Official Part Time Independent Directors.

(ii) Regulation 17 (10) of SEBI (LODR) Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors.

(iii) Regulation 19 (1) (b) & (c) of the SEBI (LODR) Regulations, 2015 and Para 5.1 of the DPE Guidelines on Corporate Governance, all members of the Nomination & Remuneration Committee shall be non-executive directors.

(iv) Regulation 25 (3) & (4) of SEBI (LODR) Regulations, 2015, the independent Directors shall at their Separate Meeting, review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors has met separately once during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015. As regards performance Evaluation, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, evaluation criteria has not been evolved.

(v) Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LODR) 2015, the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (I) and 19(1)/19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company made representations to Stock Exchanges and SEBI.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor 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

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

Place : New Delhi
Date : July 30, 2019

Annexure H of Board's Report

Business Responsibility Report

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L65910DL1986GOI024862
Name of the Company	Power Finance Corporation Limited
Registered address	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001
Website	www.pfcindia.com
E-mail id	mb@pfcindia.com
Financial Year reported	2018-19
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other Financial Services and Activities - Other Credit Granting)
List three key services that the Company provides	(i) Rupee Term Loan (RTL) (ii) Short Term Loan (STL) (iii) Buyer's Line of credit (BLC)
Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	None
ii. Number of National Locations	3
Markets served by the Company - Local/State/National/International	National

Section B: Financial Details of the Company (as on March 31, 2019)

Paid up Capital (INR)	₹ 2,640.08 crore
Total Turnover (INR) *(Revenue from Operations)*	₹ 28,842.00 crore
Total profit after taxes (INR)	₹ 6,952.92 crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.45% (₹ 100.50 crore) of Profit After Tax (PAT) during FY 2018-19
List of CSR activities in which expenditure has been incurred	Annexure I

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company?	No

Section D: BR Information

1. **Details of Director responsible for BR**

   a) **Details of the Director responsible for implementation of the BR policies**

Particulars	**Details**
DIN Number	03548218
Name	P K Singh
Designation	Director (Commercial)

   b) **Details of the BR head**

Particulars	**Details**
DIN Number (if applicable)	NA
Name	Shri Manohar Balwani
Designation	Company Secretary
Telephone number	011- 23456749
E-mail id	mb@pfcindia.com

2. **Principle-wise (as per NVGs) BR policies**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

   P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

   P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

   P3 - Businesses should promote the well-being of all employees.

   P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

   P5 - Businesses should respect and promote human rights.

   P6 - Businesses should respect, protect and make efforts to restore the environment.

   P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

   P8 - Businesses should promote inclusive growth and equitable development.

   P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	PFC being an NBFC, this principle has limited applicability	Y	Y	The policy is embedded in company's HR policies and practices	The policy is embedded in company's various policies and practices	The policy is embedded in company's various policies and practices	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-	-	Y	Y
3.	Does the policy conform to any national /international standards?	Y	-	Y	Y	-	-	-	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	-	-	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	-	Y	Y	-	-	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	-	Policy being an internal document is accessible to employees only	#	-	-	-	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	-	-	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	-	Y	Y	-	-	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	-	-	-	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	-	-	-	Y	Y

#The relevant explanation/ information/ links are mentioned at Annexure II to this Report.

CORPORATE OVERVIEW
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(b). If answer to S.No. 1 against any principle, is 'No', please explain why:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	NOT APPLICABLE								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason									

3. **Governance related to BR**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

The BR activities of the Company are overseen by a Functional Director and the Board also reviews the Business Responsibility Report as part of Directors' Report on annual Basis.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report is published as a part of Annual Report from FY 2012-13 onwards. The current Report shall form a part of Annual Report for FY 2018-19 and shall be available on company's website: www.pfcindia.com.

Section E: Principle-wise performance

<u>Principle 1</u>

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Power Finance Corporation Ltd. (PFC) is a leading power sector public financial institution and a non-banking financial company, providing fund and non-fund based support for the development of the Indian power sector. It plays a major role in channelizing investment into the power sector and acts as a vehicle for development of this sector. Its clients include state power utilities, central power sector utilities, power departments, private power sector utilities (including independent power producers), joint sector power utilities etc. PFC has developed the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its businesses transactions.

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

   The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

   The Company has also adopted an Anti-Fraud policy so as to provide a system of detection and prevention of fraud in the Company. It aims to promote consistent legal and ethical organizational behavior by assigning responsibility for the development of controls and providing guidelines for reporting of fraud/suspected fraud and conduct of investigation of suspected fraudulent behavior. The scope of policy extends to reporting and investigating the fraud or suspected fraud in the Company involving employees (including contractual employees) as well as shareholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside agencies and/or any other parties having business relationship with the Company.

   The above said policies also cover our subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   Under the Anti-Fraud Policy, the Company had not received any complaint during the FY 2018-19.

   The company had received a total of 3,906 complaints from the shareholders and bondholders of the Company during the FY 2018-19 in addition to 6 complaints pending at the beginning of the year. Out of which 3912 (100%) were resolved by March 31, 2019.

   Under PFC's Citizen Charter, total 96 complaints were received from customers/consumers during the FY 2018-19 in addition to 2 complaints pending at the beginning of the year. Out of which 89 (91%) were resolved by March 31, 2019 leaving 9 complaints pending.

<u>Principle 2</u>

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   PFC has financial products like term loan, buyer's line of credit, lease financing etc. including financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, PFC stipulates conditions including interalia environmental clearances.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:**

   Since PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only, following questions mentioned below are generally applicable to manufacturing sector:

   i. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

      Not Applicable.

   ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

      Not Applicable.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   Not Applicable.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   PFC, being a Financial Institution, is relatively less resource intensive in terms of material inputs. We are also following the Government of India's directives, issued from time to time, in respect of reservation for Micro, Small & Medium Enterprises in procurements.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?**

   The Company, being a Financial Institution, has limited applicability of mechanism to recycle products and waste. However, the Company has installed an Organic Composting machine in the office premises for recycling organic waste generated on routine basis in the office building kitchen/pantry etc.

<u>Principle 3</u>

1. **Please indicate the total number of employees.**

   As on March 31, 2019 there were 498 employees in PFC.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

   During the FY 2018-19, PFC hired nil employees on temporary/contractual/casual basis.

3. **Please indicate the number of permanent women employees.**

   As on March 31, 2019, there were 103 permanent women employees on the rolls of the company.

4. **Please indicate the number of permanent employees with disabilities.**

   As on March 31, 2019, there were 14 differently abled employees on the rolls of the company.

5. **Do you have an employee association that is recognized by management?**

   PFC has PFC Employees Union, PFC SC/ST/OBC Welfare Association and PFC Executive Association.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   100% of the permanent employees are members of these recognized employee associations.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year 2018-19	No of complaints pending as on March 31, 2019
1	Child labour /forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   o Permanent Employees 75%

   o Permanent Women Employees 80%

   o Casual/Temporary/Contractual Employees Nil

   o Employees with Disabilities 78%

Principle 4

1. **Has the company mapped its internal and external stakeholders?**

   Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   All reserved category employees (SC/ST/OBC/PwBD & Minorities) are identified as disadvantaged, vulnerable & marginalized stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

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

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   PFC does not have any specific policy on human rights. However, it is embedded in company's various HR policies and practices.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The details of stakeholder complaints during FY 2018-19 are given herein below:

Particulars	No. of Complaints			
	Equity Shareholders	Bondholders	Under Anti-Fraud Policy	Under Citizen Charter
Pending at the beginning	1	5	0	2
Received during the year	886	3020	0	96
Disposed off during the year	887	3025	0	89
Lying unresolved at the end of the year	0	0	0	9
% of Complaints resolved	100%	100%	0	91%

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

   The policy is embedded in company's various policies and practices and covers the Company as a whole.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   PFC is a socially conscious organization and fully endorses the nine principles of Global Compact enunciated by the United Nations Organization (UNO) which encompass areas of human rights, environmental protection and labour rights. These principles of Global Compact are embedded in various organizational policies of the Company thereby facilitating their implementation in a natural way.

   PFC consistently strives towards meeting the expectations of the society through proper planning and decision making that will help in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. PFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.

3. **Does the company identify and assess potential environmental risks?**

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

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The above question is not applicable to PFC as it is not a manufacturing company. However, your Company funds renewable energy projects and energy saving projects at special rates of interest in State and Private Sectors.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.**

   Yes. The Company has undertaken various Clean Technology/Renewable energy/Energy Efficiency etc. initiatives in FY 2018-19 including disbursement of ₹ 19.15 crore under 'Solar Application'. The details are mentioned at Annexure I of this Report.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Not Applicable.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2019.**

   Not Applicable.

Principle 7

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   Yes, PFC is a member of the following associations:-

   1. SCOPE
   2. Central Board of Irrigation and Power
   3. Confederation of Indian Industry (CII)
   4. World Energy Council

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   PFC supports the initiatives taken by above associations in their endeavors for the advancement or improvement of public good.

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   PFC has a CSR and Sustainability policy in place. The aim of the policy is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large.

   The objective of the PFC CSR Policy is to:

- Ensure an increased level of commitment at all levels in the Organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of its stakeholders.
- Generate a societal goodwill for PFC through CSR activities and help reinforce a positive and socially responsible image of PFC as a corporate.

As a socially responsible corporate entity, PFC endeavors to:

- Promote and Leverage green technologies to produce goods and services that contribute to social and environmental sustainability.
- Take up projects that provide energy, water and sanitation facilities to the communities.
- Take up activities to support "Differently abled persons" and the "Health sector".
- Take up issues which are of foremost concern in the national development agenda, like save drinking water for all, provision of toilets especially for girls, health and sanitation, education, etc.
- Contribute to inclusive growth and equitable development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

All the projects undertaken under CSR & SD policy were executed by Govt./Semi Govt./Quasi-Govt. implementing agencies and other reputed organisations.

3. Have you done any impact assessment of your initiative?

The company shall mandatorily conduct Impact Assessment for projects/programmes sanctioned above ₹ 5 crore. For rest of the projects/programmes, the assessment is to be done on a case to case basis.

The Impact Assessment Study being conducted (sanction-wise) in FY 2018-19 is as tabulated:

S.No.	Particulars	Area
1	Impact Assessment study through Indian Institute of Public Administration (IIPA) on 'Employment oriented training and skill development programme for SC/ST/OBC/Women & EWS of society for 2000 persons	All over India
2	Impact assessment study through Administrative Staff College of India (ASCI), Hyderabad on 'Impact on Fitment Cochlear Implants to 100 nos. Hearing Impaired children	All over India

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

During the year 2018-19, PFC undertook various Community Development projects in the field of sanitation, skill development and education, solar application, environment and health sector. PFC's contribution in terms of amount sanctioned and disbursed are as given below:

Nature of Activities	Sanctioned (₹ in crore)	Disbursement (₹ in crore)
Sanitation/ Waste Management/ Drinking Water	12.89	9.76
Skill Development and Education	31.76	18.23
Solar Application	20.58	19.15
Environment/Tree Plantation	0.00	1.00
Health Sector	2.34	2.34
Others (Impact Studies, Admin. Overheads, Saubhagya, Arrah and Sitamarhi district village Dev. programmes etc.)	71.39	67.71
Total	**138.96**	**118.19**

Spread across various CSR initiatives (inclusive of Community Development projects), PFC disbursed ₹ 118.19 crore (including Administrative overheads) during the FY 2018-19.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The projects sanctioned by PFC are implemented by Govt./Semi Govt./Quasi-Govt. Implementing agencies and other reputed organisations. During Skill development training programmes, placement of around 70% is ensured. In projects such as environment sustainability, renewable energy etc. assets are created, transferred to beneficiaries and also monitored by PFC by various activities such as site visits, tour reports etc.

Principle 9

1. What percentage of customer complaints/consumer cases apart from shareholders and bondholders are pending as at the end of financial year?

Under PFC's Citizen Charter, total 96 complaints were received from customers/consumers during the FY 2018-19 in addition to 2 complaints pending at the beginning of the year. Out of which 89 (91%) were resolved by March 31, 2019 leaving 9 complaints pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2019.

Not Applicable.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

In PFC, customer complaints are obtained through structured meetings held periodically with Power Utilities, periodic visits undertaken by PFC executives to the customers' offices/project sites, through regular written/telephonic correspondence during the appraisal, loan documentation and disbursement stages of various projects/loans, customers visiting PFC office etc.

Based on the responses, the complaints are recorded and a Corrective and Preventive Action Record (CAPR) is initiated for each complaint. The concerned customer is intimated about the corrective action being taken to resolve the complaint and prevent its further occurrence.

Annexure I to Business Responsibility Report

List of activities in which expenditure has been incurred:

S. No	Name of Projects (Details of ₹ 100.50 Crore)
1	Water Distribution Pipeline in selected wards of Chanderi town, Ashok Nagar district, Madhya Pradesh state
2	Providing the services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area.
3	Contribution to Swachh Kumbh Kosh, Kumbh Mela 2019
4	Supply and Installation of 500 Nos. India Mark II Hand Pumps for Drinking Water purposes in Rural Areas of Machhalishahar Region, Jaunpur, Uttar Pradesh
5	Construction of 580 Hand Washing Units in Govt. schools of Sitamarhi, Bihar
6	Multi Therapy Unit under Integrated Muscular Dystrophy Rehabilitation Centre (IMDRC) at Solan
7	Project for Provisioning of Hi-End Prosthetic & Orthotic Artificial Limbs to Persons with Disabilities (PwDs) in Mumbai and its suburb areas i.e Thane, Kalyan, Raigad, Uraan.
8	Fitment of cochlear Implants to 100 nos. Hearing Impaired Children
9	Employment Oriented Training and Skill Development programme for SC/ST/OBC/Women & EWS of society for 2000 persons
10	Skill Development programme for persons belonging to SC/ST/OBC/Women/PWD & EWS of society for 3000 persons FY 2016-17 phase-I
11	Skill Development programme for persons belonging to SC/ST/OBC/Women/PWD & EWS of society for 3000 persons FY 2017-18 phase -II
12	Skill Development programme for SC/ST/OBC/Women/PWD & EWS of society for 900 persons
13	Employment oriented Skill Development Programme for SC/ST/OBC/Women & EWS for 1200 persons
14	Up-gradation of selected Primary Schools in Lucknow
15	Skill Development Training Programme for SC/ST/OBC/PWD/Women & EWS of society for 2500 candidates-phase-II
16	Supply, installation and commissioning of Mini/Micro Off Grid Solar PV Power Plant in three villages - Phoj Kudana, Bhoj Plasra & Patiye ki Bhood under Ambala circle in Haryana state
17	Extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar
18	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in Akbarpur, Kanpur Dehat, Uttar Pradesh
19	Project of LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh
20	Implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi, Uttar Pradesh, Phase-I
21	Implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh
22	Implementation of 500 nos. of Solar based LED Street Lighting System in Pilibhit, Uttar Pradesh
23	Implementation of 500 nos. of Solar based LED Street Lighting System in Basti, Uttar Pradesh
24	Solar Community Irrigation Schemes for 1000 Hectares area in Chhattisgarh
25	Implementation of 500 nos. of solar based LED Street Lighting System in Shravasti, Uttar Pradesh phase-I
26	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) Uttar Pradesh phase-II.
27	Implementation of Solar based LED Street Lighting System (SLS) and Solar High Mast Lights (SHMLS) in Deoria region of Uttar Pradesh
28	Implementation of Solar based LED Street Lighting System (SLS) and Solar High Mast Lights (SHMLS) in Agra (North), Agra (South) and Firozabad regions of Uttar Pradesh
29	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages in Pali, Rajasthan
30	Supply, Installation and Commissioning of 450 nos. of LED based Solar Street Lighting System (SLS) in various villages in Bijnor, Uttar Pradesh
31	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Giridih-phase-II
32	Implementation of 725 nos. of Solar based LED Street Lighting System (SLS) in Sitamarhi, Bihar
33	Development of Park (Pocket 7A) at Deen Dayal Upadhyay Marg, Delhi
34	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bikaner, Rajasthan
35	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Shravasti, Uttar Pradesh, Phase-II
36	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Agra , Uttar Pradesh
37	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Lalganj, Uttar Pradesh
38	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Baghpat, Uttar Pradesh
39	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Mahbubnagar and Ranga Reddy Districts, Telangana
40	Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) at the cost of ₹ 41.40 crore (approx.) in the state of Jharkhand
41	Relief & Rehabilitation activities in the flood affected areas of Uttarakhand for re-building of infrastructure destroyed during calamity
42	Project of Development works in the 3 blocks (Piro, Bihiya, Jagdishpur) of Arrah District, Bihar-Bhojpur Village Development Programme
43	Impact Assessment/Training/Travelling/Pay & Allowances etc.

Annexure II to Business Responsibility Report

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

Name of the Policy	Web links	
	English	Hindi
CSR and Sustainability Policy	http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf	http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/CSR/PFC_CSR_POLICY_HND_20092016.pdf
Fair Practice Code	http://www.pfcindia.com/Home/VS/62	http://pfcindia.com/hnsite/Home/VS/62
Code of Business Conduct and Ethics	http://www.pfcindia.com/Home/VS/63	http://pfcindia.com/hnsite/Home/VS/63
Anti-Fraud Policy	http://www.pfcindia.com/Home/VS/65	http://pfcindia.com/hnsite/Home/VS/65
Whistle Blower Policy	http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490268719103_wbpHND.pdf&path=Page
Policy on Related Party Transactions	http://www.pfcindia.com/Default/ViewFile/?id=1490186033556_Policy on Related Party Transactions.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490267088709_PFC_Policy_Hindi.pdf&path=Page
Policy on Material Subsidiary	http://www.pfcindia.com/Default/ViewFile/?id=1546008961743_Policyon.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490266955530_material_subsideiry_HND.pdf&path=Page
Dividend Distribution Policy	http://www.pfcindia.com/Default/ViewFile/?id=1500569967022_Dividend Distribution Policy of Power Finance Corporation Limited-Final Version.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1500987575423_Dividend_Distribution_Policy_of_pfc_hindi.pdf&path=Page
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for regulating, monitoring & reporting of trading in the securities of Power Finance Corporation Limited	http://www.pfcindia.com/Default/ViewFile/?id=1471519901217_PFCs_Code_of_Conduct_for_regulating_reporting_trading_by_insiders_and_for_fair_disclosure_2015.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490270610504_CODE_OF_CONDUCT_FOR_INSIDER_TRADING_HND.pdf&path=Pag
Policy for Determination of Materiality of Events	http://www.pfcindia.com/Default/ViewFile/?id=1472556452570_Circular%20Policy%20for%20Determination%20of%20Materiality%20of%20Events.pdf&path=Page&Name=Policy for Determination of Materiality of Events	http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/Statutory_investor/DoMEvents_hi.pdf

The other policies are internal documets and accessible only to employees of the organisation.

Annexure I of Board's Report

Form MR - 3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations & Disclosure requirements) Regulations, 2015)

To,

The Members,

Power Finance Corporation Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Power Finance Corporation Limited** (hereinafter called PFC/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our test basis verification of the PFC's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PFC for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable for the year under review**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and **Not applicable for the year under review**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable for the year under review**

(vi) The Reserve Bank of India Act, 1934 and Regulations framed thereunder for Non-Banking Financial Companies.

(vii) Prevention of Money Laundering Act, 2002.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure requirements) Regulations, 2015.

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 observations:

(i) Observation 1:

In terms of Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015:

1. The Board of Directors of the Company shall have an optimum combination of executive and non- executive directors with at least one-woman director and **not less than fifty percent of the Board of Directors comprising of non-executive directors.**
2. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non- executive Chairman, **at least half of the Board should comprise of independent directors.**

Further as per Section 149(4) of the Companies Act, 2013, every listed public company shall have **at least one-third of the total number of directors as independent directors** and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.

Furthermore, in terms of Para 3.1.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, **the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board**.

Also, in terms of Para 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, **the number of Independent Directors shall be at least 50% of Board Members.**

Consequential non-compliances arising due to Non-appointment of Independent Directors on the Board of the Company:

- Compliance of the provisions of Section 178(1) of the Companies Act, 2013; Para 5.1 of DPE. Guidelines on Corporate Governance and Regulation 19 (1) & (2) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 w.r.t. to the composition of the Nomination and Remuneration Committee.

Remark: The Board of Directors of the Company is headed by an Executive Chairman, accordingly, the number of Independent Directors should have been at least 50% of the Board Members, however as on 31.03.2019, the Board of Company comprised of 7 Directors, which includes 4 whole time Members of the Board, 1 Part Time Government Nominee Director and 2 Non-Official Part Time Independent Directors. Accordingly, the composition of the Board and the Nomination & Remuneration Committee is not in compliance with the provisions of Companies Act, 2013, DPE Guidelines on Corporate Governance and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company is in constant communication with the Ministry for the appointment of requisite number of Independent directors on the Board of the Company.

(ii) Observation 2:

In terms of Regulation 25 (3) & (4) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of management to:

(a) review the performance of non-independent directors and the Board of Directors as a whole.

(b) review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.

(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Further, in terms of Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.

Remark: The Independent Directors has met separately once during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015. As regards performance Evaluation, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, evaluation criteria has not been evolved. However, the Independent Directors in their separate meeting held on 27.03.2019 desired that the evaluation criteria be evolved afresh.

(iii) Observation 3:

In terms of Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LODR) 2015, the Nomination and Remuneration Committee shall:

(a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

(c) devise a policy on diversity of Board of Directors.

Remark: The Nomination and Remuneration Committee has devised a policy on diversity of Board of Directors, as required under Regulation 19 (4) (c) read with Schedule II Part D (A) of SEBI (LODR) 2015. In respect of Regulation 19(4)(a), Regulation19(4)(b) read with Schedule II Part D (A)of SEBI (LODR) 2015, the Company has informed that in terms of Clause 86 of Articles of Association of the Company, the members of the Board are appointed by the President of India and the terms and conditions of such appointment including remuneration and evaluation vests with the Government of India.

We further report that the Board of Directors of the Company has to be constituted in terms of the provisions of the Companies Act, 2013, DPE Guidelines and Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The number of independent directors on the Board is less than 50% of the original strength of the Board. At present, there are two Independent Directors on the Board of the Company. The Company is not compliant with provisions of appointment of requisite number of Independent Directors.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful, participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has acquired 103,93,99,343 number of equity shares of REC Limited (representing 52.63% of the share capital of REC Limited) from President of India acting through Ministry of Power on 28th March, 2019 with requisite compliances.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) and 19(1)/19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company made representations to Stock Exchanges and SEBI.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-
CS Sachin Agarwal
Partner

Place : New Delhi
Date : June 10, 2019

FCS No.: 5774
CP No.: 5910

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,

Power Finance Corporation Limited

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 are the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as, to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-

CS Sachin Agarwal
Partner

FCS No.: 5774
CP No.: 5910

Place: New Delhi
Date: June 10, 2019

Observations of the Secretarial Auditors alongwith explanations to the same required to be included in the Directors Report to the shareholders for the FY 2018-19

Sl. No.	Observation	Explanation
1.	In terms of Regulation 17(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:- 1. The Board of Directors of Company shall have an optimum combination of executive and non-executive directors with at least one woman director and **not less than fifty percent of the Board of Directors comprising of non-executive directors.** 2. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, **at least half of the Board should comprise of independent directors.** Further as per Section 149(4) of the Companies Act, 2013, every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies. Furthermore, in terms of Para 3.1.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, **the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board.** Also, in terms of Para 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, **the number of Independent Directors shall be at least 50% of Board Members.** Consequential non-compliances arising due to Non-appointment of Independent Directors on the Board of the Company:- • Compliance of the provisions of Section 178(1) of the Companies Act, 2013; Para 5.1 of DPE Guidelines on Corporate Governance and Regulation 19 (1) & (2) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 w.r.t. to the composition of the Nomination and Remuneration Committee. ***Remark:*** *The Board of Directors of the Company is headed by an Executive Chairman, accordingly, the number of Independent Directors should have been at least 50% of the Board Members, however, as on 31.03.2019, the Board of Company comprised of 7 Directors, which includes 4 whole time Members of the Board, 1 Part Time Government Nominee Director and 2 Non-Official Part Time Independent Directors. Accordingly, the composition of the Board and the Nomination & Remuneration Committee is not in compliance with the provisions of Companies Act, 2013, DPE Guidelines on Corporate Governance and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company is in constant communication with the Ministry for the appointment of requisite number of Independent directors on the Board of the Company.*	Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of PFC, the members of the board of PFC are appointed by President of India. Accordingly, the Company has requested Ministry of Power Government of India to expedite appointment of Independent Director(s) on the Board of the Company to enable the company to comply with the applicable provisions of the Companies Act, 2013, SEBI (LODR), Regulations 2015 and DPE guidelines.

Sl. No.	Observation	Explanation
2.	In terms of Regulation 25(3) & (4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of management to:- (a) Review the performance of non-independent directors and the Board of Directors as a whole. (b) Review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors. (c) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. Further, in terms of Regulation 17(10) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors. ***Remark:*** *The Independent Directors has met separately once during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015. As regards performance Evaluation, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, evaluation criteria has not been evolved. However, the Independent Directors in their separate meeting held on 27.03.2019 desired that the evaluation criteria be evolved afresh.*	Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of the Company, the members of the board of PFC are appointed by President of India and the terms & conditions of such appointment including remuneration and evaluation vests with the Government of India.
3.	In terms of Regulation 19(4) read with Schedule II Part D (A) of SEBI (LODR) 2015, the Nomination & Remuneration Committee shall: (a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees; (b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors; (c) devise a policy on diversity of Board of Directors. ***Remark:*** *The Nomination and Remuneration Committee has devised a policy on diversity of Board of Directors, as required under Regulation 19 (4) (c) read with Schedule II Part D (A) of SEBI (LODR) 2015. In respect of Regulation 19(4) (a) & Regulation 19(4) (b) read with Schedule II Part (D) (A) of SEBI (LODR) 2015, the Company has informed that in terms of Clause 86 of Articles of Association of the Company, the members of the Board are appointed by the President of India and the terms and conditions of such appointment including remuneration and evaluation vests with the Government of India.*	Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of the Company, the members of the board of PFC are appointed by President of India and the terms & conditions of such appointment including remuneration and evaluation vests with the Government of India.

Independent Auditors' Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Power Finance Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and the profit and total comprehensive income, changes in equity and its cash flows 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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:

Sr. No.	Key Audit Matter	Auditors' Response
1	**Credit impairment of financial instruments** The most significant areas where we identified greater levels of management Judgement are: • Significant Increase in Credit Risk (SICR) – Company has classified SICR based on the indicator defined in Ind AS. Selection of any other criteria can materially impact the ECL recognised for certain portfolios. • ECL model – Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed Stage 3 carrying value – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. Company has availed services of Crisil Ltd. to estimate the carrying value of its stage 3 portfolio.	**Our procedures included:** • The assessment and calculation of material SICR indicators and criteria. • The accuracy of critical data elements input into the system used for computation of PD and LGD. • The completeness and accuracy of data flows from source systems into the ECL calculation. • Company has availed services of independent expert to estimate the carrying value of its stage 3 portfolio. We have reviewed the carrying value provided by such expert. **Our results:** We considered the credit impairment charge

	The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	and provision recognised and the related disclosures to be acceptable& satisfactory.
2	**Valuation of financial instruments at Fair Value** Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorised at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our procedures included:** Company obtains fair value of derivative contracts from the counter party banks. Our procedure include review of the fair value obtained using observable market inputs like prevailing exchange rate, interest rate curves and other volatility index subsequent thereto. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value obtained from counter party banks while considering other inputs.
3	**Recoverability of Company's investment in Subsidiaries, Associates and Joint Ventures** The carrying value of the Company's investment in subsidiaries represents 33.50% of the Company's total net worth. Due to the materiality of the investment in the context of the parent Company's financial statements and the market risk related with recoverability of investments, this was considered to be the area of focus during the course of Company's audit.	**Our procedures included:** Review of financial statements of all subsidiaries, associates and joint ventures. **Our results:** We did not find any material risk in recoverability of the investments.
4	**Information Technology** Control Performance The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.	**Our procedures included:** Evaluated sample of key controls operating over the information in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

OTHER MATTER

The comparative financial information of the Company for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31st March, 2018 and 31st March, 2017 dated 25.05.2018 and 29.05.2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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 that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 implementation and maintenance of 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in term of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in **Annexure "B"**.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Company, being a government company.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "C"**.
   (g) 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,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 financial statements - Refer Note No. 39 to the standalone financial statements;
      ii. The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

Sd/-
CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

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

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2019)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) As explained to us, the management carries out the physical verification of fixed assets once in a year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification necessitating any adjustment.
   (c) According to information and explanations given to us, the records examined by us and based on the examination of conveyance deeds/ registered sale deed provided to us, we report that, the title deeds, comprising all immovable properties of land and buildings which are free hold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease, the lease agreement are in the name of the company.

ii. The Company is a Non-Banking Finance Company. Accordingly it does not hold any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

iii. As explained to us and verified from books and records, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Further, clauses 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iv. The Company has not given any loans, investment, guarantees and securities which may be covered under section 185 and 186 of the Companies Act, 2013.

v. According to the information and explanations given to us, the Company has not accepted any deposit from public during the year within the meaning of section 73 to 76 or any other relevant provision of the companies Act,2013 and the Companies (Acceptance of Deposits) Rules, 2014.

vi. The Central Government has not prescribed the maintenance of cost records under Sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

vii. In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:
   (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods & Service Tax and other material statutory dues as applicable to it and there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as on 31st March, 2019, as per the accounts of the Company.

(b) Wherever any dues / demand has been raised by any statutory authority and has been disputed by the Company, the same has been duly deposited under contest except in following cases:

Name of the Statute	Nature of the Dues	Total Disputed Amount (₹)	Amount paid under protest (₹)	Pending Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax and Penalty	86,55,830	5,90,170/-	80,65,660	01 April, 2011 to 31 December, 2015	CESTAT, Delhi
		16,91,418	Nil	16,91,418	01 January, 2016 to 30 November, 2016	Commissioner, CE & ST, LTU, New Delhi
Income Tax Act, 1961	Income Tax	17,64,18,418	15,30,70,190	2,33,48,228	AY 2016-17	CIT (Appeals) - 22, Delhi
Income Tax Act, 1961	Penalty	25,91,23,160	Nil*	25,91,23,160	AY 2014-15	CIT (Appeals) - 22, Delhi

*The due date of payment of penalty amount is 28th April, 2019 against which stay of demand has been granted upon payment of 20% of total demand till disposal of company's appeal before CIT(A) or till 30.10.2019. Accordingly, amount of ₹5,18,24,630/- (20% of total demand) has been deposited by the Corporation on 26.04.2019.

viii. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

ix. Money raised by the company by way of all types of debt instruments and term loans during the year was applied for the purposes for which it was raised.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported during the year.

xi. According to information and explanations given to us, being a Government Company, Section 197 of Companies Act, 2013 does not apply to the Company. Accordingly, clause 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

xii. According to information and explanations given to us, the Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

xiii. According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable. The details have been disclosed in the Financial Statements as per the requirement of the accounting standard.

xiv. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.

xvi. The Company is a Non- Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

Sd/-
CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

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

(Referred to in Para 2 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2019)

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

Sl. No.	Questionnaire	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company has a system in place to process all the accounting transactions through IT system. During FY 2018-19, all the accounting transactions have been processed through IT system. Since system of processing all financial transactions is in place, all transactions are done mandatorily through system only, as such question of processing of transactions outside IT system on the integrity of the accounts doesn't arise.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver / write off of debts / loans / interest etc. by a lender to the Company.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Funds released by Ministry of Power for the projects / schemes sanctioned under Integrated Power Development Scheme (R-APDRDP subsumed) have been properly accounted for and released onward to the beneficiaries as per guidelines and terms & conditions of sanction.
4	Keeping in view the expiry of exemption given by RBI to PFC from RBI's restructuring norms on 31.03.2017, the Company has been advised to seek a clarification from RBI with regard to the date of applicability of RBI restructuring norms, especially on the existing loans which were hitherto classified under the restructuring norms approved by MoP so that the financial statements for the year 2018-19 are finalized accordingly.	The matter pertains to application of RBI's Restructuring/ Reschedulement / Renegotiation norms (RRR) on certain class of assets where exemption was available upto 31.03.2017. In this regard, it is submitted that the Company has adopted Ind AS w.e.f. 01.04.2018 as required under Companies (Indian Accounting Standards) Rules, 2015 and Ind AS does not prescribe such restructuring norms for asset classification and provisioning thereon. The asset classification and provisioning has been done in accordance with requirements of Ind AS.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

Sd/-
CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

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

(Referred to in Para 3(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2019)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Power Finance Corporation Limited ("the Company") as of 31st March, 2019 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 with reference to financial statements 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 Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

Sd/-
CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2019

To

Board of Directors

Power Finance Corporation Limited

Urjanidhi, 1, Barakhamba Lane,

Connaught Place, New Delhi-110001

Dear Sir,

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India, on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, we report that:

1. The Company is engaged in the business of non-banking financial institution, having valid certificate of registration as an Infrastructure Finance Company issued by Reserve Bank of India vide No. B- 14.00004 dated 28-07-2010 in lieu of earlier certificate no. 14.00004 dated 10.02.1998. Further, the Company is entitled to continue to hold such registration in terms of its asset / income pattern as on 31.03.2019.
2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
3. The company is registered as Non-deposit accepting Infrastructure Finance Company with RBI. The Board of Directors has passed resolution in its meeting held on 25.05.2018 for non-acceptance of any public deposit during FY 2018-19.
4. Company has not accepted any public deposits during the financial year 2018-19.
5. As per roadmap issued by Ministry of Corporate Affairs regarding applicability of Ind AS, Company is required to apply Ind AS from FY 2018-19 (with transition date of 01.04.2017). The prudential norms related to income recognition, accounting standards, asset classification, provisioning etc. specified in RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are inconsistent with the Ind AS system of calculating expected credit loss on impaired loans and classification thereof. The Company has aligned its income recognition, asset classification, provisioning etc. as per requirements of Ind AS.
6. As per information and explanation given to us, the statement of capital funds, risk assets/exposures and risk asset ratio(NBS-7 return) has been filed by company for all the quarters of FY 2018-19 based on financial results of respective quarters, drawn on the date of filing with in the stipulated period including CRAR in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2019 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

Sd/-
CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2019 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 29 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Power Finance Corporation Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place : New Delhi
Date : 26.07.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Balance Sheet as at March 31, 2019

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	ASSETS				
1	**Financial Assets**				
	(a) Cash and Cash Equivalents	6	308.48	537.71	42.87
	(b) Bank Balance other than included in Cash and Cash Equivalents	7	13,846.53	15.49	3,530.29
	(c) Derivative Financial Instruments	8	567.98	229.09	299.87
	(d) Loans	9	303,210.36	266,011.38	235,088.75
	(e) Investments	10	16,586.20	2,520.04	3,870.38
	(f) Other Financial Assets	11	5,376.40	5,276.91	5,249.43
	Total Financial Assets (1)		**339,895.95**	**274,590.62**	**248,081.59**
2	**Non- Financial Assets**				
	(a) Current Tax Assets (Net)	12	628.59	508.12	346.24
	(b) Deferred Tax Assets (Net)	35	4,060.73	4,547.26	3,570.22
	(c) Property, Plant and Equipment	13	27.74	26.08	24.01
	(d) Intangible Assets	13	0.59	0.89	0.69
	(e) Other Non-Financial Assets	14	242.09	235.48	1,010.53
	Total Non- Financial Assets (2)		**4,959.74**	**5,317.83**	**4,951.69**
	Total Assets (1+2)		**344,855.69**	**279,908.45**	**253,033.28**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	**Financial Liabilities**				
	(a) Derivative Financial Instruments	8	505.59	240.68	68.41
	(b) Debt Securities	15	205,584.49	206,811.79	194,444.34
	(c) Borrowings (other than Debt Securities)	16	80,344.53	26,080.17	11,591.76
	(d) Subordinated Liabilities	17	9,309.70	3,892.76	3,892.64
	(e) Other Financial Liabilities	18	5,327.84	5,393.19	7,258.52
	Total Financial Liabilities (1)		**301,072.15**	**242,418.59**	**217,255.67**
2	**Non- Financial Liabilities**				
	(a) Current Tax Liabilities (Net)	12	130.70	129.97	130.43
	(b) Provisions	19	264.00	291.17	63.66
	(c) Other Non-Financial Liabilities	20	100.85	112.57	158.44
	Total Non- Financial Liabilities (2)		**495.55**	**533.71**	**352.53**
	Total Liabilities (1+2)		**301,567.70**	**242,952.30**	**217,608.20**
3	**Equity**				
	(a) Equity Share Capital	21	2,640.08	2,640.08	2,640.08
	(b) Other Equity	22	40,647.91	34,316.07	32,785.00
	Total Equity (3)		**43,287.99**	**36,956.15**	**35,425.08**
	Total Liabilities and Equity (1+2+3)		**344,855.69**	**279,908.45**	**253,033.28**

Accompanying notes to the Standalone Financial Statements **1 to 57**

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Statement of Profit and Loss for the year ended March 31, 2019

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
	Revenue from Operations			
	(i) Interest Income	23	28,440.97	25,562.03
	(ii) Dividend Income	36	167.03	146.23
	(iii) Fees and Commission Income	24	149.02	267.59
	(iv) Net Gain on Fair Value Changes	25	84.98	-
I.	**Total Revenue from Operations**		**28,842.00**	**25,975.85**
II.	**Other Income**	26	**9.29**	**4.40**
III.	**Total Income (I+II)**		**28,851.29**	**25,980.25**
	Expenses			
	(i) Finance Costs	27	18,981.76	16,955.89
	(ii) Net Translation / Transaction Exchange Loss (+) / Gain (-)	37	520.23	213.10
	(iii) Fees and Commission Expense	28	10.09	8.58
	(iv) Net Loss on Fair Value changes	25	-	193.19
	(v) Impairment on Financial Instruments	29	(871.48)	2,391.01
	(vi) Employee Benefits Expenses	30	173.57	176.64
	(vii) Depreciation and Amortisation	13	6.14	6.41
	(viii) Corporate Social Responsibility Expenses	38	100.50	118.88
	(ix) Other Expenses	31	114.69	71.44
IV.	**Total Expenses**		**19,035.50**	**20,135.14**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**9,815.79**	**5,845.11**
VI.	**Exceptional Items**		**-**	**-**
VII.	**Profit/(Loss) Before Tax (V-VI)**		**9,815.79**	**5,845.11**
	Tax Expense:	35		
	(1) Current Tax			
	Current Year		2,346.50	2,434.68
	Earlier Years		1.22	(1.07)
	(2) Deferred Tax		515.15	(975.27)
VIII.	**Total Tax Expense**		**2,862.87**	**1,458.34**
IX	**Profit/(Loss) for the year from Continuing Operations (VII-VIII)**		**6,952.92**	**4,386.77**
X	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XI	**Profit/(Loss) for the year (for continuing and discontinued operations) (IX+X)**		**6,952.92**	**4,386.77**
XII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(3.63)	5.72
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(154.88)	(331.24)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.69	1.78
	(iii) Items that will be reclassified to Profit or Loss			
	Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		(77.08)	-
	(iv) Income Tax relating to items that will be reclassified to Profit or Loss		26.93	-
	Other Comprehensive Income		**(206.97)**	**(323.74)**
XIII	**Total Comprehensive Income for the year (XI+XII)**		**6,745.95**	**4,063.03**
XIV	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations) :**	41		
	(1) Basic EPS (₹)		26.34	16.62
	(2) Diluted EPS (₹)		26.34	16.62

Accompanying notes to the Standalone Financial Statements 1 to 57

For and on Behalf of Board of Directors

Sd/- **(Manohar Balwani)** Company Secretary	Sd/- **(N. B. Gupta)** Director (Finance) DIN - 00530741	Sd/- **(Rajeev Sharma)** Chairman and Managing Director DIN - 00973413

Signed in terms of our report of even date attached

	For M.K. Aggarwal & Co. Chartered Accountants Firm Regn No - 01411N **Sd/-** **(CA M.K. Aggarwal)** Partner Membership No: 014956	**For Gandhi Minocha & Co.** Chartered Accountants Firm Regn No - 000458N **Sd/-** **(CA Bhupinder Singh)** Partner Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(₹ in crore)

Particulars	Amount
Balance as at 01.04.2017	2,640.08
Changes during the year	-
Balance as at 31.03.2018	2,640.08
Changes during the year	-
Balance as at 31.03.2019	**2,640.08**

B. Other Equity

(₹ in crore)

Particulars	Reserves and surplus										Equity Instruments through Other comprehensive Income	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	Total
	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	Debenture Redemption Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings			
Balance as at 01.04.2017	**16.99**	**3,014.69**	**599.85**	**14,325.30**	**1,434.17**	**2,776.54**	**(288.12)**	**56.41**	**5,438.68**	**5,184.72**	**225.77**	**-**	**32,785.00**
Profit for the year										4,386.77			4,386.77
Re-measurement of Defined Benefit Plans (net of tax)										7.50			7.50
Other Comprehensive Income / (Expense)											(331.24)	-	(331.24)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,394.27**	**(331.24)**	**-**	**4,063.03**
Dividends	-	-	-	-	-	-	-	-	-	(2,059.26)	-	-	(2,059.26)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	(404.41)	-	-	(404.41)
Transfer to / from Retained Earnings	6.37	372.10	-	1,595.06	292.65	-	-	-	1,000.00	(3,265.40)	(0.78)	-	0.00
Additions / Deletions during the year (net)	-	-	-	-	-	-	(68.29)	1.49	-	(1.49)			(68.29)
Balance as at 31.03.2018	**23.36**	**3,386.79**	**599.85**	**15,920.36**	**1,726.82**	**2,776.54**	**(356.41)**	**57.90**	**6,438.68**	**3,848.43**	**(106.25)**	**-**	**34,316.07**
Profit for the year										6,952.92			6,952.92
Re-measurement of Defined Benefit Plans										(1.94)			(1.94)
Other Comprehensive Income / (Expense)											(154.88)	(50.15)	(205.03)
Total Comprehensive Income for the year										**6,950.98**	**(154.88)**	**(50.15)**	**6,745.95**
Transfer to / from Retained Earnings	1,390.58	353.42	-	1,577.91	289.73	-	-	-	1,000.00	(4,597.08)	(14.56)		0.00
Additions / Deletions during the year (net)	-	-	-	-	(2.30)	-	(413.31)	2.10	-	0.20	(0.80)		(414.11)
Balance as at 31.03.2019	**1,413.94**	**3,740.21**	**599.85**	**17,498.27**	**2,014.25**	**2,776.54**	**(769.72)**	**60.00**	**7,438.68**	**6,202.53**	**(276.49)**	**(50.15)**	**40,647.91**

Accompanying notes to the Standalone Financial Statements 1 to 57

For and on Behalf of Board of Directors

Sd/- **(Manohar Balwani)** Company Secretary	Sd/- **(N. B. Gupta)** Director (Finance) DIN - 00530741	Sd/- **(Rajeev Sharma)** Chairman and Managing Director DIN - 00973413

Signed in terms of our report of even date attached

	For M.K. Aggarwal & Co. Chartered Accountants Firm Regn No - 01411N **Sd/-** **(CA M.K. Aggarwal)** Partner Membership No: 014956	**For Gandhi Minocha & Co.** Chartered Accountants Firm Regn No - 000458N **Sd/-** **(CA Bhupinder Singh)** Partner Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Cash Flow Statement for the year ended March 31, 2019

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2019		Year ended 31.03.2018	
I.	**Cash Flow from Operating Activities :-**				
	Profit before Tax	**9,815.79**		**5,845.11**	
	Add / (Less): Adjustments for				
	Loss on derecognition of Property, Plant and Equipment (net)	0.32		0.42	
	Depreciation and Amortisation	6.14		6.41	
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	(136.83)		(66.42)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	519.07		198.97	
	Net Change in Fair Value	(84.98)		193.19	
	Effective Interest Rate on Loans	(10.47)		15.82	
	Impairment on Financial Instruments	(871.48)		2,391.01	
	Accrued Interest on investment	(288.60)		(253.50)	
	Interest Subsidy Fund	3.46		9.32	
	Provision for interest under Income Tax Act, 1961	5.86		-	
	Excess Liabilities written back	-		(0.84)	
	Provision for Retirement Benefits etc.	56.09		72.39	
	Dividend Income	(167.03)		(146.23)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(0.35)		(82.88)	
	Interest on Income Tax Refund	(8.29)		(4.78)	
	Operating profit before Working Capital Changes:	**8,838.71**		**8,177.99**	
	Increase / Decrease :				
	Loans (Net)	(36,321.76)		(33,153.02)	
	Other Assets (Financial and Non-Financial)	(13,897.14)		3,425.35	
	Derivative	11.00		49.86	
	Liabilities and provisions	(668.69)		(577.45)	
	Cash Flow before Exceptional Items	**(42,037.88)**		**(22,077.27)**	
	Exceptional Items	-		-	
	Cash Flow from Operations Before Tax	**(42,037.88)**		**(22,077.27)**	
	Income Tax paid	(2,544.76)		(2,632.95)	
	Income Tax Refund	81.34		1.83	
	Net Cash flow from Operating Activities		**(44,501.30)**		**(24,708.39)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.11		0.22	
	Purchase of Property, Plant and Equipment	(7.93)		(9.32)	
	Investments in Subsidiaries	(14,500.00)		-	
	Interest on investment	243.25		271.56	
	Dividend on investment	167.03		146.23	
	Increase / Decrease in Other Investments	277.97		1,019.10	
	Net Cash Used in Investing Activities		**(13,819.57)**		**1,427.79**
III.	**Cash Flow From Financing Activities :**				
	Issue of Bonds (including premium) (Net of Redemptions)	(8,957.74)		4,046.31	
	Raising of Long Term Loans (Net of Repayments)	35,678.55		8,525.00	
	Raising of Foreign Currency Loans (Net of Repayments)	9,634.40		9,547.20	
	Raising of Subordinated Liabilities (Net of Redemptions)	5,411.50		(0.00)	
	Raising of Commercial paper (Net of Repayments)	2,970.00		7,030.00	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	13,357.18		(2,400.79)	
	Unclaimed Bonds (Net)	(2.78)		3.41	
	Unclaimed Dividend (Net)	0.53		1.20	
	Payment of Interim Dividend*	-		(2,505.30)	
	Payment of Corporate Dividend Tax	-		(471.59)	
	Net Cash in-flow from Financing Activities		**58,091.65**		**23,775.45**
	Net Increase / Decrease in Cash and Cash Equivalents		**(229.23)**		**494.84**
	Add : Cash and Cash Equivalents at beginning of the financial year		537.71		42.87
	Cash and Cash Equivalents at the end of the financial year		**308.48**		**537.71**

	Details of Cash and Cash Equivalents at the end of the year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	8.48		4.76	
	In demand deposit accounts	300.00	308.48	532.95	537.71
	ii) Cheques, Drafts on hand including postage and Imprest				
	Total Cash and Cash Equivalents at the end of the year		**308.48**		**537.71**

* Payment of interim dividend for FY 2017-18 of ₹ 2505.30 crore includes ₹ 446.04 crore pertaining to FY 2016-17.

Reconciliation of liabilities arising from financing activities

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	Commercial Paper	WCDL	Subordinated Debts	Total
	Opening Balance as at 01.04.2017	**185,943.37**	**2,000.00**	**8,443.88**	**-**	**2,400.79**	**3,800.00**	**202,588.04**
	Cash Flow During the Year	4,046.31	8,525.00	9,547.20	7,030.00	(2,400.79)	(0.00)	26,747.73
	Non-Cash Changes due to:							
	Amortisation of discount / interest on Zero Coupon Bond / Financial Charges on Commercial Paper	38.85	-	-	(105.26)	-	-	(66.42)
	Variation in Exchange Rates	-	-	269.00	-	-	-	269.00
	Closing Balance as at 31.03.2018	**190,028.53**	**10,525.00**	**18,260.08**	**6,924.74**	**-**	**3,800.00**	**229,538.35**
	Cash Flow During the Year	(8,957.74)	35,678.55	9,634.40	2,970.00	13,357.18	5,411.50	58,093.90
	Non-Cash Changes due to:							
	Amortization of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers	42.00	-	-	(178.82)	-	-	(136.83)
	Variation in Exchange Rates	-	-	932.38	-	-	-	932.38
	Closing Balance as at 31.03.2019	**181,112.79**	**46,203.55**	**28,826.86**	**9,715.92**	**13,357.18**	**9,211.50**	**288,427.80**

*Foreign Currency Notes form part of Foreign Currency Loans in Cash Flow Statement

**Foreign Currency loans and syndicated foreign currency loans form part of foreign currency loan in cash flow statement.

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N
Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N
Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

CORPORATE OVERVIEW

DIRECTORS' REPORT

FINANCIAL STATEMENTS

Notes to the Standalone Financial Statements for the year ended March 31, 2019

1. **Company Information**

Power Finance Corporation Limited ("PFC" or the "Company") was incorporated in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110001.

The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

Equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

2. **Statement of Compliance**

2.1 The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. 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. These are the Company's first Ind AS Standalone Financial Statements and the date of transition is 01.04.2017.

The Company prepared its standalone financial statements up to the year ended 31.03.2018, in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP), which included Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with rules made thereunder and applicable RBI directions. The Company followed the provisions of Ind AS 101-'First Time adoption of Indian Accounting Standards' in preparing its opening Ind AS Standalone Balance Sheet as of the date of transition and adjustments were made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 01.04.2017. The comparative figures have been presented in accordance with the same accounting principles that are used in preparation of the Company's first Ind AS standalone financial statements.

The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 4. Further, in accordance with Ind AS 101, the Company has presented a reconciliation of total equity under previous GAAP & under Ind AS as at 31.03.2018 & 01.04.2017 and of the Profit after tax as per Previous GAAP & Total Comprehensive Income as per Ind AS for the year ended 31.03.2018 as detailed in Note 43.

2.2 These standalone financial statements have been approved by Board of Directors (BoD) on 29.05.2019.

2.3 Standards issued but not yet effective

Ind AS 116 - Leases:

On 30.03.2019, Ministry of Corporate Affairs (MCA) has notified Ind AS 116 'Leases'. Ind AS 116 will replace Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:

On 30.03.2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, entities need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that they have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12 – Income taxes:

On 30.03.2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement:

On 30.03.2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for application of these amendments is annual period beginning on or after 01.04.2019. The Company is currently evaluating the effect of these amendments on the Standalone financial statements.

3. **Significant Accounting Policies**

The significant accounting policies applied in preparation of the standalone financial statements are as given below:

3.1 Basis of Preparation and Measurement

These standalone financial statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.3 Derivative financial instruments

(i) The Company enters into a variety of derivative financial instruments such as Principal only swaps, Interest rate swaps, Options and forward contracts to manage its exposure to interest rate and foreign exchange rate risks.

(ii) The Company designates certain derivative contracts under hedge relationship either as cash flow hedges or fair value hedges.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income. The gain or loss relating to ineffective portion is recognised immediately in Statement of Profit and Loss. Amounts recognised in Other Comprehensive Income (being effective portion) are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.

(iii) Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss.

3.4 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), it's transaction costs is recognised in Statement of Profit and Loss.

3.4.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification and Measurement of Financial assets (other than Equity instruments)

a) Financial assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The company while applying EIR method, generally amortises any fees, points paid or received, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

(ii) Classification and measurement of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company transfers the same within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

(iii) Impairment of financial assets

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses. The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as “Impairment on financial instruments”

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

The Company measures impairment on commitments under LoC on similar basis as in case of Loan assets.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

(iv) De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

3.4.2 Financial liabilities

(i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

(ii) Financial guarantee

A financial guarantee issued by the Company is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Statement of Profit and Loss.

(iii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Statement of Profit and Loss.

3.5 Investment in Subsidiaries, Joint Ventures and Associates

Investment in equity shares of subsidiaries, joint ventures and associates are accounted at cost.

3.6 Property, Plant and Equipment (PPE) and Depreciation

(i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.

(ii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.

(iii) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

(iv) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.

(v) Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years. Residual value is estimated as 5% of the original cost of PPE.

(vi) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

(vii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(viii) Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.

3.7 Intangible assets and Amortisation

(i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

(ii) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as intangible assets under development till they are ready for their intended use.

(iii) Estimated useful life of intangible assets with finite useful lives has been estimated by the Company as 5 years.

(iv) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.8 Provisions and Contingent Liabilities

(i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

3.9 Recognition of Income and Expenditure

(i) Interest income, on financial assets subsequently measured at amortized cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

(iii) 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.

(iv) Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.

(v) Dividend income from investments is recognized in Statement of Profit and Loss when the Company's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.

(vi) Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

(vii) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.

(viii) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

3.10 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

3.11 Employee benefits

(i) <u>Defined Contribution Plan</u>

Company's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

(ii) <u>Defined Benefit Plan</u>

The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

(iii) <u>Other long term employee benefits</u>

The Company's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognised in the Statement of Profit and Loss.

(iv) <u>Short term employee benefits</u>

Short term employee benefits such as salaries and wages are recognised in the Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(v) <u>Loan to employees at concessional rate</u>

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the Loan on a prospective basis.

3.12 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of Previous Years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(iii) Additional Income Tax that arises from distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.

3.13 Leasing

(i) Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Company in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of lease at the reporting date.

(ii) Payments and receipts under operating leases are recognised as expense and income respectively, on straight-line basis over the term of the lease.

(iii) Land under non-perpetual lease is treated as an operating lease. Lease premium paid initially is amortised on a straight-line basis over the term of the lease.

3.14 Foreign Currency Transactions and Translations

The functional currency of the Company is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the financial statements before 1 April 2018, such exchange differences are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of such long term monetary item.

3.15 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.16 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.

3.17 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

3.18 Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4. First-time adoption – mandatory exceptions and optional exemptions

The Standalone Financial Statements have been prepared in accordance the Ind AS applicable as at 31.03.2019. These accounting and measurement principles have been applied retrospectively to the date of transition to Ind AS and for all periods presented.

However for certain cases, Ind AS 101 provides for mandatory exceptions and optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exceptions and exemptions in preparing its Ind AS opening Standalone Balance Sheet:

4.1 Mandatory Exceptions

(i) Classification & Measurement of Financial Assets

The Company has determined the classification of financial assets in terms of whether they meet the amortized cost criteria or fair value criteria based on the facts and circumstances that existed as on the transition date.

(ii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109. As permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort, in order to determine the impairment loss allowance as at transition date.

(iii) De-recognition of financial assets and liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01.04.2017 (the transition date).

(iv) Estimates

Ind AS estimates as at 01.04.2017 are consistent with the estimates as at the same date made in conformity with Previous GAAP (after adjustments to reflect any difference in accounting policies. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

4.2 Optional exemptions

(i) Equity investments at FVTOCI

The Company has elected to apply the exemption of designating investment in equity shares (other than investment in subsidiaries, joint ventures and associates) and units of 'Small is Beautiful Fund' at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(ii) Amortisation of Exchange Differences on Existing Long Term Foreign Currency Monetary Items (LTFCMI)

The Company has availed the exemption to continue the policy as per the previous GAAP with respect to amortization of the exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements up to 31.03.2018.

(iii) Past business combination

The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively on past business combinations that occurred before the transition date.

(iv) Investments in subsidiaries, joint ventures and associates

The Company has availed the exemption to continue with the carrying value of all its investments in subsidiaries, joint ventures and associates as per previous GAAP as their deemed cost as at the transition date.

5. Use of Estimates and Management Judgement

In preparation of the standalone financial statements, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities including contingent liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

In order to enhance understanding of the standalone financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements, are as under:

(i) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial asset measured at amortised cost requires use of statistical models, significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of borrowers defaulting and resulting losses).

In estimating the cash flows expected to be recovered from credit impaired loans, the Company makes judgements about the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance.

Further, judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets as well as for homogeneous grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

Refer Note 32.2.1 below for further details.

(ii) Non recognition of income on Credit Impaired Loans

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

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/ liabilities. The information about the valuation techniques and inputs used in determination of fair value of various assets and liabilities is disclosed at Note 32.4 below.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.

(v) Deferred tax Liability on Special reserve

The Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961. Accordingly, the special reserve created and maintained is not capable of being reversed. Hence, the Company does not create any deferred tax liability on the said reserve.

(vi) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd., Power Grid Corporation of India Ltd., REC Ltd. and PFC. In line with the JV agreement, all the joint venture partners have identical rights and privileges including without limitation, dividend, voting rights etc., thereby providing substantive participative rights though their right to affirmative vote on certain reserved matters.

Consequent upon acquisition of controlling stake in REC Limited (RECL) on 28.03.2019, the Company along with REC Limited is holding 58.06% stake in equity share capital of EESL (36.36% directly and 21.70% through its subsidiary RECL) and has been classified as subsidiary for the purpose of Companies Act 2013. However, being a company with joint control, EESL has been considered as Joint Venture Company for the purpose of consolidation of financial statement.

b) Ultra-Mega Power Projects (UMPPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these UMPPs unilaterally. The Company therefore, considers its investment in respective UMPPs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital. However, for the purpose of Companies Act, these UMPPs have been classified as subsidiary companies.

(vii) Defined benefit obligation (DBO)

The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(viii) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Management reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

6 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Balances with Banks (of the nature of cash and cash equivalents)			
	- In Current Accounts	8.48	4.76	42.87
	- In Term Deposit Accounts	300.00	532.95	-
(ii)	Cheques, Drafts on hand including postage and Imprest	0.00	0.00	0.00
	Total Cash and Cash Equivalents	**308.48**	**537.71**	**42.87**

6.1 There are no repatriation restrictions with respect to Cash and Cash equivalents as at the end of the reporting periods presented above.

7 Bank Balance other than included in Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Earmarked Balances with Banks			
	- Term Deposits Accounts (Refer Note 7.1)	13,833.64	-	3,071.88
	- Unpaid Dividend	3.16	2.63	447.47
	- Unpaid - Bonds / Interest on Bonds etc.	9.73	8.41	10.94
	- Amount received under IPDS / R-APDRP scheme	0.00	4.45	0.00
	Total Bank Balance other than included in Cash and Cash Equivalents	**13,846.53**	**15.49**	**3,530.29**

7.1 The Company has taken Loan against these Term Deposits shown under Note 16.

8 Derivative Financial Instruments

The Company enters into derivative contracts for Currency & Interest Rate risk. Derivatives include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Derivative transactions include forwards, interest rate swaps, cross currency swaps, currency, cross currency options etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Part - I

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives**									
	- Spot and Forwards	15,290.12	295.95	335.46	7,448.60	2.42	225.85	2,107.63	-	68.41
	- Options	2,766.20	78.30	-	2,281.13	44.24	-	-	-	-
	Total Currency Derivatives	**18,056.32**	**374.25**	**335.46**	**9,729.73**	**46.66**	**225.85**	**2,107.63**	**-**	**68.41**
(ii)	**Interest Rate Derivatives**									
	- Forward Rate Agreements and Interest Rate Swaps	18,428.28	193.73	170.13	13,781.48	182.43	14.83	6,813.10	299.87	-
	Total Interest Rate Derivatives	**18,428.28**	**193.73**	**170.13**	**13,781.48**	**182.43**	**14.83**	**6,813.10**	**299.87**	**-**
	Total Derivative Financial Instruments (i+ii)	**36,484.60**	**567.98**	**505.59**	**23,511.21**	**229.09**	**240.68**	**8,920.73**	**299.87**	**68.41**

Part - II

Sr. No.	Particulars	Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows: Cash Flow Hedging (Designated)									
	- Currency Derivatives	1,728.88	-	100.03	-	-	-	-	-	-
	- Interest Rate Derivatives	1,728.88	-	64.84	-	-	-	-	-	-
	Total Cash Flow Hedging (Designated)	**3,457.76**	**-**	**164.87**	**-**	**-**	**-**	**-**	**-**	**-**
(ii)	Undesignated Derivatives	33,026.84	567.98	340.72	23,511.21	229.09	240.68	8,920.73	299.87	68.41
	Total Derivative Financial Instruments (i+ii)	**36,484.60**	**567.98**	**505.59**	**23,511.21**	**229.09**	**240.68**	**8,920.73**	**299.87**	**68.41**

8.1 Details of Forward Rate Agreements / Interest Rate Swaps

(₹ in crore)

Sr. No.	Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Notional principal of swap agreements	18,428.28	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	193.73	182.43	299.87
(iii)	Collateral required by NBFC upon entering into swaps	-	-	-
(iv)	Concentration of credit risk arising from swaps	-	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	23.60	167.60	299.87

The Company has entered into swap agreements with Category I Authorized Dealers Banks only, in accordance with the RBI guidelines.

8.2 The Company does not hold any exchange traded derivatives as at 31.03.2019 (as at 31.03.2018 Nil, as at 01.04.2017 Nil).

8.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For hedging[1]	18,056.31	18,428.28	9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)						
	a) Asset (+MTM)	374.25	193.73	46.66	182.43	0.00	299.87
	b) Liability (-MTM)	335.46	170.13	225.85	14.83	68.41	0.00
(iii)	Credit Exposure	-	-	-	-	-	-
(iv)	Unhedged Exposures[2]	11,626.06	5,907.41	8,940.05	7,391.86	6,628.09	6,296.24

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore as at 31.03.2019 (As at 31.03.2018 ₹ 5,634.60 crore & as at 01.04.2017 ₹ 6,164.60 crore)

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 587.82 crore as at 31.03.2019 (As at 31.03.2018 covering USD / INR ₹ 293.29 crore & as at 01.04.2017 covering USD / JPY ₹ 291.83 crore).

8.4 Refer Note 32.2 for Currency and Interest Rate Risk Management.

9 Loans

The Company has categorised all loans at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A)	**Loans to Borrowers***			
	(i) Rupee Term Loans (RTLs)	299,463.59	265,545.94	237,471.52
	(ii) Foreign Currency Loans	240.99	240.99	260.13
	(iii) Buyer's Line of Credit	1,759.67	1,627.97	1,586.96
	(iv) Working Capital Loans	12,582.27	11,032.55	5,757.62
	(v) Leasing (Refer Note 9.2)	223.77	223.77	223.77
	(vi) Receivable for invoked Default Payment Guarantee	396.64	345.47	290.58
	(vii) Interest accrued but not due on Loans	4,630.80	4,059.14	4,244.12
	(viii) Interest accrued & due on Loans	182.08	82.22	168.58
	(ix) Unamortised Fee on Loans	(88.41)	(95.03)	(78.02)
	Gross Loans to Borrowers*	**319,391.40**	**283,063.02**	**249,925.26**
	Less: Impairment loss allowance	(16,181.04)	(17,051.64)	(14,836.51)
	Net Loans to Borrowers*	**303,210.36**	**266,011.38**	**235,088.75**
(B)	**Security-wise classification**			
	(i) Secured by Tangible Assets	201,490.39	190,817.41	175,651.71
	(ii) Secured by Intangible Assets	-	-	-
	(iii) Covered by Bank/Government Guarantees	59,474.29	24,335.12	24,061.21
	(iv) Unsecured	58,426.72	67,910.49	50,212.34
	Gross Security-wise classification	**319,391.40**	**283,063.02**	**249,925.26**
	Less: Impairment loss allowance	(16,181.04)	(17,051.64)	(14,836.51)
	Net Security-wise classification	**303,210.36**	**266,011.38**	**235,088.75**

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(C) I	**Loans in India**			
	(i) Public Sector	265,465.58	231,583.39	207,104.10
	(ii) Private Sector	53,925.82	51,479.63	42,821.16
	Gross Loans in India	**319,391.40**	**283,063.02**	**249,925.26**
	Less: Impairment loss allowance	(16,181.04)	(17,051.64)	(14,836.51)
	Net Loans in India	**303,210.36**	**266,011.38**	**235,088.75**
(C) II	**Loans Outside India**	-	-	-
	Less: Impairment loss allowance	-	-	-
	Net Loans Outside India	-	-	-
	Net Loans in India and Outside India	**303,210.36**	**266,011.38**	**235,088.75**

*For details of assets pledged as security refer note 15.12, 15.13, 15.14 and 16.9.

9.1 During the year, the Company has sent letters to borrowers, except where loans have been recalled or pending before court/NCLT, seeking confirmation of balances as at 31.12.2018 to the borrowers.

Confirmations for 96.16% of the said balances have been received. Out of the remaining loan assets amounting to ₹10,734.19 crore for which balance confirmations have not been received, 38.91% loans are secured by tangible securities, 56.48% by way of Government Guarantee/ Loans to Government and 4.61% are unsecured loans.

9.2 Details related to Lease Assets

(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)

Description[a]	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total of future minimum lease payments recoverable (Gross Investments)	305.75[b]	331.89	365.23
Present value of lease payments recoverable	223.77	223.77	223.77
Total Unearned finance income	**81.98**	**108.12**	**141.46**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-			
Not later than one year	25.70	26.14	33.78
Later than one year and not later than 5 years	128.51	128.51	128.51
Later than five years	151.54	177.24	202.94
Total gross investment	**305.75**	**331.89**	**365.23**
Break up of present value of lease payments recoverable:-			
Not later than one year	10.26	9.43	8.63
Later than one year and not later than 5 years	67.52	61.77	56.57
Later than five years	145.99	152.57	158.57
Total present value of lease payments recoverable	**223.77**	**223.77**	**223.77**

[a] Finance lease for financing wind turbine generators.

[b] Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

9.3 Disclosures related to Securitization

(i) The Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2019 (As at 31.03.2018 and 01.04.2017 Nil).

(ii) The Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2019 (Previous year Nil).

(iii) The Company has not undertaken any assignment transaction during the year ended 31.03.2019 (Previous year Nil).

(iv) The Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2019 (Previous year Nil).

9.4 Refer Note 32.2.1 for Credit Risk Management.

10 Investments

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019							
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through Profit or Loss	At Fair Value: Subtotal	Others*	Total
(A)	**Investments**								
	(i) Debt securities								
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	1,000,000			809.84	809.84		**809.84**
	(ii) Equity instruments								
	Subsidiaries (Refer Note 10.1)								
	- REC Ltd. (Refer Note 10.2)	1,039,495,247	10					14,500.50	**14,500.50**
	- PFC Consulting Ltd. (Refer Note 10.4)	52,246	10					0.15	**0.15**
	- Power Equity Capital Advisors Private Ltd. (Refer Note 10.6)	50,000	10					0.05	**0.05**
	Joint Venture (Refer Note 10.1)								
	- Energy Efficiency Services Limited (Refer Note 10.3)	245,500,000	10					245.50	**245.50**
	Associates								
	- Ultra Mega Power Projects (Refer Note 10.1)	750,000	10					0.75	**0.75**
	Others								
	- PTC India Limited.	12,000,000	10		88.14		88.14		**88.14**
	- Coal India Limited	13,964,530	10		331.24		331.24		**331.24**
	- NHPC Limited (Refer Note 10.7)	244,473,240	10		603.85		603.85		**603.85**
	- GMR Chhattisgarh Energy Limited (Refer Note 34.2)	275,000,000	10		0.00		0.00		**0.00**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 32.4)	131,846,779	10		0.00		0.00		**0.00**
	(iii) Others								
	- Units of "Small is Beautiful" Fund	6,152,200	10		6.18	-	6.18		**6.18**
	Total Investments			**-**	**1,029.41**	**809.84**	**1,839.25**	**14,746.95**	**16,586.20**
(B)	**Geography wise investment**								
	(i) Investments Outside India			-	-	-	-	-	**-**
	(ii) Investments in India			-	1,029.41	809.84	1,839.25	14,746.95	**16,586.20**
	Gross Geography wise investment			**-**	**1,029.41**	**809.84**	**1,839.25**	**14,746.95**	**16,586.20**
	Less: Impairment loss allowance			-	-	-	-	-	**-**
	Net Geography wise investment			**-**	**1,029.41**	**809.84**	**1,839.25**	**14,746.95**	**16,586.20**

*Measured at cost

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2018							
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through Profit or Loss	At Fair Value: Subtotal	Others*	Total
(A)	**Investments**								
	(i) Debt securities								
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	1,000,000			809.84	809.84		**809.84**
	- Bonds / Debentures from State Power Corporations	31,160	100,000	325.57			-		**325.57**
	(ii) Equity instruments								
	Subsidiaries (Refer Note 10.1)								
	- PFC Consulting Ltd. (Refer Note 10.4)	50,000	10					0.05	**0.05**
	- PFC Capital Advisory Services Ltd. (Refer Note 10.4)	100,000	10					0.10	**0.10**
	- Power Equity Capital Advisors Private Ltd. (Refer Note 10.6)	50,000	10					0.05	**0.05**
	Joint Venture (Refer Note 10.1)								
	- Energy Efficiency Services Limited (Refer Note 10.3)	146,500,000	10					146.50	**146.50**
	Associates								
	- Ultra Mega Power Projects (Refer Note 10.1)	750,000	10					0.75	**0.75**
	Others								
	- PTC India Limited.	12,000,000	10		104.88		104.88		**104.88**
	- Power Grid Corporation of India Limited (Refer Note 10.7)	389,349	10		7.52		7.52		**7.52**
	- REC Limited. (Refer Note 10.2)	95,904	10		1.20		1.20		**1.20**
	- Coal India Limited	13,964,530	10		395.62		395.62		**395.62**
	- NHPC Limited (Refer Note 10.7)	260,542,051	10		721.70		721.70		**721.70**
	- GMR Chhattisgarh Energy Limited (Refer Note 32.4)	275,000,000	10		0.00		0.00		**0.00**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 32.4)	131,846,779	10		0.00		0.00		**0.00**
	(iii) Others								
	- Units of "Small is Beautiful" Fund	6,152,200	10		6.26	-	6.26		**6.26**
	Total			**325.57**	**1,237.18**	**809.84**	**2,047.02**	**147.45**	**2,520.04**
(B)	**Geography wise investment**								
	(i) Investments Outside India			-	-	-	-	-	**-**
	(ii) Investments in India			325.57	1,237.18	809.84	2,047.02	147.45	**2,520.04**
	Gross Geography wise investment			**325.57**	**1,237.18**	**809.84**	**2,047.02**	**147.45**	**2,520.04**
	Less: Impairment loss allowance			-	-	-	-	-	**-**
	Net Geography wise investment			**325.57**	**1,237.18**	**809.84**	**2,047.02**	**147.45**	**2,520.04**

*Measured at cost

(₹ in crore)

Sr. No.	Particulars	As at 01.04.2017							
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value			Others*	Total
					Through Other Comprehensive Income	Through Profit or Loss	Subtotal		
(A)	**Investments**								
	(i) Debt securities								
	- Bonds of Dena Bank (Refer Note 32.4)	10,000	1,000,000			1,018.30	1,018.30		**1,018.30**
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	1,000,000			809.60	809.60		**809.60**
	- Bonds / Debentures from State Power Corporations	31,160	100,000	325.57			-		**325.57**
	(ii) Equity instruments								
	Subsidiaries (Refer Note 10.1)								
	- PFC Consulting Ltd. (Refer Note 10.4)	50,000	10					0.05	**0.05**
	- PFC Capital Advisory Services Ltd. (Refer Note 10.4)	100,000	10					0.10	**0.10**
	- Power Equity Capital Advisors Private Ltd. (Refer Note 10.6)	50,000	10					0.05	**0.05**
	Joint Venture (Refer Note 10.1)								
	- Energy Efficiency Services Limited (Refer Note 10.3)	1,46,500,000	10					146.50	**146.50**
	Associates								
	- Ultra Mega Power Projects (Refer Note 10.1)	750,000	10					0.75	**0.75**
	Others								
	- PTC India Limited.	12,000,000	10		112.08		112.08		**112.08**
	- Power Grid Corporation of India Limited (Refer Note 10.7)	439,349	10		8.67		8.67		**8.67**
	- REC Limited. (Refer Note 10.2)	95,904	10		1.74		1.74		**1.74**
	- Coal India Limited	13,964,530	10		408.67		408.67		**408.67**
	- NHPC Limited (Refer Note 10.7)	2,60,542,051	10		838.95		838.95		**838.95**
	- GMR Chhattisgarh Energy Limited (Refer Note 32.4)	2,75,000,000	10		193.05		193.05		**193.05**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 32.4)	1,31,846,779	10		0.00		0.00		**0.00**
	(iii) Others								
	- Units of "Small is Beautiful" Fund	6,152,200	10		6.30	-	6.30		**6.30**
	Total			**325.57**	**1,569.46**	**1,827.90**	**3,397.36**	**147.45**	**3,870.38**
(B)	**Geography wise investment**								
	(i) Investments Outside India			-	-	-	-	-	**-**
	(ii) Investments in India			325.57	1,569.46	1,827.90	3,397.36	147.45	**3,870.38**
	Gross Geography wise investment			**325.57**	**1,569.46**	**1,827.90**	**3,397.36**	**147.45**	**3,870.38**
	Less: Impairment loss allowance			-	-	-	-	-	**-**
	Net Geography wise investment			**325.57**	**1,569.46**	**1,827.90**	**3,397.36**	**147.45**	**3,870.38**

*Measured at cost

10.1 Details of Investment in Subsidiaries, Joint Venture and Associates:

Name of investee company	Principal place of business / Country of incorporation	Proportion of ownership interest as at		
		31.03.2019	31.03.2018	01.04.2017
Subsidiaries :				
REC Limited (Refer Note 10.2)	India	52.63%	0.00%	0.00%
PFC Consulting Ltd. (Refer Note 10.4)	India	100%	100%	100%
Power Equity Capital Advisors Private Ltd. (Refer Note 10.6)	India	100%	100%	100%
PFC Capital Advisory Services Ltd. (Refer Note 10.4)	India	-	100%	100%
Joint Venture :				
Energy Efficiency Services Ltd. (Refer Note 10.3)	India	36.36%	31.71%	31.71%

Name of investee company	Principal place of business / Country of incorporation	Amount (₹ in crore)*	Proportion of ownership interest as at		
			31.03.2019	31.03.2018	01.04.2017
Associates:					
Coastal Maharashtra Mega Power Limited	India	0.05	100%	100%	100%
Orissa Integrated Power Limited	India	0.05	100%	100%	100%
Coastal Karnataka Power Limited	India	0.05	100%	100%	100%
Coastal Tamil Nadu Power Limited	India	0.05	100%	100%	100%
Chhattisgarh Surguja Power Limited	India	0.05	100%	100%	100%
Sakhigopal Integrated Power Company Limited	India	0.05	100%	100%	100%
Ghogarpalli Integrated Power Company Limited	India	0.05	100%	100%	100%
Tatiya Andhra Mega Power Limited	India	0.05	100%	100%	100%
Deoghar Mega Power Limited	India	0.05	100%	100%	100%
Cheyyur Infra Limited	India	0.05	100%	100%	100%
Odisha Infrapower Limited	India	0.05	100%	100%	100%
Deoghar Infra Limited	India	0.05	100%	100%	100%
Bihar Infrapower Limited	India	0.05	100%	100%	100%
Bihar Mega Power Limited	India	0.05	100%	100%	100%
Jharkhand Infrapower Limited	India	0.05	100%	100%	100%
Total		**0.75**			

*the amount is same for all three periods (31.03.2019, 31.03.2018 & 01.04.2017)

Note: -

a. The investments in subsidiaries, joint venture and associates are measured at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

b. Associate companies are companies (UMPPs) incorporated as SPVs under mandate from GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process.

10.2 During the year, the Company has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value ₹ 10/- per share) in REC Limited (RECL) at ₹ 139.5036 per share for a total cash consideration of ₹ 14,500.00 crore on 28.03.2019. By virtue of this investment, PFC has become the holding company of RECL.

Prior to acquisition, PFC held 95,904 equity shares of RECL which was designated at FVTOCI. Consequent to the above acquisition, the same has been reclassified and the cumulative investment of 103,94,95,247 equity shares in RECL has now been accounted for at cost in accordance with Ind AS 27. Accordingly, cumulative fair value gain of ₹ 0.80 crore has been reversed as at the date of acquisition.

10.3 The Company acquired 9,90,00,000 equity shares of Energy Efficiency Services Limited (EESL) for a consideration of ₹ 99.00 crore on 02.07.2018. Subsequent to this, the shareholding of the Company in EESL has increased from 31.71% to 36.36% as on 31.03.2019.

10.4 Consequent upon amalgamation of PFC Capital Advisory Services Limited (PFCCAS) with PFC Consulting Limited (PFCCL), wholly owned subsidiaries of the Company on 05.02.2019, PFCCL has issued its 2,246 shares of face value ₹ 10/- each to PFC in lieu of 1,00,000 erstwhile shares of PFCCAS of face value of ₹ 10/- each. These shares have been issued using exchange ratio based on Net Asset Value of both the companies. The appointed date of amalgamation is 01.04.2018.

10.5 Pursuant to the order of Ministry of Corporate Affairs dated 07.02.2019 approving amalgamation; PFC Green Energy Limited (PFCGEL), wholly owned subsidiary of the Company, has been amalgamated with the Company from the appointed date i.e. 01.04.2017. As contained in the order, the scheme of amalgamation has been accounted for as per Appendix C to Ind AS 103 'Business Combinations'.

10.6 Ministry of Power (MoP), GoI vide its letter dated 19.03.2019 has approved the dissolution/ striking off the name of Power Equity Capital Advisors (Private) Ltd., a wholly owned subsidiary of the Company, from the records of Registrar of Companies. Necessary steps are being taken to give effect to the same.

10.7 The Company has elected an irrevocable option to designate some of the equity instruments at FVTOCI. The Company's main operation is to provide financial assistance to power sector. Thus, in order to insulate Standalone Statement of Profit and Loss from price fluctuations of these instruments, the Management believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares	Fair Value as on date of de-recognition	Cumulative gain on de-recognition
FY 2018-19			
Power Grid Corporation of India Limited	3,89,349	7.67	5.63
NHPC Limited*	1,60,68,811	44.02	8.93
FY 2017-18			
Power Grid Corporation of India Limited	50,000	1.04	0.78

*These equity shares were sold in tranches during the year. The fair value and gain has been computed based on the price as on the respective date of de-recognition and has been presented on aggregate basis.

Subsequent to de-recognition of the investments on account of sale of the equity shares, the Company has transferred the cumulative gain on such shares within Equity during the period.

11 Other Financial Assets

The Company has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Amount Recoverable on account of Bonds fully serviced by GOI	5,038.21	5,038.21	5,038.21
(ii)	Advances - to Subsidiaries and Associates*	196.22	169.95	115.04
(iii)	Advances - to Employees	0.77	0.70	0.63
(iv)	Loans to Employees	48.98	35.22	39.32
(v)	Interest Accrued but not due on Employee Loans	27.70	25.83	22.64
(vi)	Others	74.82	9.51	49.99
	- Impairment loss allowance on others (Refer Note 11.1)	(10.30)	(2.51)	(16.40)
	Total Other Financial Assets	**5,376.40**	**5,276.91**	**5,249.43**

*Recoverable in cash.

11.1 Movement of Impairment on other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2018-19	FY 2017-18
(i)	Opening balance	2.51	16.40
(ii)	Add: Creation during the year	7.83	0.73
(iii)	Less: Reversal during the year	(0.04)	(14.62)
(iv)	Closing balance	10.30	2.51

12 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Advance income tax and TDS (Net)	433.33	369.99	184.16
(ii)	Tax Deposited on income tax demands under contest	195.26	138.13	162.08
	Current Tax Assets (Net)	**628.59**	**508.12**	**346.24**
(i)	Provision for income tax net of Advance Tax	-	-	12.04
(ii)	Provision for income tax for demand under contest	130.70	129.97	118.39
	Current Tax Liabilities (Net)	**130.70**	**129.97**	**130.43**

13 Property, Plant and Equipment (PPE) and Intangible Assets

(₹ in crore)

Net Carrying Amount*	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Freehold Land	3.38	3.38	3.38
Buildings	13.13	13.80	14.50
EDP Equipment	3.36	3.14	2.14
Office Equipment	4.53	3.67	3.13
Furniture and Fixtures	3.32	2.05	0.80
Vehicles	0.02	0.04	0.06
Total Property, Plant and Equipment	**27.74**	**26.08**	**24.01**
Intangible Assets	0.59	0.89	0.69
Total Intangible Assets	**0.59**	**0.89**	**0.69**

(₹ in crore)

Gross Carrying Amount*	Property, Plant and Equipment							Intangible Assets
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software
Opening Balance as at 01.04.2017	**3.38**	**24.92**	**15.16**	**17.21**	**7.77**	**0.20**	**68.64**	**8.95**
Additions / Adjustments	-	-	3.92	3.25	1.64	-	8.81	0.51
Disposal / Adjustments	-	-	2.01	4.14	0.14	-	6.29	-
Closing Balance as at 31.03.2018	**3.38**	**24.92**	**17.07**	**16.32**	**9.27**	**0.20**	**71.16**	**9.46**
Additions / Adjustments	-	-	2.24	3.64	2.04	-	7.92	0.01
Disposal / Adjustments	-	-	2.96	2.36	0.16	0.10	5.58	-
Closing Balance as at 31.03.2019	**3.38**	**24.92**	**16.35**	**17.60**	**11.15**	**0.10**	**73.50**	**9.47**

(₹ in crore)

Accumulated Depreciation / Amortisation*	Property, Plant and Equipment							Intangible Assets
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software
Opening Balance as at 01.04.2017	**-**	**10.42**	**13.02**	**14.08**	**6.97**	**0.14**	**44.63**	**8.26**
Depreciation for the year	-	0.70	2.71	2.34	0.33	0.02	6.10	0.31
Reversal on Assets Sold/Written off from books	-	-	1.80	3.77	0.08	-	5.65	-
Closing Balance as at 31.03.2018	**-**	**11.12**	**13.93**	**12.65**	**7.22**	**0.16**	**45.08**	**8.57**
Depreciation for the year	-	0.67	1.90	2.59	0.70	0.01	5.87	0.31
Reversal on Assets Sold/Written off from books	-	-	2.84	2.17	0.09	0.09	5.19	-
Closing Balance as at 31.03.2019	**-**	**11.79**	**12.99**	**13.07**	**7.83**	**0.08**	**45.76**	**8.88**

* Includes EDP (Gross Block- ₹0.007 crore, Accumulated Depreciation- Nil); Office Equipment (Gross Block- ₹0.0010 crore, Accumulated Depreciation- ₹0.0004 crore); Furniture & Fixtures (Gross Block- ₹0.0026 crore, Accumulated Depreciation-₹0.0007 crore) of erstwhile subsidiary PFCGEL merged with the Company w.e.f 01.04.2017. (Refer Note 10.5)

13.1 Details of useful life of Property Plant and Equipment and Intangible Assets are as under:

Category	Useful Life in Years	Residual value as a % of original Cost
Building	60	5%
EDP Equipment :		
- Servers and networks	6	5%
-End user devices i.e. desktops, laptops etc.	3	5%
Office Equipment	5	5%
Cell Phone	2	5%
Furniture and Fixture	10	5%
Vehicles	8	5%
Intangible Assets	5	-

13.2 The estimated useful lives of the property, plant and equipment (PPE) is in line with the life prescribed in Schedule II of Companies Act, 2013, except for cell phones where useful life has been estimated as 2 years by the Company. The Company reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.

Depreciation is recognised so as to write off the cost of property, plant and equipment less their residual values as per written down value method, over the estimated useful lives.

In case of intangible assets, the life has been estimated as 5 years by the Company. The intangible assets are amortised using straight-line method over their useful life. The Company reviews the estimated useful life, residual values and depreciation method of Intangible assets at the end of each financial year and changes in estimates, if any are accounted prospectively.

13.3 In the opinion of management, there is no impairment of the assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

13.4 For details of assets pledged as security refer note 15.9, 15.10 and 15.11.

13.5 Lease hold land was accounted as a part of fixed assets under previous GAAP. The same has been classified as operating lease under Ind-AS. For details Refer Note 41.5 (c).

14 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Prepaid Expenses (Refer Note 31.1)	29.31	29.77	30.02
(ii)	Deferred Employee Costs	40.67	31.99	32.89
(iii)	Others	172.11	173.72	947.62
	Total Other Non-Financial Assets	**242.09**	**235.48**	**1,010.53**

15 Debt Securities

The Company has categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Bonds / Debenture			
	- Infrastructure Bonds (Refer Note 15.3)	278.63	284.32	284.76
	- Tax Free Bonds (Refer Note 15.4)	12,275.11	12,275.11	12,275.11
	- 54EC Capital Gain Tax Exemption Bonds (Refer Note 15.5)	784.10	292.15	-
	- Taxable Bonds (Refer Note 15.6)	1,67,774.95	1,77,176.95	1,73,383.50
	- Foreign Currency Notes (Refer Note 15.7)	8,298.60	2,607.00	1,167.30
(ii)	Commercial Paper (Refer Note 15.8)	9,715.92	6,924.74	-
(iii)	Interest accrued but not due on above	6,588.16	7,368.39	7,420.02
(iv)	Unamortised Transaction Cost on above	(130.98)	(116.87)	(86.35)
	Total Debt Securities	**2,05,584.49**	**2,06,811.79**	**1,94,444.34**
	Geography wise Debt Securities			
(i)	Debt Securities in India	1,97,222.82	2,04,207.06	1,93,271.24
(ii)	Debt Securities outside India	8,361.67	2,604.73	1,173.10
	Total Geography wise Debt Securities	**2,05,584.49**	**2,06,811.79**	**1,94,444.34**

15.1 The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its debt securities.

15.2 As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 30.03.2019 and 02.03.2019 respectively.

15.3 Details of Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
1	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	2.75	30.03.2027	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	0.95	30.03.2027	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	3.23	3.23	21.11.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	8.83	8.83	21.11.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	6.13	6.13	31.03.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds (2010-11) - Series IV	8.50%	`19.33	22.75	22.75	31.03.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
7	INFRA BONDS PRIVATE PLACEMENT SERIES I	8.43%	7.39	7.39	7.39	30.03.2022	Redeemable at par on a date falling ten years from the date of allotment
8	INFRA BONDS PRIVATE PLACEMENT SERIES II	8.43%	15.47	15.47	15.48	30.03.2022	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
9	Infrastructure Bonds (2011-12) - Series I	8.50%	21.85	21.85	21.85	21.11.2021	Redeemable at par on a date falling ten years from the date of allotment
10	Infrastructure Bonds (2011-12) - Series II	8.50%	36.34	36.34	36.34	21.11.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
11	Infrastructure Bonds (2010-11) - Series I	8.30%	49.96	49.95	49.95	31.03.2021	Redeemable at par on a date falling ten years from the date of allotment
12	Infrastructure Bonds (2010-11) - Series II	8.30%	109.12	109.11	109.11	31.03.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
	Total		**278.63**	**284.32**	**284.76**		

15.4 Details of Tax Free Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
1	7 .35 TAX FREE BONDS 3 A 2015 16	7.35%	213.57	213.57	213.57	17.10.2035	Redeemable at par on maturity
2	7 .60 TAX FREE BONDS 3 B 2015 16	7.60%	155.48	155.48	155.48	17.10.2035	
3	7 .27 TAX FREE BONDS 2 A 2015 16	7.27%	131.33	131.33	131.33	17.10.2030	
4	7 .52 TAX FREE BONDS 2 B 2015 16	7.52%	45.18	45.18	45.18	17.10.2030	
5	TAX FREE BONDS 8 .54 BPS SERIES 2A	8.54%	932.70	932.70	932.70	16.11.2028	
6	TAX FREE BONDS 8. 79 BPS SERIES 2B	8.79%	353.32	353.32	353.32	16.11.2028	
7	8 .46 TAX FREE BOND SERIES 107 B	8.46%	1,011.10	1,011.10	1,011.10	30.08.2028	
8	7.04% TR-2 TAX FREE BONDS 12-13	7.04%	8.89	7.78	6.06	28.03.2028	
9	7.54% TR 2 TAX FREE BONDS 12-13	7.54%	60.32	61.43	63.15	28.03.2028	
10	7.36% 15YEARS TAX FREE BONDS 2012-13 TR-I	7.36%	159.81	155.22	150.14	04.01.2028	
11	7.86% 15YEARS TAX FREE BONDS 2012-13 TR-I	7.86%	197.19	201.77	206.86	04.01.2028	
12	TAX FREE BONDS SERIES	7.38%	100.00	100.00	100.00	29.11.2027	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
13	TAX FEE BOND SERIES	7.38%	25.00	25.00	25.00	22.11.2027	Redeemable at par on maturity
14	8.30% PUBLIC ISSUE OF TAX FREE BONDS FY 11-12	8.30%	1,280.58	1,280.58	1,280.58	01.02.2027	
15	8.16% TAX FREE BOND SERIES 80-B	8.16%	209.34	209.34	209.34	25.11.2026	
16	7.75% TAX FREE BOND SERIES 79-B	7.75%	217.99	217.99	217.99	15.10.2026	
17	7 11 TAX FREE BONDS 1 A 2015 16	7.11%	75.09	75.09	75.09	17.10.2025	
18	7.36 TAXFREE BONDS 1B 2015-16	7.36%	79.35	79.35	79.35	17.10.2025	
19	7 16 TF SEC BND SRS 136	7.16%	300.00	300.00	300.00	17.07.2025	
20	TAX FREE BONDS 8 18 BPS SERIES 1A	8.18%	325.07	325.07	325.07	16.11.2023	
21	TAX FREE BONDS 8 43 BPS SERIES IB	8.43%	335.47	335.47	335.47	16.11.2023	
22	TAX FREE BONDS 8 67 BPS SERIES 3A	8.67%	1,067.38	1,067.38	1,067.38	16.11.2023	
23	TAX FREE BONDS 8 92 BPS SERIES 3B	8.92%	861.96	861.96	861.96	16.11.2023	
24	8 01 TAX FREE BOND SERIES 107 A	8.01%	113.00	113.00	113.00	30.08.2023	
25	6.88% TR-2 TAX FREE BONDS 12-13	6.88%	52.38	50.93	50.14	28.03.2023	
26	7.38% tr-2 tax free bonds 12-13	7.38%	43.77	45.23	46.01	28.03.2023	
27	7.19% 10YEARS TAX FREE BONDS 12-13 TR -I SERIES 1	7.19%	193.40	189.57	185.90	04.01.2023	
28	7.69% 10YEARS TAX FREE BONDS 2012-13 TR-I SERIES-1	7.69%	149.35	153.18	156.85	04.01.2023	
29	TAX FREE BONDS SERIES 95 A	7.22%	30.00	30.00	30.00	29.11.2022	
30	TAX FREE BOND SERIES 94 A	7.21%	255.00	255.00	255.00	22.11.2022	
31	8.20% PUBLIC ISSUE OF TAX FREE BONDS FY 11-12	8.20%	2,752.55	2,752.55	2,752.55	01.02.2022	
32	8.09% TAX FREE BOND SERIES 80-A	8.09%	334.31	334.31	334.31	25.11.2021	
33	7.51% TAX FREE BONDS SERIES 79-A	7.51%	205.23	205.23	205.23	15.10.2021	
	Total		**12,275.11**	**12,275.11**	**12,275.11**		

15.5 Details of 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	Series II (FY 2018-19)	5.75	491.95	-	-	Redeemable at par during FY 23-24	
2	Series I (FY 2017-18)	5.25%	292.15	292.15	-	Redeemable at par during FY 20-21	
	Total		**784.10**	**292.15**	**-**		

15.6 The details of Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	SERIES 180	8.75%	2,654.00	-	-	22.02.2034	Redeemable at par on maturity
2	SERIES 179-B	8.64%	528.40	-	-	19.11.2033	
3	Series 71	9.05%	192.70	192.70	192.70	15.12.2030	
4	Series 66-C	8.85%	633.00	633.00	633.00	15.06.2030	
5	SERIES 118 OPTION B III	9.39%	460.00	460.00	460.00	27.08.2029	
6	SERIES 179-A	8.67%	1,007.40	-	-	19.11.2028	
7	SERIES 178	8.95%	3,000.00	-	-	10.10.2028	
8	SERIES 177	7.85%	3,855.00	-	-	03.04.2028	
9	SERIES 103	8.94%	2,807.00	2,807.00	2,807.00	25.03.2028	
10	SERIES 102 A (III)	8.90%	403.00	403.00	403.00	18.03.2028	
11	SERIES 101 B	9.00%	1,370.00	1,370.00	1,370.00	11.03.2028	
12	SERIES 172	7.74%	850.00	850.00	-	29.01.2028	
13	SERIES 171	7.62%	5,000.00	5,000.00	-	15.12.2027	
14	SERIES 170-B	7.65%	2,001.00	2,001.00	-	22.11.2027	
15	SERIES 169-B	7.30%	1,500.00	1,500.00	-	07.08.2027	
16	SERIES 168-B	7.44%	1,540.00	1,540.00	-	12.06.2027	
17	SERIES 155	7.23%	2,635.00	2,635.00	2,635.00	05.01.2027	
18	SERIES 152	7.55%	4,000.00	4,000.00	4,000.00	25.09.2026	
19	SERIES 151-B	7.56%	210.00	210.00	210.00	14.09.2026	
20	Series - 77-B	9.45%	2,568.00	2,568.00	2,568.00	01.09.2026	
21	SERIES 150-B	7.63%	1,675.00	1,675.00	1,675.00	14.08.2026	
22	Series - 76-B	9.46%	1,105.00	1,105.00	1,105.00	01.08.2026	
23	SERIES 147	8.03%	1,000.00	1,000.00	1,000.00	02.05.2026	
24	Series 71	9.05%	192.70	192.70	192.70	15.12.2025	
25	SERIES 141-B	8.40%	1,000.00	1,000.00	1,000.00	18.09.2025	
26	Series 66-B	8.75%	1,532.00	1,532.00	1,532.00	15.06.2025	
27	Series 65	8.70%	2,675.00	1,337.50	1,337.50	14.05.2025	
28	SERIES 130-C	8.39%	925.00	925.00	925.00	19.04.2025	
29	Series 64	8.95%	492.00	492.00	492.00	30.03.2025	Redeemable at par on maturity
30	SERIES 131-C	8.41%	5,000.00	5,000.00	5,000.00	27.03.2025	
31	Series 63-III	8.90%	184.00	184.00	184.00	15.03.2025	
32	SERIES 128	8.20%	1,600.00	1,600.00	1,600.00	10.03.2025	
33	Series 62-B	8.80%	1,172.60	1,172.60	1,172.60	15.01.2025	
34	SERIES 126	8.65%	5,000.00	5,000.00	5,000.00	04.01.2025	
35	SERIES 125	8.65%	2,826.00	2,826.00	2,826.00	28.12.2024	
36	Series 61	8.50%	351.00	351.00	351.00	15.12.2024	
37	SERIES 124 C	8.48%	1,000.00	1,000.00	1,000.00	09.12.2024	
38	SERIES 120 OPTION A	8.98%	961.00	961.00	961.00	08.10.2024	
39	SERIES OPTION 120 B	8.98%	950.00	950.00	950.00	08.10.2024	
40	SERIES 118 OPTION B II	9.39%	460.00	460.00	460.00	27.08.2024	
41	SERIES 117 OPTION B	9.37%	855.00	855.00	855.00	19.08.2024	
42	Series 57-C	8.60%	866.50	866.50	866.50	07.08.2024	
43	Series 85 D	9.26%	736.00	736.00	736.00	15.04.2023	
44	SERIES 102 A (II)	8.90%	403.00	403.00	403.00	18.03.2023	
45	SERIES 102 B	8.87%	70.00	70.00	70.00	18.03.2023	
46	SERIES 100 B	8.84%	1,310.00	1,310.00	1,310.00	04.03.2023	
47	Zero Coupon unsecured Taxable Bonds 2022-XIX Series	-	560.45	518.45	479.60	30.12.2022	
48	SERIES 176-B	7.99%	1,295.00	1,295.00	-	20.12.2022	
49	SERIES 170-A	7.35%	800.00	800.00	-	22.11.2022	
50	SERIES 92 C	9.29%	640.00	640.00	640.00	21.08.2022	
51	SERIES 181	8.45%	2,155.00	-	-	11.08.2022	
52	SERIES 169-A	7.10%	3,395.00	3,395.00	-	08.08.2022	
53	SERIES 91 B	9.39%	2,695.20	2,695.20	2,695.20	29.06.2022	
54	SERIES 168-A	7.28%	1,950.00	1,950.00		12.06.2022	
55	SERIES 88 C	9.48%	184.70	184.70	184.70	15.04.2022	
56	SERIES 183	8.18%	3,751.20	-	-	19.03.2022	
57	SERIES 154	7.27%	1,101.00	1,101.00	1,101.00	22.12.2021	
58	SERIES 124 B	8.55%	1,200.00	1,200.00	1,200.00	09.12.2021	
59	SERIES 123 C	8.66%	200.00	200.00	200.00	27.11.2021	
60	SERIES 153	7.40%	1,830.00	1,830.00	1,830.00	30.09.2021	
61	SERIES 78-B	9.44%	-	1,180.00	1,180.00	23.09.2021	
62	SERIES 151-A	7.47%	2,260.00	2,260.00	2,260.00	16.09.2021	
63	SERIES 150-A	7.50%	2,660.00	2,660.00	2,660.00	16.08.2021	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
64	Series - 76-A	9.36%	2,589.40	2,589.40	2,589.40	01.08.2021	
65	SERIES 115 III	9.20%	700.00	700.00	700.00	07.07.2021	
66	Series 75-C	9.61%	2,084.70	2,084.70	2,084.70	29.06.2021	
67	Series 74	9.70%	1,693.20	1,693.20	1,693.20	09.06.2021	
68	Series 28	8.85%	600.00	600.00	600.00	31.05.2021	
69	Series 73	9.18%	1,000.00	1,000.00	1,000.00	15.04.2021	
70	SERIES 175	7.75%	600.00	600.00	-	15.04.2021	
71	SERIES 173-B	7.73%	1,325.00	1,325.00	-	05.04.2021	
72	SERIES 146	8.05%	300.00	300.00	300.00	27.03.2021	
73	SERIES 173-A	7.73%	505.00	505.00	-	12.03.2021	
74	Series 112-C	9.70%	270.00	270.00	270.00	31.01.2021	
75	Series 72-B	8.99%	1,219.00	1,219.00	1,219.00	15.01.2021	
76	Series 71	9.05%	192.70	192.70	192.70	15.12.2020	
77	Series 70	8.78%	1,549.00	1,549.00	1,549.00	15.11.2020	
78	SERIES 141-A	8.46%	1,000.00	1,000.00	1,000.00	18.09.2020	
79	SERIES 163	7.50%	2,435.00	2,435.00	2,435.00	17.09.2020	
80	SERIES 182	8.20%	3,500.00	-	-	14.09.2020	
81	SERIES 140-B	8.36%	1,250.00	1,250.00	1,250.00	04.09.2020	
82	SERIES 138	8.45%	1,000.00	1,000.00	1,000.00	10.08.2020	
83	SERIES 137	8.53%	2,700.00	2,700.00	2,700.00	24.07.2020	
84	Series 68-B	8.70%	1,424.00	1,424.00	1,424.00	15.07.2020	
85	SERIES 167	7.30%	1,560.00	1,560.00	-	30.06.2020	
86	SERIES 165	7.42%	3,605.00	3,605.00	3,605.00	26.06.2020	
87	Series 66-A	8.65%	500.00	500.00	500.00	15.06.2020	
88	SERIES 166	7.46%	1,180.00	1,180.00	-	05.06.2020	
89	SERIES 149	8.04%	100.00	100.00	100.00	30.05.2020	
90	SERIES 159	7.05%	2,551.00	2,551.00	2,551.00	15.05.2020	
91	SERIES 65	8.70%	-	1,337.50	1,337.50	14.05.2020	Redeemable at par on maturity
92	SERIES 131-B	8.38%	1,350.00	1,350.00	1,350.00	27.04.2020	
93	SERIES 130-B	8.42%	200.00	200.00	200.00	18.04.2020	
94	Series 85 C	9.30%	79.50	79.50	79.50	15.04.2020	
95	SERIES 157	6.83%	2,000.00	2,000.00	2,000.00	15.04.2020	
96	Series 64	8.95%	492.00	492.00	492.00	30.03.2020	
97	SERIES 87 D	9.42%	650.80	650.80	650.80	20.03.2020	
98	Series 63-II	8.90%	184.00	184.00	184.00	15.03.2020	
99	SERIES 100 A	8.86%	54.30	54.30	54.30	04.03.2020	
100	SERIES 127	8.36%	4,440.00	4,440.00	4,440.00	26.02.2020	
101	SERIES 99 B	8.82%	733.00	733.00	733.00	20.02.2020	
102	Series 112-B	9.70%	270.00	270.00	270.00	31.01.2020	
103	SERIES 176-A	7.53%	1,500.00	1,500.00	-	20.01.2020	
104	Series 62-A	8.70%	845.40	845.40	845.40	15.01.2020	
105	Series 61	8.50%	351.00	351.00	351.00	15.12.2019	
106	SERIES 124 A	8.52%	1,220.00	1,220.00	1,220.00	09.12.2019	
107	SERIES 123 B	8.65%	836.00	836.00	836.00	28.11.2019	
108	Series 60-B	FBIL G-Sec par yield+179 bps (floating rate)	925.00	925.00	925.00	20.11.2019	
109	SERIES 122	8.76%	1,000.00	1,000.00	1,000.00	07.11.2019	
110	SERIES 121 B	8.96%	1,100.00	1,100.00	1,100.00	21.10.2019	
111	Series 59-B	8.80%	1,216.60	1,216.60	1,216.60	15.10.2019	
112	SERIES 119 OPTION B	9.32%	1,591.00	1,591.00	1,591.00	17.09.2019	
113	SERIES 118 OPTION B I	9.39%	460.00	460.00	460.00	27.08.2019	
114	Series 57-B	8.60%	866.50	866.50	866.50	07.08.2019	
115	SERIES 115 II	9.15%	100.00	100.00	100.00	07.07.2019	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
116	SERIES 135-B	8.50%	1,500.00	1,500.00	1,500.00	29.06.2019	
117	SERIES 174	7.80%	3,300.00	3,300.00	-	07.06.2019	
118	SERIES 90-B	9.41%	-	-	391.00	01.06.2019	
119	SERIES 148	7.95%	1,915.00	1,915.00	1,915.00	13.05.2019	
120	SERIES 145	7.85%	2,928.00	2,928.00	2,928.00	15.04.2019	
121	Taxable Bonds Series 113	9.69%	-	2,240.00	2,240.00	03.03.2019	
122	SERIES 143	8.12%	-	700.00	700.00	28.02.2019	
123	SERIES 98-III	8.72%	-	324.00	324.00	08.02.2019	
124	Taxable Bonds Series 112A	9.70%	-	270.00	270.00	31.01.2019	
125	SERIES 82-C	9.70%	-	2,060.00	2,060.00	15.12.2018	
126	SERIES 52-C	11.25%	-	1,950.60	1,950.60	28.11.2018	
127	SERIES 142-B	8.00%	-	1,000.00	1,000.00	22.10.2018	
128	Taxable Bonds Series 109	9.81%	-	4,500.00	4,500.00	07.10.2018	
129	SERIES 51-C	11.00%	-	3,024.40	3,024.40	15.09.2018	
130	SERIES 140-A	8.28%	-	1,930.00	1,930.00	04.09.2018	
131	SERIES 139-C	8.17%	-	800.00	800.00	18.08.2018	
132	SERIES 49-B	10.85%	-	428.60	428.60	11.08.2018	
133	SERIES 161	6.90%	-	1,850.00	1,850.00	16.07.2018	
134	SERIES 162	6.90%	-	1,060.00	1,060.00	16.07.2018	
135	SERIES 48-C	10.55%	-	259.70	259.70	15.07.2018	
136	SERIES 135-A	8.40%	-	1,210.00	1,210.00	29.06.2018	
137	SERIES 130-A	8.40%	-	1,175.00	1,175.00	19.06.2018	
138	SERIES 129-A	8.29%	-	980.00	980.00	19.06.2018	
139	SERIES 129-B	8.29%	-	100.00	100.00	13.06.2018	
140	SERIES 47-C	9.68%	-	780.70	780.70	09.06.2018	
141	SERIES 134-B	8.39%	-	1,500.00	1,500.00	28.05.2018	
142	SERIES 132-B	8.09%	-	200.00	200.00	16.05.2018	
143	SERIES 131-A	8.34%	-	100.00	100.00	27.04.2018	
144	SERIES 132-A	8.03%	-	272.00	272.00	09.04.2018	
145	Series 102-A(I)	8.90%	-	-	403.00	18.03.2018	Redeemable at par on maturity
146	Series 101-A	8.95%	-	-	3,201.00	11.03.2018	
147	Series 99-A	8.77%	-	-	2.00	20.02.2018	
148	Series 98-II	8.72%	-	-	324.00	08.02.2018	
149	Series 72-A	8.97%	-	-	144.00	15.01.2018	
150	Series 40-C	9.28%	-	-	650.00	28.12.2017	
151	Series 123-A	8.50%	-	-	1,075.00	28.11.2017	
152	Series 18	7.87%	-	-	25.00	13.11.2017	
153	Series 121-A	8.90%	-	-	1,500.00	21.10.2017	
154	Series 142-A	7.88%	-	-	800.00	21.10.2017	
155	Series 93-B	8.91%	-	-	950.00	15.10.2017	
156	Series 17	8.21%	-	-	25.00	03.10.2017	
157	Series 118-A	9.30%	-	-	2,160.00	27.08.2017	
158	Series 92-A	9.01%	-	-	50.00	21.08.2017	
159	Series 92-B	9.27%	-	-	1,930.00	21.08.2017	
160	Series 117-A	9.32%	-	-	1,311.00	19.08.2017	
161	Series 115-I	9.11%	-	-	1,650.00	07.07.2017	
162	Series 91-A	9.40%	-	-	107.50	29.06.2017	
163	Series 90-A	9.61%	-	-	537.90	01.06.2017	
164	Series 134-A	8.35%	-	-	1,500.00	27.05.2017	
165	Series 13	9.60%	-	-	65.00	24.05.2017	
166	Series 139-B	8.12%	-	-	1,435.00	22.05.2017	
167	Series 35	9.96%	-	-	530.00	18.05.2017	
168	Series 13	9.60%	-	-	125.00	16.05.2017	
169	Series 89-A	9.52%	-	-	165.00	02.05.2017	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
170	Series 133-B	8.00%	-	-	605.00	24.04.2017	Redeemable at par on maturity
171	Series 144	7.98%	-	-	1,775.00	21.04.2017	
172	Series 139-A	8.12%	-	-	565.00	17.04.2017	
173	Series 133-A	8.00%	-	-	545.00	03.04.2017	
	Total		167,774.95	177,176.95	173,383.50		

15.7 The details of Foreign Currency Notes outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	6.15% USD bonds 2028	6.15%	3,457.75	-	-	06.12.2028	Redeemable at par on maturity
2	5.25% USD bonds 2028	5.25%	2,074.65	-	-	10.08.2028	
3	3.75% USD green bonds 2027	3.75%	2,766.20	2,607.00	-	06.12.2027	
4	6.61 % Senior Notes (USPP)	6.61%	-	-	1,167.30	05.09.2017	
	Total		8,298.60	2,607.00	1,167.30		

15.8 Details of Commercial Paper outstanding are as follows:

Sr. No.	CP Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	CP-108	7.85%	3,000.00	-	-	06.03.2020	Redeemable at par on maturity
2	CP-109	7.39%	1,500.00	-	-	16.09.2019	
3	CP-106	7.15%	3,000.00	-	-	13.05.2019	
4	CP-105	7.44%	2,500.00	-	-	15.04.2019	
5	CP-90	6.65%	-	1,925.00	-	10.08.2018	
6	CP-94	7.00%	-	2,000.00	-	25.06.2018	
7	CP-93B	7.40%	-	1,100.00	-	15.06.2018	
8	CP85	6.80%	-	1,105.00	-	15.05.2018	
9	CP-93A	7.30%	-	900.00	-	27.04.2018	
	Total		10,000.00	7,030.00	-		
	Less: Unamorized Financial Charges		284.08	105.26	-		
	Total		9,715.92	6,924.74	-		

15.9 The Bond Series 86D,86C,Series III,Series IV of Infrastructure Bonds are secured by First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.

15.10 The Bond Series I, II of Infrastructure Bonds are secured by charge on specfic book debt of ₹ 3,090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Janpura, New Delhi.

15.11 The Bond Series tranche-I-Series II, 95B,94B,80B,79B of Tax free Bonds are secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.

15.12 All other Tax free bond Series are secured by first pari-passu charge on total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or other under / pursuant to the transaction documents.

15.13 The Bond Series I, II of 54 EC Capital Gain Tax Exemption Bonds are secured by First pari-passu charge on total receivables of the Company, excluding the receiavbles on which specific charge has already been created by the Company, limited to the extent of payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondsholders and / or others under / pursuant to the transaction documents.

15.14 The Bond Series 109,112 A,112 B, 112 C ,113 of Taxable Bonds are secured by First pari-passu charge on total receivables of the Company, excluding the receiavbles on which specific charge has already been created by the Company, limited to the extent of payment / repayment of Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondsholders and / or other under / pursunt to the transaction documents.

16 Borrowings (other than Debt Securities)

The Company has categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A)	**Term Loans**			
	(i) From Banks and Financial Institutions			
	- Foreign Currency Loans (Refer Note. 16.1)	4,676.17	3,191.03	204.23
	- Syndicated Foreign Currency Loans (Refer Note. 16.2)	15,852.09	12,462.05	7,072.35
	- Rupee Term Loan (Refer Note. 16.4)	38,703.55	10,525.00	2,000.00
	(ii) From other Parties			
	- Rupee Term Loan - GoI (Refer Note. 16.5)	7,500.00	-	-
(B)	**Other Loans from Banks**			
	(i) Loan against Term Deposits (Refer Note 7.1 and 16.6)	12,737.18	-	2,400.79
	(ii) Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer Note. 16.6)	620.00	-	-
(C)	Interest accrued but not due on above	402.77	66.35	26.17
(D)	Unamortised Transaction Cost on above	(147.23)	(164.26)	(111.78)
	Total Borrowings (other than Debt Securities)	**80,344.53**	**26,080.17**	**11,591.76**
	Geography wise Borrowings			
	(i) Borrowings in India	59,899.50	10,541.41	4,401.23
	(ii) Borrowings outside India	20,445.03	15,538.76	7,190.53
	Total Geography wise Borrowings	**80,344.53**	**26,080.17**	**11,591.76**

16.1 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
		31.03.2019	31.03.2018	01.04.2017		
1	KFW-I	48.05	53.04	48.04	Semi Annual Installments Till 30.12.2035	Redeemable at par on maturity
2	ADB	82.80	87.36	96.21	Semi Annual Installments Till 15.10.2028	
3	Credit National	50.24	61.08	59.98	Semi Annual Installments Till 30.06.2028	
4	SBI FCNR(B)	1,728.88	1,629.38	-	20.03.2020	Bullet Repayment at the end of the tenor
5	ICICI Bank FCNR(B) - IV	691.55	-	-	28.06.2019	
6	ICICI Bank FCNR(B) - III	691.55	-	-	12.06.2019	
7	ICICI Bank FCNR(B) - II	691.55	-	-	03.06.2019	
8	ICICI Bank FCNR(B)	691.55	651.75	-	26.04.2019	
9	Bank of Baroda FCNR (B) - II	-	201.32	-	22.02.2019	
10	Bank of Baroda FCNR (B) - I	-	507.10	-	15.02.2019	
	Total Foreign Currency Loans	4676.17	3191.03	204.23		

16.2 Details of Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
1	SLN 27	1,024.32	-	-	01.02.2024	Bullet Repayment at the end of the tenor
2	SLN 26	1,728.88	-	-	26.09.2023	
3	SLN 22	1,728.88	1,629.37	-	28.02.2023	
4	SLN 23	1,728.88	1,629.38	-	22.03.2023	
5	SLN 21	2,074.65	1,955.25	-	12.12.2022	
6	SLN 17	3,111.98	2,932.86	2,918.25	3 Equal Installments (28.09.2020, 26.03.2021 and 24.09.2021)	Redeemable in three equal instalments
7	SLN 18	2,725.65	2,685.81	2,532.85	3 Equal Installments (06.11.2020, 08.11.2021 and 04.11.2022)	Redeemable in three equal instalments
8	SLN 16	1,728.88	1,629.38	1,621.25	04.12.2019	Bullet Repayment at the end of the tenor
	Total Syndicated Foreign Currency Loans	**15852.09**	**12462.05**	**7072.35**		

16.3 Foreign Currency Borrowings in above Note No. 16.1 and 16.2 have been raised at interest rate spread ranging from 62 bps to 195 bps over 3 months /6 Months USD/JPY LIBOR (London Inter Bank Offered Rate).

16.4 Details of Rupee Term Loan outstanding are as follows:

(i) Secured Rupee Term Loan

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
1	Oriental Bank of Commerce	8.75%	1,500.00	-	-	25.02.2025	There is a moratorium period of 2 years on principal repayment and after the completion of moratorium period of 02 years from date of disbursement, the loan is to be repaid in 04 annual installments of ₹375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025
2	Corporation Bank	8.70%	1,000.00	-	-	15.03.2024	The loan is to be repaid in 5 annual installments of ₹200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024
3	Bank of Maharashtra	8.75%	750.00	-	-	11.03.2024	Moratorium: 2 years (8 quarters) from the date of 1st disbursement. Principal shall be repaid in 12 structured quarterly installments, i.e. 4 installments of ₹18.75 crore each from 9th-12th quarter, 4 installments of ₹56.25 crore each from 13th-16th quarter and thereafter 4 installments of ₹112.50 crore each from 17th-20th quarter
4	Bank of India	8.70%	1,000.00	-	-	02.03.2024	Bullet Repayment at the end of the tenor
5	Canara Bank	8.70%	1,000.00	-	-	20.02.2024	Bullet Repayment at the end of the tenor
6	UCO Bank	8.70%	200.00	-	-	02.03.2022	Bullet Repayment at the end of the tenor
	Total Secured Rupee Term Loan		**5450.00**	**0.00**	**0.00**		

(ii) Unsecured Rupee Term Loan

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
1	Bank of India	8.70%	2,000.00	-	-	21.01.2024	Bullet Repayment at the end of the tenor
2	Canara Bank	8.70%	1,000.00	-	-	28.12.2023	
3	United Bank of India	8.65%	1,000.00	-	-	24.12.2023	
4	HDFC Bank Ltd.	8.45%	750.00	-	-	05.10.2023	
5	State Bank of India	8.45%	6,000.00	-	-	27.09.2023	
6	Vijaya Bank	7.90%	-	1,000.00	-	13.03.2023	
7	India Infrastructure Finance Company Limited	8.38%	800.00	-	-	14.09.2021	
8	UCO Bank	8.25%	1,000.00	-	-	23.08.2021	
9	Bank of Baroda	8.75%	700.00	-	-	04.03.2021	
10	HDFC Bank Ltd.	8.40%	750.00	750.00	-	30.09.2020	
11	Canara Bank	8.35%	1,500.00	-	-	13.09.2020	
12	Bank of India	8.30%	1,000.00	-	-	06.08.2020	
13	Andhra Bank	8.25%	1,979.00	-	-	29.06.2020	
14	Vijaya Bank	8.45%	2,000.00	-	-	19.06.2020	
15	Punjab National Bank	8.15%	2,000.00	-	-	05.06.2020	
16	Punjab National Bank	8.15%	2,000.00	-	-	24.05.2020	
17	India Infrastructure Finance Company Limited	7.99%	775.00	-	-	30.09.2019	
18	Andhra Bank	7.90%	-	277.07	-	30.09.2019	
19	India Infrastructure Finance Company Limited	7.70%	-	775.00	-	30.09.2019	
20	Andhra Bank	7.90%	-	1,722.93	-	29.09.2019	
21	Vijaya Bank	7.90%	-	1,000.00	-	05.09.2019	
22	Allahabad Bank	8.25%	2,000.00	-	-	08.08.2019	
23	Bank of Baroda	8.35%	2,000.00	-	-	30.07.2019	
24	Bank of Baroda	8.35%	999.55	-	-	22.07.2019	
25	Allahabad Bank	7.85%	-	2,000.00	-	28.05.2019	
26	State Bank of India	7.85%	-	2,000.00	-	30.04.2019	
27	State Bank of India	8.25%	3,000.00	-	-	19.04.2019	
28	State Bank of India	7.85%	-	1,000.00	-	19.04.2019	
29	ICICI Bank	7.90%	-	-	1,500.00	30.04.2018	
30	J&K	8.10%	-	-	500.00	30.04.2018	
	Total Unsecured Rupee Term Loan		**33253.55**	**10525.00**	**2000.00**		
	Total Rupee Term Loan (Unsecured & Secured)		**38703.55**	**10525.00**	**2000.00**		

16.5 Details of Unsecured Rupee term Loan - GoI outstanding are as follows:

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
1	National Small Savings Fund Scheme (NSSF)	8.11%	7,500.00	-	-	27.12.2028	Bullet Repayment at the end of the tenor

16.6 Details of Loan against Term Deposits are as follows:

Sr. No.	Name of Bank	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
		31.03.2019	31.03.2018	01.04.2017		
1	Tamilnad Mercantile Bank	382.00	-	-	03.04.2019	Bullet Repayment at the end of the tenor
2	J & K	-	-	100.00	03.04.2017	
3	Punjab National Bank	1,525.44	-	-	03.04.2019	
4	South Indian Bank	317.92	-	-	02.04.2019	
5	Oriental Bank of Commerce	1,805.00	-	-	03.04.2019	
6	Oriental Bank of Commerce	-	-	177.15	03.04.2017	
7	Indian Bank	1,995.00	-	-	02.04.2019	
8	Vijaya Bank	1,890.00	-	-	02.04.2019	
9	Vijaya Bank	-	-	1,800.00	03.04.2017	
10	Punjab National Bank	344.13	-	-	02.04.2019	
11	Punjab National Bank	26.43	-	-	02.04.2019	
12	Punjab National Bank	1,291.94	-	-	03.04.2019	
13	Canara Bank	1,704.13	-	-	02.04.2019	
14	UCO Bank	500.00	-	-	02.04.2019	
15	HDFC Bank	955.19	-	-	02.04.2019	
16	Allahabad Bank	-	-	323.64	03.04.2017	
	Total Loan against Term Deposits	12,737.18	-	2,400.79		

16.7 Details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Name of Bank	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	Bank of India	8.20 %	250.00	-	-	08.04.2019	Bullet Repayment at the end of the tenor
2	Punjab National Bank	8.15 %	370.00	-	-	08.04.2019	Bullet Repayment at the end of the tenor
	Total WCDL / OD / CC / Line of Credit		620.00	-	-		

16.8 None of the borrowings have been guaranted by Directors.

16.9 There has been no default in repayment of borrowings and interest during periods presented above.

16.10 Refer Note No. 9 for carrying values of the receivable pledged as security against secured rupee term loans. Secured Rupee Term Loans are secured by first pari-passu charge in favour of Lending Bank on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to Lending Bank and/or others under/pursuant to the this security document except for those receivables already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited)

17 Subordinated Liabilities

The Company has categorised Subordinated Liabilities at amortised cost in accordance with the requirements of Ind AS 109. (₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A)	**Subordinated Liabilities**			
	(i) Subordinated Bonds (Refer Note 17.1)	9,211.50	3,800.00	3,800.00
	(ii) Interest accrued but not due on above	102.30	93.59	93.59
	(iii) Unamortised Transaction Cost on above	(4.10)	(0.83)	(0.95)
	Total Subordinated Liabilities	**9,309.70**	**3,892.76**	**3,892.64**
(B)	**Geography wise Subordinated Liabilities**			
	(i) Subordinated Bonds in India	9,309.70	3,892.76	3,892.64
	(ii) Subordinated Bonds outside India	-	-	-
	Total Geography wise Subordinated Liabilities	**9,309.70**	**3,892.76**	**3,892.64**

17.1 Details of Subordinated Bonds are as under :

(₹ in crore)

Sr. No.	Bond Series	Coupon Rate	Amount outstanding as at		
			31.03.2019	31.03.2018	01.04.2017
1	Subordinated Tier II Debt Bond	9.70%	2,000.00	2,000.00	2,000.00
2	Subordinated Tier II Debt Bond	9.65%	1,000.00	1,000.00	1,000.00
3	Subordinated Tier II Debt Bond	8.19%	800.00	800.00	800.00
4	Subordinated Tier II Debt Bond	9.10%	2,411.50	-	-
5	Subordinated Tier II Debt Bond	8.98%	1,000.00	-	-
6	Subordinated Tier II Debt Bond	9.25%	2,000.00	-	-
	Total		**9,211.50**	**3,800.00**	**3,800.00**

18 Other Financial Liabilities

The Company has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109. (₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Payable for GoI Serviced Bonds (Refer Note. 18.1)	5,038.21	5,038.21	5,038.21
(ii)	Advance received from Subsidiaries and Associates*	189.11	163.69	161.80
(iii)	Unpaid Dividends (Refer Note. 18.2)			
	- Unclaimed Dividends	3.16	2.63	1.43
(iv)	Unpaid - Bonds and Interest Accrued thereon (Refer Note. 18.2)			
	- Unclaimed Bonds	1.15	3.93	0.52
	- Unclaimed Interest on Bonds	13.95	14.10	14.17
(v)	Others			
	- Application Money Refundable on Bonds and interest accrued thereon	0.77	0.84	0.88
	- Interest Subsidy Fund (Refer Note. 18.3)	15.96	112.51	103.19
	- Interim Dividend Payable	-	-	1,320.04
	- Others	65.53	57.28	618.28
	Total Other Financial Liabilities	**5,327.84**	**5,393.19**	**7,258.52**

*Payable in cash

18.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

Sr. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore) outstanding as at		
				31.03.2019	31.03.2018	01.04.2017
1	PFC Bond Series 164-GoI Fully Serviced Bond	7.75%	22.03.2027	2,000.00	2,000.00	2,000.00
2	PFC Bond Series 160-GoI Fully Serviced Bond	7.60%	20.02.2027	1,465.00	1,465.00	1,465.00
3	PFC Bond Series 158-GoI Fully Serviced Bond	7.18%	20.01.2027	1,335.00	1,335.00	1,335.00
4	PFC Bond Series 156-GoI Fully Serviced Bond	7.10%	11.01.2027	200.00	200.00	200.00
5	Interest accured on above			38.21	38.21	38.21
	Total GoI Serviced Bonds (Unsecured Taxable Bonds)			5,038.21	5,038.21	5,038.21

18.2 Unpaid dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors/holders of the instruments or are on hold pending legal formalities etc. Out of the above, the amount eligible to be transferred to Investor Education and Protection Fund has been transferred.

18.3 Interest Subsidy Fund under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates 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 actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of Nil and ₹ 16.04 crore as at 31.03.2019 (As at 31.03.2018 ₹ 9.64 crore and ₹ 103.09 crore; As at 01.04.2017 ₹ 8.67 crore and ₹ 93.56 crore) for IX and X Plans, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

Balance under the head Interest Subsidy Fund shown as liability, representing amount of subsidy received from MoP, GoI, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2019	Year ended 31.03.2018
Opening Balance	**112.51**	**103.19**
Add : Received during the period	-	-
: Interest credited during the period	3.45	9.32
: Refund by the borrower due to non - commissioning of project in time	-	-
Less : Refunded to MoP:-		
(a) Estimated net excess against IX & X Plan	100.00	-
(b) Due to non- commissioning of Project in time	-	-
Closing Balance	**15.96**	**112.51**

- Interest subsidy passed on to borrowers during FY 2018-19 is ₹ 1.95 crore (previous year ₹ 3.01 crore).

19 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	**For Employee Benefits:**			
	- Gratuity	0.75	1.50	1.22
	- Leave Encashment	27.31	21.23	30.68
	- Economic Rehabilitation of Employees	1.69	1.67	1.63
	- Provision for Bonus / Incentive	33.74	11.18	5.68
	- Provision for Staff Welfare Expenses	13.80	11.26	8.90
	- Proposed Wage Revision	-	48.94	9.94
(ii)	**Impairment Loss Allowance - Letter of Comfort (Refer Note 19.1)**	186.71	195.39	5.61
	Total Provisions	**264.00**	**291.17**	**63.66**

19.1 Movement of Impairment on Letter of Comfort (₹ in crore)

Sr. No.	Particulars	FY 2018-19	FY 2017-18
(i)	Opening balance	195.39	5.61
(ii)	Add: Creation during the year	6.07	195.31
(iii)	Less: Reversal during the year	(14.75)	(5.53)
(iv)	Closing balance	186.71	195.39

19.2 Letter of Comfort is in the nature of commitment to the borrowers, hence the impairment allowance on the same has been categorised as provisons.

20 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Unamortised Fee - Undisbursed Loan Assets	96.36	92.45	71.16
(ii)	Statutory dues payable			
	- Corporate Interim Dividend Distribution Tax Payable	-	-	67.18
	- Others	4.49	20.12	20.10
	Total Other Non-Financial Liabilities	**100.85**	**112.57**	**158.44**

21 Equity Share Capital

Sr. No.	Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	**Authorised Capital**						
	Equity Share Capital (Par Value per share ₹ 10)	11,000,000,000	11,000.00	11,000,000,000	11,000.00	11,000,000,000	11,000.00
	Preference Share Capital (Par Value per share ₹ 10)	2,00,000,000	200.00	2,00,000,000	200.00	2,00,000,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**						
	Equity Share Capital (Par Value per share ₹ 10)	2,640,081,408	2,640.08	2,640,081,408	2,640.08	2,640,081,408	2,640.08
(C)	**Reconciliation of Equity Share Capital**						
	Opening Equity Share outstanding	2,640,081,408	2,640.08	2,640,081,408	2,640.08	2,640,081,408	2,640.08
	Changes during the year	-	-	-	-	-	-
	Closing Equity Share capital	2,640,081,408	2,640.08	2,640,081,408	2,640.08	2,640,081,408	2,640.08

21.1 Pursuant to amalgamation of PFCGEL (Company's wholly owned subsidiary) with the PFC, authorised equity share capital and authorised preference share capital of the Company got enhanced by ₹ 1,000 crore and ₹ 200 crore respectively, from effective date of amalgamation i.e. 01.04.2017 as per the scheme of amalgamation.

21.2 Rights, preferences and restriction attached to equity shares

The Company had issued equity shares having par value of ₹ 10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders. Dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

21.3 Shares in the Company held by each shareholder holding more than 5% of the shares

	Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
(i)	President of India	1,558,889,417	59.05%	1,740,216,107	65.92%	1,751,631,394	66.35%
(ii)	Life Insurance Corporation of India	1,56,320,146	5.92%	1,57,476,305	5.96%	2,28,252,101	8.65%
(iii)	USB Principal Capital Asia Ltd	1,42,238,384	5.39%	48,260,435	1.83%	-	0.00%
(ii)	HDFC Trustee	1,98,898,595	7.53%	85,121,960	3.22%	25,479,486	0.97%

21.4 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

21.5 During the period of last 5 years, the Company has issued bonus shares in the ratio of 1:1 during FY 2016-17 and has not bought back any shares.

21.6 Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

21.7 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

21.8 Forfeited shares (amount originally paid up) : Nil

21.9 Management of Capital : Refer Note 32.1

21.10 During FY 2018-19 Government of India (GoI) has transferred 1,93,72,120 and 16,19,54,570 numbers of equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF and CPSE ETF respectively.

22 Other Equity*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Debenture Redemption Reserve (Note No. 22.1 (i))	2,014.25	1,726.82	1,434.17
(ii)	Securities Premium (Note No. 22.1 (ii))	2,776.54	2,776.54	2,776.54
(iii)	Foreign Currency Monetary Item Translation Difference Account (Note No. 22.1 (iii))	(769.72)	(356.41)	(288.12)
(iv)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 (Note No. 22.1 (iv))	1,413.94	23.36	16.99
(v)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961 (Note No. 22 (v))	3,740.21	3,386.79	3,014.69
(vi)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97 (Note No.22.1 (vi))	599.85	599.85	599.85
(vii)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 (Note No. 22.1 (vi))	17,498.27	15,920.36	14,325.30
(viii)	Interest Differential Reserve - KFW Loan (Note No. 22.1 (vii))	60.00	57.90	56.41
(ix)	General Reserve (Note No. 22.1 (viii))	7,438.68	6,438.68	5,438.68
(x)	Retained Earnings (Note No. 22.1 (ix))	6,202.53	3,848.43	5,184.72
(xi)	Reserve for Equity Instruments through Other Comprehensive Income (Note No. 22.1 (x))	(276.49)	(106.25)	225.77
(xii)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through Other Comprehensive Income (Note No. 22.1- (xi))	(50.15)	-	-
	Total Other Equity*	**40,647.91**	**34,316.07**	**32,785.00**

*For movements during the period refer Standalone Statement of Changes in Equity.

22.1 Nature and purpose of reserves

(i) Debenture Redemption Reserve (DRR)

Debenture redemption reserve represents allocation from profits for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues. The Company transfers amount from this reserve to retained earnings when the bonds/ debentures got redeemed.

(ii) Securities Premium

Securities premium represents amount of premium received on issue of share capital net of expense incurred on issue of shares.This amount is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (existing as on 31.03.2018) that are amortized over the tenure of the respective borrowings.

(iv) Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934

Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared.

(v) Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961

Reserve for Bad & doubtful debts have been created to avail income tax deduction under section 36(1)(viia)(c) of Income-Tax Act,1961.

(vi) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961

Special reserve have been created to avail income tax deduction under section 36(1)(viii) of Income-Tax Act,1961 @ 20% of the profit before tax arrived from the business of providing long term finance in a year.

(vii) Interest Differential Reserve - KFW Loan

The reserve represents difference between the interest due and interest paid on kfw loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the Foreign currency borrowing from KFW, is adjusted against this reserve. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan.

(viii) General Reserve

General Reserve is created by transfer from other component of equities and used for appropriation purposes.

(ix) Retained earnings

Retained earnings represent profits and items of other comprehensive income recognised directly in retained earnings earned by the Company less dividend distributions and transfer to and from other reserves.

(x) Reserve for Equity Instruments through Other Comprehensive Income

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. This reserves represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognized as profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(xi) Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instrument entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve, will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

23 Interest Income

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
		On Financial Assets measured at Amortised Coat	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
(i)	Interest on Loans	28,595.06	-	25,668.13	-
	Less : Rebate for Timely Payment to Borrowers	(485.79)	-	(389.60)	-
(ii)	Interest on Investment in Bonds	-	87.60	-	196.80
(iii)	Interest on Deposits with Bank	201.00	-	56.70	-
(iv)	Other Interest Income	43.10	-	30.00	-
	Total Interest Income	**28,353.37**	**87.60**	**25,365.23**	**196.80**

24 Fees and Commission Income

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	Prepayment Premium on Loans	107.27	179.10
(ii)	Fee Based Income on Loans	21.81	58.10
(iii)	Fee for implementation of GoI Schemes (Refer Note 24.1 and 24.2)	19.94	30.39
	Total Fees and Commission Income	**149.02**	**267.59**

24.1 Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) :

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP. Amounts received from GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lent but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers. The amount recoverable from borrowers & payable to GoI under R – APDRP scheme stands at ₹ 16,507.55 crore as at 31.03.2019 (₹ 14,645.44 crore as at 31.03.2018 and ₹ 12,749.20 crore as at 01.04.2017).

(ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme for operationalization and associated service for implementation of R – APDRP from MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is 1.7% of likely project outlay under Part A & B of R-APDRP, subject to cap of ₹ 850 crore.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 329.82 crore as at 31.03.2019 (₹ 301.94 crore as at 31.03.2018 and ₹ 280.72 crore as at 01.04.2017).

24.2 Integrated Power Development Scheme (IPDS) :

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS scheme.

Amount of GOI grant administered to the eligible utilities till 31.03.2019 is ₹ 8,083.17 crore (₹ 5,329.82 crore as at 31.03.2018 and ₹ 2,561.01 crore as at 01.04.2017).

The Company is eligible for nodal agency fee totaling to 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

25 Net Gain/(Loss) on Fair Value Changes

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	**On financial instruments designated at Fair value through Profit or Loss:**		
	- Change in Fair Value of Derivatives	84.98	(193.19)
	Total Net Gain/(Loss) on Fair Value Changes	**84.98**	**(193.19)**
	Fair value changes:		
(i)	- Realised	(153.85)	49.86
(ii)	- Unrealised	238.83	(243.05)
	Total Net Gain/(Loss) on Fair Value Changes	**84.98**	**(193.19)**

25.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

26 Other Income

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	Excess Liabilities written back	-	0.84
(ii)	Miscellaneous Income	9.29	3.56
	Total Other Income	**9.29**	**4.40**

27 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
		On Financial liabilities measured at Amortised Cost	On Financial liabilities classified at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities classified at fair value through profit or loss
(i)	**Interest on Borrowings**				
	- Term Loans and Others	2,668.42	-	393.16	-
(ii)	**Interest on Debt Securities**				
	- Bonds / Debentures	15,402.97	-	15,703.69	-
	- Commercial Papers	491.85	-	487.62	-
(iii)	**Interest on Subordinated Liabilities**	364.87	-	356.14	-
(iv)	**Other Interest Expense**				
	- Interest on Interest Subsidy Fund	3.46	-	9.32	-
	- Interest on Application Money - Bonds	0.08	-	0.03	-
	- Interest on advances received from Subsidiaries	6.18	-	5.93	-
	- Swap Premium (Net)	-	43.93	-	-
	Total Finance Costs	**18,937.83**	**43.93**	**16,955.89**	**-**

28 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	Agency Fees	0.74	0.39
(ii)	Guarantee, Listing and Trusteeship fees	2.72	2.17
(iii)	Credit Rating Fees	5.23	4.96
(iv)	Other Finance Charges	1.40	1.06
	Total Fees and Commission Expense	**10.09**	**8.58**

29 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
		On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Amortised Cost
(i)	Loans and Letter of Comfort	(879.27)	2,404.90
(ii)	Other Financial Instruments	7.79	(13.89)
	Total Impairment on Financial Instruments	**(871.48)**	**2,391.01**

29.1 Refer Note 32.2.1 for details of movement in impairment on financial assets.

30 Employee Benefits Expenses

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	Salaries and Wages	133.33	130.59
(ii)	Contribution to Provident and other Funds	12.68	21.43
(iii)	Staff Welfare Expenses	23.51	19.17
(iv)	Rent for Residential Accommodation of Employees (Refer Note 30.2)	4.05	5.45
	Total Employee Benefits Expenses	**173.57**	**176.64**

30.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 34.

30.2 Rent for Residential Accommodation of Employees is on account of rent (net of recoveries) on lease arrangements for premises which are taken for residential use of employees and are usually renewable on mutually agreed terms and are cancellable.

31 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	Rent, Taxes and Energy Cost (Refer Note 31.1)	23.86	11.74
(ii)	Repairs and Maintenance	4.46	4.50
(iii)	Communication Costs	2.78	2.49
(iv)	Printing and Stationery	1.69	2.11
(v)	Advertisement and Publicity	11.85	8.69
(vi)	Directors Fees, Allowance and Expenses	0.12	0.06
(vii)	Auditor's fees and expenses (Refer Note 31.2)	1.14	0.86
(viii)	Legal & Professional charges	8.65	4.86
(ix)	Insurance	0.26	0.17
(x)	Travelling and Conveyance	15.96	16.27
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	0.32	0.42
(xii)	Other Expenditure	43.60	19.27
	Total Other Expenses	**114.69**	**71.44**

31.1 Pursuant to decapitalisation of Leasehold land, prepaid lease premium paid initially is being amortised over the remaining period of the lease term. Rent, Taxes & Energy Cost includes such amortisation of prepaid lease premium. Further, it includes rent for premises taken on lease for official use and are usually renewable on mutually agreed terms, and are cancellable. Refer Note 41.5(c)

31.2 Auditor's fees and expenses are as under :

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i)	- Audit Fee	0.53	0.38
(ii)	- Taxation matters	0.07	0.07
(iii)	- Other services	0.49	0.39
(iv)	- Reimbursement of expenses	0.05	0.02
	Total	**1.14**	**0.86**

32 Financial Instruments

32.1 Capital Management

The Company maintains a capital base that is adequate in quantity and quality to support the Company's risk profile, regulatory and business needs. The Company sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 15, 16 & 17 and Standalone Statement of Changes in Equity for details.

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company regularly monitors the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital Risk Adjusted Ratio (CRAR) and other key financial parameters of the Company are as under:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
CRAR - Tier I Capital	11.73%	14.04%	13.91%
CRAR - Tier II Capital	5.36%	3.08%	3.08%
Total CRAR	17.09%	17.12%	16.99%
Debt Equity Ratio*	6.66	6.21	5.72
Net worth (₹ in crore)	43,287.99	36,956.15	35,425.08

*Total Debt represents Principal outstanding.

Details of Subordinated Debt / Perpetual Debt raised are as under:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Amount of subordinated debt raised as Tier-II capital	5,411.50	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Dividend Distribution Policy

The company has a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to government guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, the Company is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher.

Nonetheless, the Company is expected to pay the maximum dividend permissible under the Act under which it has been set up, unless lower dividend is justified after considering parameters like Net-worth, CAPEX/Business Expansion needs; additional investments in subsidiaries / associates of the Company; etc.

32.2 Financial Risk Management

The Company is exposed to several risks which are inherent to the environment that it operates in. The Company is into business of extending financial assistance to power sector. The principal risks which are inherent with the Company's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk & interest rate risk).

The following table broadly explains sources of risks which the Company is exposed to and how it manages the same and related impact in the financial statements:

Risk	Exposure arising from	Measurement	Risk Management
Credit Risk	Loans, financial assets, investments, cash and cash equivalents	Ageing analysis	Detailed appraisal process, credit limits and collateral including government guarantee
Liquidity Risk	Borrowings, debt securities, subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk - Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis	Derivative contracts for hedging currency risk
Market Risk - Interest Rate Risk	Borrowings, debt securities, subordinated liabilities and loans at variable rates	Interest rate gap analysis	Mix of loan arrangements with varied interest rate terms, Derivative contract like interest rate swaps etc.

For managing these risks, the Company has put in place a mechanism to ensure that these risks are monitored carefully and managed efficiently. 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 subsections.

32.2.1Credit Risk Management

Credit risk is the risk that a borrower or counterparty will default on its contractual obligations resulting in financial loss to the Company. Details of financial assets that expose the Company to credit risk are:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Low Credit Risk			
Cash and cash equivalents	308.48	537.71	42.87
Bank balances other than included in cash and cash equivalents	13,846.53	15.49	3,530.29
Loans (Principal Outstanding)	2,75,658.63	2,34,050.93	1,91,178.84
Investments	16,586.20	2,520.04	3,870.38
Other financial assets	5,376.40	5,276.91	5,249.43
Moderate Credit Risk			
Loans (Principal Outstanding)	9,467.99	18,098.96	42,125.45
High Credit Risk			
Loans (Principal Outstanding)	29,540.31	26,866.80	12,286.29
Other financial assets	10.30	2.51	16.40

The Company is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalents is limited as these are held with scheduled commercial public sector banks and high rated private sector banks. For its investments, the Company manages its exposure to credit risk by investing in securities issued by counterparties having a high credit rating, periodic monitoring and taking necessary actions when required. The Company's credit risk management through its lending operations is explained in detail below:

Credit risk management approach for lending operations

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., Project appraisal & Project monitoring. The Company selects the borrowers in accordance with the Company's approved Credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by the Company.

(a) Project Appraisal

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(i) Appraisal for Private Sector Power Projects

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted by the Competent Authority on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology for generation projects where weightages are assigned to project and entity rating.

Based on the appraisal process, the Company stipulates an ideal debt-equity ratio for the project and requires proportionate equity infusion from the promoters. Suitable quantum of upfront equity infusion serves as a useful mitigant of the credit risk.

(ii) Appraisal for State Sector Power Projects

State sector projects are taken up for detailed appraisal to determine if it is techno economically sound and compatible with integrated power development & expansion plans of the State etc.

The Company classifies state power generation and transmission utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to State Power Distribution utilities including integrated utilities, the Company's categorisation policy provides for adoption of MoP's Integrated Ratings by aligning such ratings/ grading with that of Company's rating structure.

These categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. The Company also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and the like are stipulated so as to ensure tying up of funds (debt and equity both) , all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements / contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of the Company as a lender for timely repayment of debt.

(b) Security and Covenants

The Company stipulates a package of security measures/covenants to mitigate different kinds of risks during the construction and post COD (commercial operation date) stage of the project. The Company adopts a combination of measures like charge on project assets, collateral over & above the charge on project assets, payment security mechanism by obtaining escrow cover or by lending under trust & retention agreement (TRA) mechanism, promoters' personal and corporate guarantee etc. keeping in view the risk appetite.

(c) Post-disbursement Project Monitoring

The Company has a comprehensive project monitoring system that monitors and tracks project implementation status and identifies risks where intervention is required to minimize the time & cost overruns and consequent slippages in disbursements.

For State sector projects, monitoring is carried out based on progress details about projects obtained from borrowers on time to time basis through progress monitoring reports, site visits, discussions with the borrowers, information/ reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where the Company is Lead Financial Institution, the Company engages lender's engineers (LEs) and lender's financial advisors (LFAs), which are independent agencies who act on behalf of various lenders and consortium members. The Lenders' Engineers conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. Lender's financial advisors submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead FI, the tasks related to LEs and LFAs services are being coordinated with the lead lender.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project implementation etc. and is reviewed by the Company on a regular basis.

The Company continuously monitors delays and/ or default of borrowers and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps 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. regularization of the account by recovering all over dues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, National Company Law Tribunal (NCLT) (IBC -2016) etc. & other actions as specified under RBI framework.

(d) Credit risk analysis

(i) Exposure to credit risk

For loans recognized in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 9 'Loans' for Company's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Company would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 39 for exposure of Guarantee and Outstanding Disbursement Commitments.

(ii) Credit concentration risk

Credit concentration risk is 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.

The following table sets out an analysis of risk concentration of overall loan portfolio on the basis of similar risk characteristics:

(₹ in crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Principal outstanding	Impairment allowance	Principal outstanding	Impairment allowance	Principal outstanding	Impairment allowance
Concentration by ownership						
Loans to state sector (i.e. entities under the control of state and /or central government)	2,61,054.99	255.53	2,27,713.98	1,510.31	2,03,037.90	4,650.32
Loans to private sector	53,611.94	15,925.51	51,302.71	15,541.33	42,552.68	10,186.19
Total	**3,14,666.93**	**16,181.04**	**2,79,016.69**	**17,051.64**	**2,45,590.58**	**14,836.51**

The Company considers that loans to state sector have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Further, presence of Government interest in these projects lowers the risk of non-recoverability of dues.

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

Details regarding Concentration / Exposure of Loans

1. Concentration of Advances:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total Advances to twenty largest borrowers	1,88,278.21	1,62,412.85	1,53,506.95
Percentage of Advances to twenty largest borrowers to Total Advances (Principal Outstanding) of the Company	59.83%	58.21%	62.51%

2. Concentration of Exposures:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total Exposure to twenty largest borrowers / customers	2,61,087.34	2,37,469.89	2,40,892.19
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	53.87%	53.90%	56.23%

Further, Company has a well-diversified lending portfolio comprising of loans to generation (renewable and non-renewable), transmission and distribution power projects spread across diverse geographical areas.

(e) Impairment Assessment

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss. Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition.

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage I'.

- If a significant increase in credit risk (SICR) is identified, the financial instrument is moved to 'Stage II'.

- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage III' category.

(i) Significant Increase in Credit Risk (Stage II)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In determining whether the risk of default has increased significantly since initial recognition, the Company considers more than 30 days overdue as a parameter. Additionally, the Company considers any other observable input indicating a significant increase in credit risk.

(ii) Credit Impaired

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 overdue on its contractual payments.

(iii) Measurement of Expected Credit loss (ECL)

ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These parameters have derived from internally developed models using historical data and adjusted with current data.

► Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used.

For Stage III credit impaired accounts, 100% PD is taken.

► Loss Given Default (LGD): It is the loss factor which the Company may experience, if default occurs.

► Exposure at Default (EAD): It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

The Company has appointed an independent agency CRISIL Ltd. for assessment of ECL on credit impaired loans (Stage III). For all other loans, ECL is computed on a collective basis by grouping of the financial assets based on the similar risk characteristics like short term loans to state sector, other loans to state sector, thermal generation loans to private sector, solar generation loans to private sector and so on.

► Key assumptions used in measurement of ECL

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

► Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in crore)

Particulars (inclusive of loan commitments)	As at 31.03.2019 Principal Outstanding	Cumulative Impairment loss allowance	%	As at 31.03.2018 Principal Outstanding	Cumulative Impairment loss allowance	%	As at 01.04.2017 Principal Outstanding	Cumulative Impairment loss allowance	%
Credit impaired loans (Default event triggered) (Stage III)	29,540.31	15,021.01	50.85%	26,866.80	14,241.22	53.01%	12,286.29	4,892.59	39.82%
Loans having significant increase in credit risk (Stage II)	9,467.99	303.07	3.20%	18,098.96	670.29	3.70%	42,125.45	5,400.06	12.82%
Other loans (Stage I)	2,75,658.63	856.96	0.31%	2,34,050.93	2,140.13	0.91%	1,91,178.84	4,543.86	2.38%
Total	**3,14,666.93**	**16,181.04**		**2,79,016.69**	**17,051.64**		**2,45,590.58**	**14,836.51**	
Outstanding Disbursement Commitments (Letter of Comforts) forming part of contingent liabilities	1,019.06	186.71		1,694.60	195.39		1,640.56	5.61	

► The following tables explain the changes in the loan assets and the corresponding ECL allowance between the beginning and the end of the annual period:

(₹ in crore)

FY 2017-18	Stage I Principal	Stage I Impairment allowance	Stage II Principal	Stage II Impairment allowance	Stage III Principal	Stage III Impairment allowance	Total Principal	Total Impairment allowance
Opening Balance	1,91,178.83	4,543.86	42,125.45	5,400.06	12,286.29	4,892.59	2,45,590.58	14,836.51
Transfer to Stage I	15,191.23	978.21	(14,469.27)	(691.74)	(721.96)	(286.47)	-	-
Transfer to Stage II	(419.29)	(1.47)	419.29	1.47	-	-	-	-
Transfer to Stage III	(3,941.50)	(1,022.35)	(10,342.78)	(4,265.26)	14,284.27	5,287.62	-	-
Change in Principal/ ECL during the year	1,233.30	(2,596.15)	1,991.59	298.36	812.03	4,236.58	4,036.91	1,938.79
New financial assets originated	46,428.97	392.59	91.80	1.59	445.91	305.98	46,966.67	700.17
Derecognised financial assets (loans repaid)	(15,620.61)	(154.56)	(1,717.12)	(74.19)	(239.74)	(195.08)	(17,577.47)	(423.83)
Closing Balance	**2,34,050.93**	**2,140.13**	**18,098.96**	**670.29**	**26,866.80**	**14,241.22**	**2,79,016.69**	**17,051.64**

(₹ in crore)

FY 2018-19	Stage I Principal	Stage I Impairment allowance	Stage II Principal	Stage II Impairment allowance	Stage III Principal	Stage III Impairment allowance	Total Principal	Total Impairment allowance
Opening Balance	2,34,050.93	2,140.13	18,098.96	670.29	26,866.80	14,241.22	2,79,016.69	17,051.64
Transfer to Stage I	9,173.53	915.44	(8,356.63)	(275.40)	(816.90)	(640.04)	-	-
Transfer to Stage II	(7,528.26)	(10.84)	7,528.26	10.84	-	-	-	-
Transfer to Stage III	-	-	(3,956.35)	(249.17)	3,956.35	249.17	-	-
Change in Principal/ ECL during the year	9,110.28	(2,194.85)	(991.23)	291.85	(448.08)	1,182.45	7,670.96	(720.55)
New financial assets originated	42,541.15	60.61	190.00	0.06	-	-	42,731.16	60.67
Derecognised financial assets	(11,689.00)	(53.53)	(3,045.02)	(145.40)	(17.86)	(11.79)	(14,751.88)	(210.72)
Closing Balance	**2,75,658.63**	**856.96**	**9,467.99**	**303.07**	**29,540.31**	**15,021.01**	**3,14,666.93**	**16,181.04**

► Movement of Impairment Loss Allowance on Stage III Loans:

(₹ in crore)

Sr. No.	Description	As at 31.03.2019	As at 31.03.2018
(i)	Gross Stage III Loans to Gross Loans (%)	9.39%	9.63%
(ii)	Net Stage III Loans to Net Loans (%)	4.85%	4.82%
		FY 2018-19	**FY 2017-18**
(iii)	Movement of Stage III Loans (Gross)		
	(a) Opening balance	26,866.80	12,286.29
	(b) Additions during the year	3,793.33	15,493.47
	(c) Reductions during the year	(1,119.82)	(912.96)
	(d) Closing balance	29,540.31	26,866.80
(iv)	Movement of Net Stage III Loans		
	(a) Opening balance	12,625.58	7,393.70
	(b) Additions during the year	2,851.39	7,571.59
	(c) Reductions during the year	(957.67)	(2,339.71)
	(d) Closing balance	14,519.30	12,625.58
(v)	Movement of impairment allowance for Stage III Loans		
	(a) Opening balance	14,241.22	4,892.59
	(b) Impairment allowance made during the year	1,823.55	9,811.42
	(c) Write-off / write-back of excess impairment allowance	(1,043.76)	(462.79)
	(d) Closing balance	15,021.01	14,241.22

► Concentration of Stage III loans:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Principal outstanding of top four Stage III accounts	13,847.63	13,928.25	8,530.34

32.2.2 Liquidity Risk Management

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

In order to effectively manage liquidity risk, the Company endeavours to maintain sufficient cash flows to cover maturing liabilities without incurring unacceptable losses or risking damage to the Company's reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Company's liquidity position is determined keeping in view the following factors:

- Current liquidity position;
- Anticipated future funding needs
- Present and future earning capacity; and
- Available sources of funds.

The Company manages its day to day liquidity to ensure that the company has sufficient liquidity to meet its financial obligation as & when due. The long term liquidity is managed keeping in view the long term fund position and the market factors. This is in line with the Board approved framework and breaches, if any, are to be reported to the Board of Directors. The Company has never defaulted in servicing of its borrowings.

Further, for overall liquidity monitoring and supervision, the Company has an Asset Liability Committee (ALCO) headed by Director (Finance). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mis-matches of its financial assets and liabilities. The mis-matches are analysed by way of liquidity statements prescribed by RBI, wherein the cumulative surplus or deficit of funds is arrived at by distributing the cash flows against outstanding financial assets and financial liabilities according to the maturity ladder.

The following table analyses the maturity pattern of items of financial liabilities by remaining maturity of contractual principal on an undiscounted basis.

(₹ in crore)

Particulars	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years
As at 31.03.2019								
Rupee Borrowings	21,785.18	4,915.00	7,495.20	10,292.05	19,088.10	76,608.05	32,730.60	87,160.38
Foreign Currency borrowings	696.50	-	2,080.35	-	3,468.40	4,971.67	9,235.95	8,373.99
As at 31.03.2018								
Rupee Borrowings	1,275.80	2,805.00	7,345.70	12,457.70	13,056.65	69,867.71	37,178.05	67,628.47
Foreign Currency borrowings	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55
As at 01.04.2017								
Rupee Borrowings	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73
Foreign Currency borrowings	4.64	-	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26

Maturity Analysis of Derivative financial liabilities:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Forward			
Upto 1 year	86.75	0.04	-
1 - 5 years	148.70	198.04	68.41
Sub Total (A)	**235.45**	**198.08**	**68.41**
Option/ swaps			
Upto 1 year	1.89	-	-
1 - 5 years	268.25	40.98	-
More than 5 years	-	1.62	-
Sub Total (B)	**270.14**	**42.60**	**-**
Total (A+B)	**505.59**	**240.68**	**68.41**

The above table details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counter parties. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

The Company has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, the Company has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilize funds from the domestic market within a short span of time.

The Company has access to the following undrawn borrowing facilities:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
CC/ OD/ LoC / WCDL limits	6,950.00	13,200.00	11,060.00

32.2.3 Market Risk Management

A. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Company's foreign currency denominated borrowings is as follows:

Description	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Crore in respective currency	₹ in Crore	Crore in respective currency	₹ in Crore	Crore in respective currency	₹ in Crore
USD Loans*	**361.20**	**24,978.60**	**237.21**	**15,460.16**	**89.48**	**5,803.01**
- Hedged	240.00	16,597.21	143.00	9,320.02	28.00	1,815.79
- Unhedged	121.20	8,381.39	94.21	6,140.14	61.48	3,987.22
Euro Loans	**1.27**	**98.30**	**1.41**	**114.12**	**1.56**	**108.02**
- Hedged	-	-	-	-	-	-
- Unhedged	1.27	98.30	1.41	114.12	1.56	108.02
JPY Loans#	**6,007.88**	**3,749.97**	**4,366.80**	**2,685.80**	**4,366.80**	**2,532.85**
- Hedged	967.03	603.60	-	-	-	-
- Unhedged	5,040.85	3,146.37	4,366.80	2,685.80	4,366.80	2,532.85
Total		**28,826.87**		**18,260.08**		**8,443.88**

*An amount of USD 25 Crore (₹ 1,728.88 crore) maturing in September 2023 and hedged through Principal only Swap (PoS) at an average rate of 4.12% has been designated as Cash-flow Hedge in FY 2018-19 (previous year Nil). The fair value of PoS as at 31.03.2019 is ₹ 100.01 crore. The Company has started applying Hedge Accounting as per Ind AS 109 w.e.f FY 2018-19.

#includes JPY loan partly hedged through forwards covering USD/ INR exposure for ₹ 587.82 crore as at 31.03.2019 (as at 31.03.2018 ₹ 293.29 crore and as at 01.04.2017 ₹ 291.83 crore).

The foreign currency monetary items are translated at FEDAI spot rate prevailing at the year-end as below:

(₹ in crore)

Exchange Rates	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
USD / INR	69.1550	65.1750	64.8500
Euro / INR	77.6725	80.8075	69.2925
JPY / INR	0.624175	0.615050	0.580025

Foreign currency risk monitoring and management

The Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organization for management of associated risks.

The Company enters into various derivative transactions viz. principal only swaps, options and forward contracts for hedging the exchange rate risk. As per CRM policy, a system for reporting and monitoring of risks is in place wherein Risk Management Committee (RMC), consisting of senior executives of the Company, monitors the foreign currency exchange rate. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. The policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the Management. Parameters like hedging ratio, un-hedged exposure, mark-to market position, exposure limit with banks etc. are continuously monitored as a part of currency risk management.

Foreign Currency Sensitivity Analysis

The below table presents the impact on total equity (+ Gain / (-) Loss) for 5% change in foreign currency exchange rate against INR on outstanding foreign currency borrowings:

(₹ in crore)

Foreign Currency Liabilities	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
	on account of change in foreign exchange rate					
USD	1,248.93	(1,248.93)	773.01	(773.01)	290.15	(290.15)
Euro	4.92	(4.92)	5.71	(5.71)	5.40	(5.40)
JPY	187.50	(187.50)	134.29	(134.29)	126.64	(126.64)

To the extent the foreign currency borrowings are hedged by a derivative instrument, the impact of change in exchange rate will be offset by corresponding impact of derivatives over its tenure.

B. 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. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

Interest rate risk is managed with the objective to control market risk exposure while optimizing the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mis-matches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods etc. The liabilities are managed keeping in view factors like cost, market appetite, timing; market scenario, ALM gap position etc.

Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For Interest Rate Sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shock to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 70 crore.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

32.3 Hedge Accounting

Derivatives are measured at FVTPL unless designated under Hedge Accounting relationship. The Company has designated certain derivative contracts (Principal Only Swap and Interest Rate Swap) under cash flow hedge.

Hedge Effectiveness

By critical terms matching method (where principal terms of the hedging instrument and the hedged item are same), the Company ensures that the hedges are highly effective i.e. hedge ratio is nearly 100% and the same is re-assessed at each reporting date.

Reconciliation of Cash flow Hedge Reserve (₹ in crore)

Sr. No.	Particulars*	FY 2018-19	
		POS	IRS
1	Cash flow hedge reserve at the beginning	-	-
2	Hedging Gains / losses recognised in OCI	(98.97)	(64.73)
3	Hedge ineffectiveness recognised in P&L	-	-
4	Amount reclassified from OCI to P&L#	(86.63)	0.02
5	Cash flow hedge reserve at the end	(12.33)	(64.75)

*The Company has started applying Hedge Accounting as per Ind AS 109 w.e.f FY 2018-19.

#reflected in the line item named 'Net Translation / Transaction exchange Gain / Loss'

32.4 Fair Value Measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability	Fair Value as at			Fair value hierarchy	Valuation technique(s) & Key input(s)
		31.03.2019	31.03.2018	01.04.2017		
1	Listed Equity Instruments	1,023.23	1,230.92	1,370.11	Level 1	Quoted market price
2	Unlisted Equity Instruments of Borrower Companies	0.00	0.00	193.05#	Level 3	The Company acquired these investments by invoking pledge on non-payment of dues by the borrower companies. Presently, these borrowers are credit-impaired. In absence of any visibility of recovering an amount against these investments, these have been valued at one rupee by the Company. #As at 01.04.2017, one of the borrower was classified under Stage I and fair valuation of equity instrument was obtained from valuer.
3	Units of Small Is Beautiful Fund of KSK	6.18	6.26	6.30	Level 2	Net asset value (NAV) specified by the SIB fund.
4	Investment in bonds Andhra Bank / Dena Bank	809.84	809.84	1,827.90	Level 3	The Company invested in Tier 1 bonds of Dena and Andhra Bank in FY 2015-16. These bonds are listed on NSE. However, in absence of any trading in these bonds, the fair value as per Level 1 is not ascertainable. In absence of market interest rate for similar kind of bonds, the Company has considered the coupon rate as the present market rate and accordingly has computed the fair value using the discounted cash flow method. Any increase in the discount rate will result in decrease in fair value and vice-versa.
5	Derivative Asset Derivative Liability	567.98 505.59	229.09 240.68	299.87 68.41	Level 2	The fair value of these contracts is obtained from counter parties, who determines it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc.

32.4.1 There were no transfers between Level 1 and Level 2 in the period.

32.4.2 Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crore)

Particulars	Unlisted Equity investments of Borrower Companies	Investment in Bonds of Andhra Bank / Dena Bank
FY 2017-18		
Opening Balance	**193.05**	**1,827.90**
Net interest income	-	196.85
Settlement of Dena Bank	-	(1,214.91)
Net loss recognised in OCI	(193.05)	
Closing Balance	**0.00**	**809.84**
Unrealized gains on balances held at the end of the period	-	9.84
FY 2018-19		
Opening Balance	**0.00**	**809.84**
Net interest income	-	87.60
Settlement	-	(87.60)
Closing Balance	**0.00**	**809.84**
Unrealized gains on balances held at the end of the period	-	9.84

32.4.3 Fair Value of financial assets/ liabilities measured at amortised cost:

The fair value of the following financial assets and liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available.

(₹ in crore)

Asset/Liability	Fair Value hierarchy	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Loans	3	3,03,515	3,03,718	2,66,011	2,68,028	2,35,088	2,40,353
Other financial assets	2	5,387	5,393	5,279	5,283	5,266	5,268
Debt Securities*	1 / 2	2,05,584	2,01,965	2,06,812	2,06,507	1,94,444	1,96,258
Borrowings other than debt securities	2	67,607	68,113	26,080	26,210	9,191	9,271
Subordinated Liabilities	2	9,310	9,407	3,893	4,015	3,893	4,088

*includes listed instruments with Level 1 fair value hierarchy.

Foreign currency loans linked to LIBOR and multilateral agencies loans are valued at par. Foreign currency loans consist of MTN issuances which are valued at closing prices as per Reuters.

The carrying amounts of other financial assets and financial liabilities are considered to be a reasonable approximation of their fair values.

33 Related Party Disclosures

33.1 Name of Related Parties and description of relationships

Subsidiaries:			
1	PFC Consulting Limited (PFCCL)	2	Power Equity Capital Advisors (Pvt) Limited (PECAP) (Refer Note 10.6)
3	REC Limited (RECL) (formerly Rural Electrification Corporation Limited) (Refer Note 10.2)	4	REC Transmission Projects Company Limited (through RECL)
5	REC Power Distribution Company Ltd (through RECL)		
Joint Ventures:			
1	Energy Efficiency Services Limited	2	Ceighton Energy Limited (through EESL)
3	EESL EnergyPro Assets Limited (through EESL)	4	Edina Acquisitions Limited (through EESL)
5	Aneco Energy Services (South) Limited (through EESL)	6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)
Associates:			
1	Coastal Maharashtra Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Coastal Karnataka Power Limited	6	Tatiya Andhra Mega Power Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Chhattisgarh Surguja Power Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited	12	Odisha Infrapower Limited
13	Bihar Infrapower Limited	14	Bihar Mega Power Limited
15	Jharkhand Infrapower Limited	16	Tanda Transmission Company Limited (through PFCCL)
17	Ballabhgarh-GN Transmission Company Limited (through PFCCL) (Under process of Striking off the name of Company from the records of Registrar of Companies.)	18	South-Central East Delhi Power Transmission Limited (through PFCCL) (Under process of Striking off the name of Company from the records of Registrar of Companies.)
19	Mohindergarh-Bhiwani Transmission Limited (through PFCCL) (Under process of Striking off the name of Company from the records of Registrar of Companies.)	20	Bikaner-Khetri Transmission Limited (incorporated on 22.02.2019) (through PFCCL)
21	Shongtong Karcham-Wangtoo Transmission Limited (through PFCCL)	22	Bhuj-II Transmission Limited (incorporated on 25.02.2019) (through PFCCL)
23	Bijawar-Vidarbha Transmission Limited (through PFCCL)	24	Fatehgarh-II Transco Limited (incorporated on 26.02.2019) (through PFCCL)
25	Vapi II North Lakhimpur Transmission Limited (through PFCCL)	26	Lakadia-Vadodara Transmission Project Limited (incorporated on 15.03.2019) (through PFCCL)
27	Ghatampur Transmission Limited (through RECL)	28	Dinchang Transmission Limited (through RECL)
29	Koderma Transmission Limited (through RECL)	30	Chandil Transmission Limited (through RECL)
31	Mandar Transmission Limited (through RECL)	32	Dumka Transmission Limited (through RECL)
33	Bhind-Guna Transmission Limited (incorporated on 18.09.2018)(through RECL)	34	Jawaharpur-Firozabad Transmission Limited (through RECL)
35	Jam Khambaliya Transco Limited (incorporated on 11.03.2019)(through RECL)	36	Udupi Kasagode Transmission Limited (incorporated on 29.11.2018) (through RECL)
37	Ajmer Phagi Transco Limited (incorporated on 19.03.2019)(through RECL)	38	Khetri Transco Limited - (incorporated on 12.03.2019) (through RECL)
39	WRSS XXI (A) Transco Limited (incorporated on 26.03.2019)(through RECL)	40	Lakadia Banaskantha Transco Limited - (incorporated on 19.03.2019) (through RECL)

Key Managerial Personnel (KMP):		**Designation**
1	Shri Rajeev Sharma	Chairman and Managing Director
2	Shri N. B. Gupta	Director (Finance)
3	Shri Chinmoy Gangopadhyay (superannuated on 30.04.2019)	Director (Projects)
4	Shri D. Ravi (upto 31.05.2018)	Director (Commercial)
5	Shri P.K. Singh (w.e.f. 10.08.2018)	Director (Commercial)
6	Shri Arun Kumar Verma	Government Nominee Director
7	Shri Sitaram Pareek	Part Time Non-Official Independent Director
8	Smt. Gouri Chaudhury	Part Time Non-Official Independent Director
9	Shri Manohar Balwani	Company Secretary

Trusts / Funds under control of the Company			
1	PFC Employees Provident Fund Trust	2	PFC Employees Gratuity Trust
3	PFC Defined Contribution Pension Scheme 2007	4	PFC Ltd. Superannuation Medical Fund

33.2 Transactions with the Related Parties are as follows:

(₹ in crore)

Particulars	During FY 2018-19	During FY 2017-18
Subsidiaries		
Advances (including interest) to subsidiaries	-	-
Advances received (including interest) from subsidiaries	5.50	5.44
Dividend received from subsidiaries (PFCCL)	106.65	67.93
Allocation of employee benefits	1.11	0.86
Joint Venture		
Equity investment in EESL	99.00	-
Dividend received from EESL	4.01	12.92
Others	0.24	4.24

Associates		
Advances to associates	3.71	42.21
Interest income on advances to associates	26.68	17.87
Advances received from Associates	30.62	7.12
Interest expenses on advances from associates	6.14	5.93
Trusts / Funds under control of the Company		
Contributions made during the year	8.03	5.26
Key managerial personnel		
Short term employee benefits	5.30	2.64
Post-employment benefits	0.46	0.32
Other long term benefits	0.24	0.61
Repayment/ Recovery of loans and advances	0.18	0.26
Directors' Sitting Fees	0.12	0.06

33.3 Outstanding balances with Related Parties are as follows:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Amount recoverable towards loans & advances (including interest)			
Associates	196.22	169.95	115.04
Key managerial personnel	0.52	0.52	0.50
Joint Venture	0.23	-	-
Amount payable towards loans & advances (including interest)			
Subsidiaries	0.99	6.50	1.07
Associates	188.12	157.19	160.73
Other Payable			
Key managerial personnel	0.13	0.13	0.14

33.4 Disclosure in respect of entities under the control of the same government (Government related entities)

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government. Significant transactions with related parties under the control/ joint control of the same government are as under:

(₹ in crore)

Name of the Company	Nature of Transaction	During FY 2018-19	During FY 2017-18
Coal India Ltd.	Dividend received	18.29	23.04
NHPC Ltd.		24.65	31.79
Damodar Valley Corporation	Disbursement of loans	4,427.79	7,731.23
Bhartiya Rail Bijlee Company Ltd.			
Tehri Hydro Development Corporation			
Neyveli UP Power Ltd.			
Meja Urja Nigam Pvt Ltd.			
Bihar Grid Company Ltd.			
Raichur Power Corporation Ltd.			
Aravali Power Company Pvt. Ltd.			
Konkan LNG Pvt Ltd.			

The Company has also received interest of ₹ 4,282.35 crore (previous year ₹ 4,063.25 crore) and repayments of principal on the loans to government related entities.

Above transactions with the Government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

33.5 Terms and conditions of transactions with related parties

(i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(ii) The remuneration and staff loans to Key Managerial Personnel are in line with the service rules of the Company.

(iii) The Company makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the Company's policy.

(iv) Outstanding balances of subsidiary and associate companies at the year-end are unsecured.

34 Employee Benefits

34.1 Defined contribution plans:

a) Pension

The Company contributes to National Pension Scheme (NPS) for its pension obligation towards employees, with effect from 01.01.2018. Earlier, the Company had a defined contribution pension scheme which was managed by a separate trust.

b) Provident Fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The trust has to ensure a minimum rate of return to the members, as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

An amount of ₹ 10.82 crore (previous year ₹ 9.26 crore) for the year is recognized as expense in the Standalone statement of profit and loss on account of the Company's contribution to the defined contribution plans.

34.2 Defined benefit plans:

(a) Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Present value of Defined benefit obligation	26.50	25.57	22.96
Fair Value of Plan Assets	25.75	24.07	21.74
Net Defined Benefit (Asset)/ Liability	0.75	1.50	1.22

Movement in net defined benefit (asset)/ liability

(₹ in crore)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Opening Balance	**25.57**	**22.96**	**24.07**	**21.74**	**1.50**	**1.22**
Included in profit or loss						
Current service Cost	1.82	1.62	-	-	1.82	1.62
Past service cost	-	10.87	-	-	-	10.87
Interest cost / income	2.03	1.74	1.89	1.93	0.14	(0.19)
Total amount recognised in profit or loss	**3.85**	**14.23**	**1.89**	**1.93**	**1.96**	**12.30**
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	0.06	(0.76)	-	-	0.06	(0.76)
Actuarial loss (gain) arising from experience adjustment	0.19	(9.27)	-	-	0.19	(9.27)
Effect of change in demographic assumptions	(1.26)	(0.77)	-	-	(1.26)	(0.77)
Return on plan assets excluding interest income	-	-	0.20	-	(0.20)	-
Total amount recognised in OCI	**(1.01)**	**(10.80)**	**0.20**	**-**	**(1.21)**	**(10.80)**
Contribution by participants	-	-	-	-	-	-
Contribution by employer	-	-	1.50	1.22	(1.50)	(1.22)
Benefits paid	(1.91)	(0.82)	(1.91)	(0.82)	-	-
Closing Balance	**26.50**	**25.57**	**25.75**	**24.07**	**0.75**	**1.50**

(b) Post-Retirement Medical Scheme (PRMS)

The Company has a Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated employees and their dependent family members. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Defined benefit obligation	35.14	27.81	21.82
Fair Value of Plan Assets	28.51	22.20	18.15
Net Defined Benefit (Asset)/ Liability	6.63	5.61	3.67

Movement in net defined benefit (asset)/ liability

(₹ in crore)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Opening Balance	**27.81**	**21.82**	**22.20**	**18.15**	**5.61**	**3.67**
Included in profit or loss						
Current service Cost	1.34	1.02	-	-	1.34	1.02
Past service cost	-	-	-	-	-	-
Interest cost / income	2.19	1.64	1.75	1.45	0.44	0.19
Total amount recognised in profit or loss	**3.53**	**2.66**	**1.75**	**1.45**	**1.78**	**1.21**
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	0.47	(0.44)	-	-	0.47	(0.44)
Actuarial loss (gain) arising from experience adjustment	4.39	6.46	-	-	4.39	6.46
Effect of change in demographic assumptions	0.44	(0.33)	-	-	0.44	(0.33)
Return on plan assets excluding interest income	-	-	0.09	0.24	(0.09)	(0.24)
Total amount recognised in OCI	**5.30**	**5.69**	**0.09**	**0.24**	**5.21**	**5.45**
Contribution by participants	-	-	0.04	0.03	(0.04)	(0.03)
Contribution by employer	-	-	6.53	4.04	(6.53)	(4.04)
Benefits paid	(1.50)	(2.36)	(2.10)	(1.71)	0.60	(0.65)
Closing Balance	**35.14**	**27.81**	**28.51**	**22.20**	**6.63**	**5.61**

(c) Economic Rehabilitation Scheme

The Company has an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Defined benefit obligation	1.69	1.67	1.63

Movement in defined benefit obligation

(₹ in crore)

Particulars	Defined Benefit Obligation for the year ended	
	31.03.2019	31.03.2018
Opening Balance	**1.67**	**1.63**
Included in profit or loss		
Current service Cost	0.34	0.37
Past service cost	-	-
Interest cost / income	0.14	0.13
Total amount recognised in profit or loss	**0.48**	**0.50**
Included in OCI		
Actuarial loss (gain) arising from changes in financial assumptions	-	(0.02)
Actuarial loss (gain) arising from Experience adjustment	(0.38)	(0.31)
Effect of change in demographic assumptions	-	(0.05)
Return on plan assets excluding interest income	-	-
Total amount recognised in OCI	**(0.38)**	**(0.38)**
Contribution by participants	-	-
Contribution by employers	-	-
Benefits paid	(0.08)	(0.08)
Closing Balance	**1.69**	**1.67**

(d) **Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i. **Asset volatility**

Most of the plan asset investments are in government securities, other fixed income securities with high grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors.

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 plan liabilities, 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.

(e) **Plan Assets**

The value of plan assets at the end of reporting period for each category, are as follows:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash & Cash Equivalents	0.41	0.60	0.16
State/ Central Government Debt Securities	28.67	24.22	20.93
Corporate Bonds/ Debentures	22.61	19.12	16.68
Others	1.40	1.31	1.28
Total	**53.09**	**45.25**	**39.05**

- As at 31.03.2019, an amount of ₹ 0.60 crore (as at 31.03.2018 ₹ 0.60 crore and as at 01.04.2017 ₹ 0.60 crore) is included in the value of plan assets (in respect of the Company's own financial instruments (corporate bonds)).
- Actual return on plan assets is ₹ 3.86 crore (previous year ₹ 3.57 crore).

(f) **Significant Actuarial Assumptions**

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2019 by Trans Value 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. The principal assumptions used for actuarial valuation are:-

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Discount Rate	7.81%	7.87%	7.50%
Salary Escalation Rate	6.00%	6.00%	6.00%
Mortality Rate	As per IALM (2012-14) Ultimate	As per IALM (2006-08) Ultimate	As per IALM (2006-08) Ultimate

(g) **Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Increase	decrease	Increase	decrease	Increase	decrease
Discount rate (0.50% movement)						
- Gratuity	(0.99)	1.05	(0.92)	0.98	(0.82)	0.92
- PRMS	(2.67)	3.00	(2.11)	2.38	(1.66)	1.86
- ERS	(0.06)	0.07	(0.06)	0.07	(0.06)	0.07
Salary Escalation Rate (0.50% movement)						
- Gratuity	0.25	(0.20)	0.21	(0.15)	0.16	(0.14)
- PRMS	2.87	(2.64)	2.27	(2.09)	1.78	(1.64)
- ERS	0.06	(0.05)	0.06	(0.05)	0.06	(0.05)

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.

(a) **Expected maturity analysis of the defined benefit plans in future years**

(₹ in crore)

	Up to 1 year	1 to 5 years	Over 5 years	Total
As at 31.03.2019				
Gratuity	1.45	9.96	48.01	59.42
PRMS	1.48	10.16	41.39	53.03
ERS	0.19	0.82	2.59	3.60
Total	**3.12**	**20.94**	**91.99**	**116.05**
As at 31.03.2018				
Gratuity	1.18	10.67	44.63	56.48
PRMS	1.23	8.45	34.40	44.08
ERS	0.18	0.78	2.47	3.43
Total	**2.59**	**19.90**	**81.50**	**103.99**

As at 01.04.2017				
Gratuity	1.39	6.14	24.43	31.96
PRMS	0.94	6.46	26.30	33.70
ERS	0.13	0.59	1.86	2.58
Total	**2.46**	**13.19**	**52.59**	**68.24**

The table above is drawn on the basis of expected cash flows.

(a) Expected contributions to post-employment benefit plans for the year ending 31.03.2020 are ₹ 10.94 crore.

(b) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.98 years (as at 31.03.2018: 18.36 years, as at 01.04.2017: 19.01 years).

34.3 Other long term employee benefits

(a) Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 10.14 crore (previous year ₹ 9.56 crore) for the year has been made at the year end and debited to the standalone statement of profit and loss.

(b) Others employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 2.07 crore for the year (previous year ₹ 0.87 crore) has been made on the basis of actuarial valuation and debited to the standalone statement of profit and loss.

34.4 Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in its wholly-owned subsidiaries on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

35 Disclosure as per Ind AS 12 "Income Taxes"

35.1 Income tax recognised in Standalone Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Current Tax expense in relation to:		
Current Year	2346.50	2,434.68
Adjustment of earlier years	1.22	(1.07)
Total Current Tax Expense	**2,347.72**	**2,433.61**
Deferred Tax Expense		
Origination and reversal of temporary differences	515.15	52.41
Previously unrecognized tax loss, tax credit or temporary difference of a prior period (used to reduce deferred tax expense)	-	(1,027.68)
Total Deferred Tax Expense	**515.15**	**(975.27)**
Total Income Tax Expense	**2,862.87**	**1,458.34**

35.2 Reconciliation of tax expense and accounting profit

Particulars	FY 2018-19	FY 2017-18
Profit before Tax	**9,815.79**	**5,845.11**
Tax using the Company's domestic tax rate of 34.944% (34.608 % for FY 2017-18)	**3,430.03**	**2,022.88**
Tax effect of:		
Non-deductible tax expenses	39.90	43.56
Tax exempt income	(58.37)	(50.61)
Deduction u/s 36(1)(viii)	(551.39)	(552.02)
Others	1.48	(13.78)
Previous year tax liability	1.22	(1.07)
Change in tax rate	-	9.38
Total tax expenses in the Standalone Statement of Profit and Loss	**2,862.87**	**1,458.34**

35.3 Applicable tax rate has increased from 34.608% to 34.944% in the current financial year due to increase in Education Cess rate from 3% to 4%.

35.4 Deductible temporary differences / unused tax losses / unused tax credits carried forward

(₹ in crore)

Particulars	As at 31.03.2019	Expiry date	As at 31.03.2018	Expiry date
Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised	1.25 2.54	31.03.2024 31.03.2025	1.25 2.54	31.03.2024 31.03.2025

35.5 The Company has recognised Deferred Tax Asset on amount of accumulated Impairment loss allowance in excess of Reserve for Bad & Doubtful Debts (RBDD). Suitable adjustment has also been made on the transition date and in the comparative results.

35.6 Movement in Deferred Tax balances:

FY 2018-19

(₹ in crore)

	Description	Net balance at 01.04.2018	Recognised in Profit or Loss	Recognised in OCI	Others	Net balance at 31.03.2019
(A)	**Deferred Tax Asset (+)**					
(i)	Provision for expenses deductible on payment basis under Income Tax Act	15.35	9.73	1.69		26.77
(ii)	Unamortised income on loans to borrowers	64.28	(0.25)			64.03
(iii)	Impairment allowance on Financial instruments in excess of RBDD	4,843.90	(427.73)			4,416.17
(iv)	Depreciation and amortization	0.49	0.49			0.98
(v)	Fair value of derivatives (Net)	1.64	2.99	26.93		31.56
(B)	**Deferred Tax Liabilities (-)**					
(i)	Lease income	(66.64)	-			(66.64)
(ii)	Unamortized Exchange Loss (Net)	(135.61)	(135.58)			(271.19)
(iii)	Unamortized expenditure on loan liabilities	(102.17)	3.52			(98.65)
(iv)	Others	(73.98)	31.68			(42.30)
	Net Deferred Tax liabilities (-) /Assets (+)	**4,547.26**	**(515.15)**	**28.62**		**4060.73**

FY 2017-18

(₹ in crore)

	Description	Net balance at 01.04.2017	Recognised in Profit or Loss	Recognised in OCI	Others	Net balance at 31.03.2018
(A)	**Deferred Tax Asset (+)**					
(i)	Provision for expenses deductible on payment basis under Income Tax Act	17.34	(3.77)	1.78		15.35
(ii)	Unamortised income on loans to borrowers	49.38	14.90	-		64.28
(iii)	Impairment allowance on Financial instruments in excess of RBDD	4,098.92	744.98	-		4,843.90
(iv)	Depreciation and amortization	(0.05)	0.54	-		0.49
(v)	Fair value of derivatives (Net)	(77.33)	78.97	-		1.64
(B)	**Deferred Tax Liabilities (-)**					
(i)	Lease income	(66.00)	(0.64)	-		(66.64)
(ii)	Unamortized Exchange Loss (Net)	(100.76)	(34.85)	-		(135.61)
(iii)	Unamortized expenditure on loan liabilities	(68.90)	(33.27)	-		(102.17)
(iv)	Others	(282.39)	208.41	-		(73.98)
	Net Deferred Tax liabilities (-) /Assets (+)	**3,570.22**	**975.27**	**1.78**		**4,547.26**

36 Dividend income

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Dividend on equity investments designated at FVTOCI	47.42	58.75
- Investments held at the end of the year		
- Investments derecognized during the year	0.56	-
Sub-Total	**47.98**	**58.75**
Dividend on equity investments at cost (Subsidiaries, JVs)	110.66	80.85
Dividend on mutual funds	8.39	6.63
Total	**167.03**	**146.23**

37 Net Translation/Transaction Exchange Loss (+)/Gain (-)

(₹ in crore)

Net Translation/Transaction Exchange Loss (+)/Gain (-) on account of	FY 2018-19	FY 2017-18
- Translation of LTFCMI recognised on or after 01.04.2018	(42.87)	-
- Amortisation of FCMIT created on LTFCMI recognised upto 31.03.2018	563.10	213.10
Total	**520.23**	**213.10**

38 Corporate Social Responsibility

38.1 Details of gross amount required to be spent on CSR activities by the Company during the year:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	148.15	149.91
Carry forward from previous year	131.23	100.20
Gross amount required to be spent	279.38	250.11
Amount spent during the year	100.50	118.88
Unspent amount	178.88	131.23

38.2 Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2018-19			FY 2017-18		
		Paid or Settled	Yet to be paid	Total	Paid or Settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets				-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	8.18	-	8.18	60.94	-	60.94
(iib)	Education / Vocational Skill development	16.94	-	16.94	26.45	-	26.45
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	17.89	-	17.89	27.15	-	27.15
(iid)	Sports	-	-	-	-	-	-
(iie)	Others	52.20	-	52.20	2.18	-	2.18
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	5.29	-	5.29	2.16	-	2.16
	Total	**100.50**	**-**	**100.50**	**118.88**	**-**	**118.88**

38.3 Details of related party transactions w.r.t. CSR activities as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures: Nil (Previous year: Nil).

39 Contingent Liabilities and Commitments:

(₹ in crore)

S. No.	Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	Contingent Liabilities			
(i)	Guarantees[#]	117.39	153.75	190.11
(ii)	Claims against the Company not acknowledged as debts			
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,019.06	1,694.60	1,640.56
(iv)	(a) Additional demands raised by the Income Tax Department of earlier years which are being contested*.	62.23	85.87	40.53
	(b) Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company. The same are also being contested.	203.00	165.39	165.39
(v)	(a) Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	1.04	1.04	23.51
	(b) Further, the Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	21.53	1.11	1.11
	Commitments			
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	430.40	473.77	-
(ii)	Other Commitments –CSR unspent amount	178.88	131.23	100.20
	Total	**2,033.53**	**2,706.76**	**2,161.41**

[#] Default payment guarantee given by the Company in favour of a borrower company. The amount paid /payable against this guarantee is reimbursable by Government of Madhya Pradesh.

* Out of the said demands, as at 31.03.2019 an amount of ₹ 59.90 crore (As at 31.03.2018 ₹ 5.01 crore and as at 01.04.2017 ₹ 40.53 crore) has already been deposited/ adjusted against refund of other assessment years.

40 There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2019 (Nil as at 31.03.2018 and 01.04.2017). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

41 Disclosure as per Ind AS 33 "Earnings per Share"

Description	FY 2018-19	FY 2017-18
Profit after tax used as numerator (₹ in crore)	6,952.92	4,386.77
Weighted average number of equity shares used as denominator (basic)	2,64,00,81,408	2,64,00,81,408
Weighted average number of equity shares used as denominator (diluted)	2,64,00,81,408	2,64,00,81,408
Earning per equity share, face value ₹ 10 each (basic) (₹)	26.34	16.62
Earning per equity share, face value ₹ 10 each (diluted) (₹)	26.34	16.62

42 The status of dividend on equity shares of face value of ₹ 10 each is as under:

Particulars	FY 2018-19			FY 2017-18		
	%of share capital	Per equity share (₹)	Amount (₹ in crore)	%of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	-	-	-	60%	6.00	1,584.05
Second Interim dividend	-	-	-	18%	1.80	475.21
Total Dividend				**78%**	**7.80**	**2,059.26**

43 Reconciliations for First Time Adoption of Ind AS

43.1 Reconciliation of Total Equity as at 31.03.2018 and 01.04.2017

(₹ in crore)

Particulars	Note	As at 31.03.2018	As at 01.04.2017
Total equity (shareholder's funds) as reported under Previous GAAP		**39,860.67**	**36,470.21**
Adjustment due to business combination	10.5	114.73	83.76
Adjustments related to			
Effective Interest Rate (EIR) / Income on loans classified at Amortised Cost	(a)	(85.77)	384.68
Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(b)	125.72	199.12
Derivatives (Forward contracts earlier governed through AS 11)	(g)	236.77	366.90
Impairment Loss Allowance	(e)	(8,393.91)	(6,568.97)
Equity instruments measured at fair value through Other Comprehensive Income	(d)	(105.47)	225.77
Others		355.25	442.92
Deferred Tax Impact (DTA / DTL) on above	(f)	4.25	(278.24)
DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts		4,843.91	4,098.93
Total of adjustments		**(2,904.52)**	**(1,045.13)**
Total equity (shareholder's funds) as reported under Ind AS		**36,956.15**	**35,425.08**

43.2 Reconciliation of Total Comprehensive Income for the year ended 31.03.2018

(₹ in crore)

Particulars	Note	For the year ended 31.03.2018
Profit for the year as reported under Previous GAAP		**5,855.22**
Adjustment due to business combination	10.5	30.95
Adjustments related to:		
Effective Interest Rate (EIR) / Income on loans classified at Amortised Cost	(a)	(470.45)
Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(b)	(73.39)
Derivatives (Forward contracts earlier governed through AS 11)	(g)	(64.27)
Impairment on Financial Instruments	(e)	(1,824.94)
Others		(92.02)
Deferred Tax Impact (DTA / DTL) on above	(f)	280.69
DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts	35.5	744.98
Total of adjustments		**(1,468.45)**
Net profit after tax as per Ind AS		**4,386.77**
Re-measurement of defined benefit plans	(h)	7.50
Net Gain / (Loss) on Fair Value of Equity Instruments	(d)	(331.24)
Total comprehensive income (net of tax) as per Ind AS		**4,063.03**

43.3 Effect of Ind AS adoption on the balance sheet as at March 31, 2018 and April 1, 2017

(₹ in crore)

Particulars	Note No.	As at 31.03.2018				As at 01.04.2017			
		Previous GAAP	Adjustment due to Business Combination	Adjustment for Ind AS	Ind AS	Previous GAAP	Adjustment due to Business Combination	Adjustment for Ind AS	Ind AS
ASSETS									
Financial Assets									
Cash and Cash Equivalents		537.71	-	-	537.71	3,114.74	0.01	(3,071.88)	42.87
Bank Balance other than included in Cash and Cash Equivalents		15.49	-	-	15.49	458.41	-	3,071.88	3,530.29
Derivative Financial Instruments	(g)	152.51	-	76.58	229.09	299.87	-	-	299.87
Loans	(a), (e)	274,102.11	414.08	(8,504.81)	266,011.38	241,115.00	383.85	(6,410.10)	235,088.75
Investments	(d)	2,360.17	(300.00)	459.87	2,520.04	3,633.00	(300.00)	537.38	3,870.38
Other Financial Assets		5,311.13	(0.12)	(34.10)	5,276.91	5,297.93	(0.11)	(48.39)	5,249.43
Total Financial Assets (1)		**2,82,479.12**	**113.96**	**(8,002.46)**	**274,590.62**	**2,53,918.95**	**83.75**	**(5,921.11)**	**2,48,081.59**
Non- Financial Assets									
Current Tax Assets (Net)		507.07	1.05	-	508.12	228.01	118.23	-	346.24
Deferred Tax Assets (Net)	(f)	(300.90)	(0.01)	4,848.17	4,547.26	(250.51)	0.04	3,820.69	3,570.22
Property, Plant and Equipment	(c)	63.94	0.01	(37.87)	26.08	61.88	-	(37.87)	24.01
Intangible Assets under development		-	-	-	-	-	-	-	-
Intangible Assets		0.89	(0.00)	-	0.89	0.69	(0.00)	-	0.69
Other Non-Financial Assets		175.73	0.01	59.74	235.48	949.57	(0.02)	60.98	1,010.53
Total Non- Financial Assets (2)		**446.73**	**1.06**	**4,870.04**	**5,317.83**	**989.64**	**118.25**	**3,843.80**	**4,951.69**
Total Assets (1+2)		**2,82,925.85**	**115.02**	**(3,132.42)**	**279,908.45**	**2,54,908.59**	**202.00**	**(2,077.31)**	**2,53,033.28**
LIABILITIES AND EQUITY									
LIABILITIES									
Financial Liabilities									
Derivative Financial Instruments	(g)	-	-	240.68	240.68	-	-	68.41	68.41
Debt Securities	(b)	206,896.30	-	(84.51)	206,811.79	194,530.69	(0.00)	(86.35)	194,444.34
Borrowings (other than Debt Securities)	(b)	26,123.79	-	(43.62)	26,080.17	11,703.54	(0.00)	(111.78)	11,591.76
Subordinated Liabilities	(b)	3,893.59	-	(0.83)	3,892.76	3,893.60	0.00	(0.96)	3,892.64
Other Financial Liabilities		5,905.62	0.29	(512.72)	5,393.19	8,052.56	0.27	(794.31)	7,258.52
Total Financial Liabilities (1)		**2,42,819.30**	**0.29**	**(401.00)**	**2,42,418.59**	**2,18,180.39**	**0.27**	**(924.99)**	**2,17,255.67**
Non- Financial Liabilities									
Current Tax Liabilities (Net)		129.97	-	-	129.97	12.57	117.86	-	130.43
Provisions	(h)	95.79	-	195.38	291.17	158.15	0.10	(94.59)	63.66
Deferred Tax Liabilities (Net)	(f)	-	-	-	-	-	-	-	-
Other Non-Financial Liabilities		20.12	-	92.45	112.57	87.27	0.01	71.16	158.44
Total Non- Financial Liabilities (2)		**245.88**	**-**	**287.83**	**533.71**	**257.99**	**117.97**	**(23.43)**	**352.53**
Total Liabilities (1+2)		**2,43,065.18**	**0.29**	**(113.17)**	**2,42,952.30**	**2,18,438.38**	**118.24**	**(948.42)**	**2,17,608.20**
Equity									
Equity Share Capital		2,640.08	0.00	-	2,640.08	2,640.08	0.00	-	2,640.08
Other Equity		37,220.59	114.73	(3,019.25)	34,316.07	33,830.13	83.76	(1,128.89)	32,785.00
Total Equity (3)		**39,860.67**	**114.73**	**(3,019.25)**	**36,956.15**	**36,470.21**	**83.76**	**(1,128.89)**	**35,425.08**
Total Liabilities and Equity (1+2+3)		**2,82,925.85**	**115.02**	**(3,132.42)**	**2,79,908.45**	**2,54,908.59**	**202.00**	**(2,077.31)**	**2,53,033.28**

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of this note.

43.4 Effect of Ind AS adoption on Standalone Statement of Profit and Loss for the year ended 31.03.2018 (₹ in crore)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments due to business combination	Adjustments on transition to Ind AS	Ind AS
Revenue from Operations					
Interest Income	(a)	26,101.81	49.14	(588.92)	25,562.03
Dividend Income		146.23	-	-	146.23
Fees and Commission Income	(a)	321.63	0.05	(54.09)	267.59
Total Revenue from Operations		**26,569.67**	**49.19**	**(643.01)**	**25,975.85**
Other Income		168.07	-	(163.67)	4.40
Total Income		**26,737.74**	**49.19**	**(806.68)**	**25,980.25**
Expenses					
Finance Costs	(b)	16,856.83	-	99.06	16,955.89
Net Translation / Transaction Exchange Loss (+) / Gain (-)		243.70	-	(30.60)	213.10
Fees and Commission Expense	(b)	34.99	-	(26.41)	8.58
Net Loss on Fair Value changes	(g)	97.50	-	95.69	193.19
Impairment on Financial Instruments	(e)	815.34	5.24	1570.43	2,391.01
Employee Benefit Expenses	(h)	166.77	-	9.87	176.64
Depreciation and Amortisation		6.41	-	-	6.41
Corporate Social Responsibility Expenses		118.18	0.70	-	118.88
Other Expenses		71.07	0.03	0.34	71.44
Total Expenses		**18,410.79**	**5.97**	**1,718.38**	**20,135.14**
Profit/(Loss) Before Tax		**8,326.95**	**43.22**	**(2,525.06)**	**5,845.11**
Tax Expense:					
(1) Current Year		2,421.76	12.92	-	2,434.68
(2) Earlier Years		(0.42)	(0.65)	-	(1.07)
(3) Deferred Tax	(f)	50.39	-	(1,025.66)	(975.27)
Total Tax Expense		**2,471.73**	**12.27**	**(1,025.66)**	**1,458.34**
Profit/(Loss) for the Period (for continuing and discontinued operations)		**5,855.22**	**30.95**	**(1,499.40)**	**4,386.77**
Other Comprehensive Income / (Loss)					
Items that will not be reclassified to Profit or Loss					
- Re-measurement of Defined Benefit Plans	-	-	-	5.72	5.72
- Net Gain / (Loss) on Fair Value of Equity Instruments	(d)	-	-	(331.24)	(331.24)
Income Tax relating to items that will not be reclassified to Profit or Loss					
(Deferred Tax Expenses (+) / Credit (-))					
- Re-measurement of Defined Benefit Plans	-	-	-	1.78	1.78
- Net Gain / (Loss) on Fair Value of Equity Instruments	-	-	-	-	-
Sub-Total (A)		**-**	**-**	**(323.74)**	**(323.74)**
Items that will be reclassified to Profit or Loss					
Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		-	-	-	-
Income Tax relating to items that will be reclassified to Profit or Loss (Deferred Tax Expenses (+) / Credit (-))		-	-	-	-
Sub-Total (B)		**-**	**-**	**-**	**-**
Other Comprehensive Income / (Loss) (A+B)	**-**	**-**	**-**	**(323.74)**	**(323.74)**
Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period)		**5,855.22**	**30.95**	**(1,823.14)**	**4,063.03**

Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

43.5 Notes to first time adoption

Explanation of major impact on adoption of Ind AS of the reported standalone financial statements of the Company as on the date of transition is as under:

(a) Loans and interest income

The Company's loans, satisfying the business model test of held to collect contractual cash flows and SPPI (Solely Payment of Principal and Interest) test as on transition date, have been measured at amortized cost using effective interest rate (EIR) method. These loans were measured at cost under previous GAAP.

This adjustment of retrospective application of EIR method, has resulted in the increase of Total Equity by ₹ 384.68 crore with a corresponding reduction in value of loans as on transition date. Subsequent to the transition date, the impact on Total Comprehensive Income (TCI) for the year ended 31.03.2018 is ₹ (470.45) crore and on total equity as on 31.03.2018 is ₹ (85.77) crore.

(b) Financial liabilities and interest expense

All financial liabilities except derivatives have been subsequently measured at Amortised Cost using the EIR method. The effect of the adjustments resulted in increase in Total Equity by ₹ 199.12 crore with corresponding reduction in the value of financial liabilities on transition date and by ₹ 125.72 crore as at 31.03.2018. Subsequent to the transition date, the impact on TCI for the year ended 31.03.2018 is ₹ (73.39) crore.

(c) Reclassification of leasehold land

Under Previous GAAP, upfront premium paid for leasehold land was recognised in "Fixed Assets" (termed as Property Plant and Equipment (PPE) under Ind AS). Under Ind AS, a lease where the substantial risks and rewards incidental to ownership are not transferred to the Company is classified as operating lease and is amortised over the remaining lease term. Consequently, leasehold land is reclassified from "Fixed Assets / PPE" to Prepaid Expense in Non- Financial Assets and is being amortized over the leasehold period.

This has resulted in decrease in total equity as at 01.04.2017 by ₹ 9.79 crore and as at 31.03.2018 by ₹ 0.34 crore.

(d) Investments

Under Ind AS, the Company has designated equity investments other than investments in subsidiaries / JVs / associates at Fair Value through Other Comprehensive Income (FVTOCI). The difference between the carrying amount and fair value as on transition date has been recognized in OCI reserve as at the date of transition and subsequently in Other Comprehensive Income.

This has resulted in increase in Total Equity by ₹225.77 crore with corresponding increase in value of investments in equity instruments as at the date of transition and decrease by ₹105.47 crore as at 31.03.2018.

(e) Impairment Loss Allowance

Under previous GAAP, the provision on loan assets was maintained as per RBI prudential norms / directions. However, under Ind AS framework, impairment loss allowance on loans is made using Expected Credit Loss (ECL) approach. This has resulted in the reduction in Total Equity by ₹6,568.97 crore as at the date of transition and ₹8,393.91 crore as at 31.03.2018. The impact on TCI for the year ended 31.03.2018 is ₹(1,824.94) crore.

(f) Deferred Taxes

Under previous GAAP, deferred tax accounting was done using the income statement approach. However, Ind AS requires the accounting of deferred taxes using the balance sheet approach, which includes identification of temporary differences based on the difference in carrying amount of an asset/ liability in the standalone balance sheet and its tax base. These differences have been suitably recognized in the standalone financial statements. These adjustments and the consequential impact due to the adoption of Ind AS have resulted in a decrease in the Total Equity by ₹ 278.24 crore as at 01.04.2017 and an increase in Total Equity by ₹ 4.25 crore as at 31.03.2018.

(g) Derivative Financial Instruments

Under previous GAAP, the derivative financial instruments in the nature of forward contracts were accounted for in accordance with AS 11 'The Effects of Changes in Foreign Exchange Rates' wherein the premium or discount component was amortised during the tenure of the contract. However under Ind AS, all derivative contracts are required to be fair valued at each reporting date in accordance with Ind AS 109 'Financial Instruments'. As a result, as on transition date, the Total Equity has increased by ₹ 366.90 crore and by ₹ 236.77 crore as on 31.03.2018. The impact on TCI for the year ended 31.03.2018 is ₹ (64.27) crore.

(h) Re-measurement of defined benefit plans

Both under previous GAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under Ind-AS, re-measurement gain/ loss are recognised in Other Comprehensive Income.

As a result, profit for the year ended 31.03.2018 decreased by ₹ 7.50 crore (net of tax) with corresponding increase in other comprehensive income during the year.

43.6 Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31.03.2018: (₹ in crore)

Particulars	Previous GAAP	Adjustments due to business combination	Adjustments on transition to Ind AS	Ind AS
Net cash flow from operating activities	(27,528.34)	(0.01)	2,819.97	(24,708.38)
Net cash flow from investing activities	1,138.18	-	289.60	1,427.78
Net cash flow from financing activities	23,813.13	-	(37.68)	23,775.45
Net increase / (decrease) in cash and cash equivalents during the year	(2,577.03)	(0.01)	3,071.88	494.84
Cash and cash equivalents at the beginning of the year	3,114.74	0.01	(3,071.88)	42.87
Cash and cash equivalent at the end of the year	537.71	0.00	0.00	537.71

The impact of transition to Ind AS is mainly due to the classification of Earmarked bank balances as 'Other Bank Balances' instead of 'Cash & Cash Equivalents'.

44 Status of documentation subsequent to reorganization of the State of Andhra Pradesh

Subsequent to the reorganization of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However the assets and liabilities are yet to be transferred to the respective Power Utility through a formal gazette notification.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans 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.

45 Company was creating impairment loss allowance, on Stage I and II loan assets at higher of Expected Credit Loss (ECL) as per Ind AS or as per RBI prudential norms. Now, the Company has aligned the impairment loss allowance on loan assets solely as per the requirement of Ind AS resulting in reduction of cumulative impairment loss allowance for the year ended 31.03.2019 and consequent increase in profit after tax by ₹ 268.61 crore.

46 Exposures

46.1 RBI has categorized the Company as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated 12th February 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single group of borrowers and exposure for lending & investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI has exempted the Company from applicability of RBI's concentration of credit/investment norms till 31st March, 2022.

46.2 The Company does not have any exposure to real estate sector.

46.3 Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2019	Amount as at 31.03.2018	Amount as at 01.04.2017
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	16,136.50	1,874.53	1,874.79
(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;	-	-	-

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2019	Amount as at 31.03.2018	Amount as at 31.03.2017
(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 (excluding loans where security creation is under process);	-	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,629.16	2,651.65	2,395.88
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15	6.15
	Total Exposure to Capital Market	**18,771.81**	**4,532.33**	**4,276.82**

46.4 Details of financing of parent company products:

The Company does not have a parent company.

46.5 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company:

The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2018-19 and FY 2017-18.

47 Asset Liability Management Maturity pattern of items of Assets and Liabilities : (₹ in crore)

Bucket as at 31.03.2019	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	14,133.64	4,955.46	21,785.18	-	696.50
Over 1 Month upto 2 Months	1,833.07	1,928.13	4,915.00	-	-
Over 2 Months upto 3 Months	-	1,264.76	7,495.20	-	2,080.35
Over 3 Months upto 6 Months	-	9,225.21	10,292.05	-	-
Over 6 Months upto 1 Year	-	16,559.51	19,088.10	-	3,468.40
Over 1 Year & upto 3 Years	-	50,663.28	76,608.05	-	4,971.67
Over 3 Years & upto 5 Years	-	49,879.10	32,730.60	-	9,235.95
Over 5 Years	-	165,146.63	87,160.38	23.84	8,373.99

Note:- In the above table, the principal cash flows net of provision relating to Stage III assets have been considered in over 5 years bucket irrespective of the maturity date. Further, Bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero coupon bonds have been shown at the maturity value.

48 NSE and BSE vide their letters dated 31.01.2019 have levied fine on the Company for non-compliance in regard to Regulation 17(1) i.e. Composition of Board of Directors and 19(1) i.e. Composition of Nomination & Remuneration Committee of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company in its reply to NSE & BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India. The Company has taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of the Company for compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

49 Credit Ratings

49.1 Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

49.2 Long term foreign currency issuer rating assigned to the Company as at 31.03.2019:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Negative[#]
3.	Moody's	Baa3	Stable

[#]As compared to previous year, only S&P has changed the outlook from Stable to Negative. But in April 2019, the outlook has been upgraded to Stable again.

50 Provisions, Contingencies and Impairment loss allowances

(₹ in crore)

Description	FY 2018-19	FY 2017-18
Impairment loss allowance towards loans	(870.60)	2,215.12
Impairment loss allowance on letter of comfort	(8.67)	189.78
Impairment loss allowance on other receivables	7.79	(13.89)
Provision made towards Income tax	2,347.72	2,433.61

51 Customer Complaints for FY 2018-19

No complaints have been received by the Company from their borrowers during the year ended 31.03.2019. (Previous year Nil).

52 Details of registrations obtained from regulators:

S. No.	Regulator	Particulars	Registration Details
1.	Ministry of Corporate Affairs	Corporate Identification Number	L65910DL1986GOI024862
2.	Reserve Bank of India	Registration Number	B- 14.00004
3.	Legal Entity Identifier India Ltd	LEI Number	3358003Q6D9LIJJZ1614

53 (a) The Company is preparing Consolidated Financial Statements in accordance with Ind AS - 110.

(b) The Company does not have any Overseas Assets in the form of Joint Ventures / Subsidiaries abroad.

(c) There are no Off-balance Sheet SPVs sponsored by the Company.

54 Additional Schedule to Balance Sheet.

(₹ in crore)

Particulars			Amount as on 31.03.2019		Amount as on 31.03.2018		Amount as on 01.04.2017	
Liabilities Side			outstanding	overdue	outstanding	overdue	outstanding	overdue
(1)	Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:							
	(a)	Bonds : Secured	14,498.53	0.00	21,220.13	0.00	20,898.71	0.00
		: Unsecured	1,90,814.82	0.00	1,82,677.38	0.00	1,77,525.57	0.00
	(b)	(i) Rupee Term Loans	46,542.21	0.00	10,541.42	0.00	2,000.43	0.00
		(ii) Foreign Currency Loans	20,592.26	0.00	15,703.01	0.00	7,302.32	0.00
	(c)	Commercial Paper	9,715.92	0.00	6,924.74	0.00	-	0.00
	(d)	Short Term Borrowings	13,357.29	0.00	-	0.00	2,400.79	0.00

Assets Side				Amount Outstanding as on 31.03.2019	Amount Outstanding as on 31.03.2018	Amount Outstanding as on 01.04.2017
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :					
	(a)	Secured		1,98,393.65	1,88,209.46	1,72,472.57
	(b)	Unsecured		1,16,323.18	90,815.16	73,071.87
	(c)	Less: Impairment loss allowance		(16,057.16)	(16,939.76)	(14,835.73)
	(d)	Loans and advances (net of provision)		2,98,659.67	2,62,084.86	2,30,708.71
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :					
	(i)	Lease assets including lease rentals under sundry debtors:				
		(a)	Financial lease	99.89	111.89	222.99
(4)		Break-up of Investments (Net of Provisions)				
		Current Investments				
	1.	Quoted				
		(i)	Shares			
			(a) Equity	935.09	1,126.04	1,258.03
		2.	Unquoted			
		(i)	Shares			
			(a) Equity	-	-	193.05
	Long Term Investments					
	1.	Quoted				
		(i)	Shares			
			(a) Equity	14,588.64	104.88	112.08
		(ii)	Debentures and Bonds	809.84	809.84	1,827.90
	2.	Unquoted				
		(i)	Shares			
			(a) Equity	246.45	147.45	147.45
			(b) Preference			
		(ii)	Debentures and Bonds	-	325.57	325.57
		(iii)	Units of SIB Fund	6.18	6.26	6.30

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category			Amount Net of Provisions (as on 31.03.2019)			Amount Net of Provisions (as on 31.03.2018)			Amount Net of Provisions (as on 01.04.2017)		
			Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties										
	(a)	Subsidiaries and Associates	-	196.22	196.22	-	169.95	169.95	-	115.04	115.04
	(b)	Companies in the same group	-	-	-	-	-	-	-	-	-
	(c)	Other related parties	0.52	-	0.52	0.52	-	0.52	0.50	-	0.50
2.	Other than related parties		1,98,493.02	1,16,126.96	3,14,619.98	1,88,320.83	90,645.21	2,78,966.04	1,72,695.06	72,956.83	2,45,651.89
	Total		1,98,493.54	1,16,323.18	3,14,816.72	1,88,321.35	90,815.16	2,79,136.51	1,72,695.56	73,071.87	2,45,767.43

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category			(as on 31.03.2019)		(as on 31.03.2018)		(as on 01.04.2017)	
			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)	Market value / Break up[$] or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties							
	(a)	Subsidiaries	18,145.15	14,500.70	201.31	0.20	253.39	0.20
	(b)	Companies in the same group	295.99	246.25	200.05	147.25	176.57	147.25
2.	Other than related parties		1839.25	1,839.25	2372.59	2,372.59	3722.93	3,722.93
	Total		20,280.39	**16,586.20**	2,773.95	**2,520.04**	4,152.89	**3,870.38**

(7) Other Information

Particulars			Amount (as on 31.03.2019)	Amount (as on 31.03.2018)	Amount (as on 01.04.2017)
(i)	Gross Non-performing Assets				
	(a)	Other than related parties	29,540.31	26,866.80	12,286.29
(ii)	Net Non-performing Assets				
	(a)	Other than related parties	14,519.30	12,625.58	7,393.71
(iii)	Assets acquired in satisfaction of debt (Gross value of investment)		-	-	-

[$]In case of negative break-up value, Nil value has been considered.

55 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in crore)

	Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS						
1	**Financial Assets**						
a)	Cash and Cash Equivalents	308.48	-	537.71	-	42.87	-
(b)	Bank Balance other than included in Cash & Cash Equivalents	13,846.53	-	15.49	-	3,530.29	-
(c)	Derivative Financial Instruments	105.38	462.60	34.87	194.22	4.82	295.05
(d)	Loans	45,971.12	2,57,239.24	38,545.03	2,27,466.35	41,652.48	1,93,436.27
(e)	Investments	935.14	15,651.06	1,126.04	1,394.00	1,451.08	2,419.30
(f)	Other Financial Assets	132.47	5,243.93	69.55	5,207.36	93.11	5,156.32
	Total financial assets (1)	**61,299.12**	**2,78,596.83**	**40,328.69**	**2,34,261.93**	**46,774.65**	**2,01,306.94**
2	**Non- Financial Assets**						
(a)	Current Tax Assets (Net)	-	628.59	-	508.12	-	346.24
(b)	Deferred Tax Assets (Net)	-	4,060.73	-	4,547.26	-	3,570.22
(c)	Property, Plant and Equipment	-	27.75	-	26.09	-	24.01
(d)	Other Intangible Assets	-	0.59	-	0.89	-	0.69
(e)	Other Non-Financial Assets	180.22	61.86	180.57	54.90	950.02	60.51
	Total non-financial assets (2)	**180.22**	**4,779.52**	**180.57**	**5,137.26**	**950.02**	**4,001.67**
	Total Assets (1+2)	**61,479.34**	**2,83,376.35**	**40,509.26**	**2,39,399.19**	**47,724.67**	**2,05,308.61**
	LIABILITIES						
	Financial Liabilities						
(a)	Derivative Financial Instruments	88.64	416.95	0.04	240.64	-	68.41
(b)	Debt Securities	44,608.95	1,60,975.54	42,907.20	1,63,904.59	32,458.04	1,61,986.30
(c)	Borrowings (other than Debt Securities)	28,998.61	51,345.92	2,408.54	23,671.63	2,446.45	9,145.31
(d)	Subordinated Liabilities	102.30	9,207.40	93.59	3,799.17	93.59	3,799.05
(d)	Other Financial Liabilities	274.44	5,053.40	235.56	5,157.63	2,106.90	5,151.62
	Total financial liabilities (1)	**74,072.94**	**2,26,999.21**	**45,644.93**	**1,96,773.66**	**37,104.98**	**1,80,150.69**
	Non- Financial Liabilities						
(a)	Current Tax Liabilities (Net)	-	130.70	-	129.97	-	130.43
(b)	Provisions	196.87	67.13	69.77	221.40	28.09	35.57
(c)	Other Non-Financial Liabilities	4.49	96.36	20.12	92.45	87.28	71.16
	Total non-financial liabilities (2)	**201.36**	**294.19**	**89.89**	**443.82**	**115.37**	**237.16**
	Total liabilities (1+2)	**74,274.30**	**2,27,293.40**	**45,734.82**	**1,97,217.48**	**37,220.35**	**1,80,387.85**

56 In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Company's operations comprise of only one business segment - lending to power sector entities. Hence, there are no reportable segments as per Ind AS 108.

57 Figures have been rounded off to the nearest crore of rupees with two decimals.

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Independent Auditors' Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of Power Finance Corporation Limited (hereinafter referred to as "Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity, which comprise the consolidated balance sheet as at 31st March, 2019, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2019, of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated:

Sr. No.	Key Audit Matter	Auditors' Response
1	**Credit impairment of financial instruments** The most significant areas where we identified greater levels of management Judgement are: • Significant Increase in Credit Risk (SICR) – Company has classified SICR based on the indicator defined in Ind AS. Selection of any other criteria can materially impact the ECL recognised for certain portfolios. • ECL model – Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed Stage 3 carrying value – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. Company has availed services of Crisil Ltd. to estimate the carrying value of its stage 3 portfolio. The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	**Our procedures included:** • The assessment and calculation of material SICR indicators and criteria. • The accuracy of critical data elements input into the system used for computation of PD and LGD. • The completeness and accuracy of data flows from source systems into the ECL calculation. • Company has availed services of independent expert to estimate the carrying value of its stage 3 portfolio. We have reviewed the carrying value provided by such expert. **Our results:** We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable.
2	**Valuation of financial instruments at Fair Value** The Company and its subsidiary REC Ltd. enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorised at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our procedures included:** Company obtains fair value of derivative contracts from the counterparty banks. Our procedure include review of the fair vale obtained using observable market inputs like prevailing exchange rate, interest rate curves and other volatility index subsequent thereto. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value obtained from counterparty banks while considering other inputs.
3	**Recoverability of Company's investment in Subsidiaries, Associates and Joint Ventures** Due to the materiality of the investment in the parent Company's financial statements and the related market risk associated with recoverability of investments, this was considered to be the area of focus.	**Our procedures included:** Perusal of financial statements of all subsidiaries, associates and joint ventures. **Our results:** We did not find any material risk in recoverability of the investment.
4.	**Information Technology** **Control Performance** **In case of Parent Company** The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.	**Our procedures included:** Evaluated sample of key controls operating over the information in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the 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 and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) The comparative financial information of the Group and its associates and jointly controlled entity for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31st March, 2018 and 31st March, 2017 dated 25.05.2018 and 29.05.2017 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its associates and jointly controlled entity on transition to the Ind AS, which have been audited by us with respect to Holding Company and by other auditors with respect to its adjusted subsidiaries, associates and jointly controlled entity.

Our opinion is not modified in respect of above matter.

(b) We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of ₹ 2,98,453.88 crore as at 31st March, 2019, total revenues of ₹ 25,431.33 crore and net cash flows amounting to ₹ 133.56 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Nil for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of fifteen associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

(c) We did not audit the financial statements / financial information of one subsidiary and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 6,994.55 crore as at 31st March, 2019, total revenues of ₹ 1,993.05 crore and net cash flows amounting to ₹ 17.44 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary & jointly controlled entity, 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 and jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement 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 the Accounting Standards specified under Section 133 of the Act.

(e) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Group and its associates & jointly controlled entity, being Government Companies.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity - Refer Note No. 47 to the Consolidated Financial Statements;

   ii. The group, its associates and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled company incorporated in India.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

Sd/-
CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date : 29.05.2019
Place : Mumbai

Annexure - A to the Independent Auditors' Report on the Audit of the Consolidated Financial Statements

(Referred to in Para 1(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the consolidated financial statements for the year ended 31st March, 2019)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Company as of and for the year ended 31st March, 2019, We have audited the internal financial controls with reference to consolidated financial statements of Power Finance Corporation Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies, its associate companies and jointly controlled entity, 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 companies, its associate companies and jointly controlled entity, 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 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 with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial control with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India have, in all material respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, 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.

However, the Statutory Auditors of one of the subsidiary companies (REC Ltd.) have reported in their consolidated report that, in all material aspects, an adequate internal financial controls system over financial reporting is existing except (i) strengthening of procedures for monitoring of utilization of funds disbursed to the borrowers, (ii) rotation of duties amongst some of the staff as per HR policy to be implemented, (iii) improvement in the system of allocation of common expenses by subsidiaries to its associates (SPV's), (iv) procedure to obtain periodical balance confirmation and timely obtaining Internal Audit Report and compliances thereby by subsidiaries.

OTHER MATTERS

Our aforesaid reports under Sub-section 3 (i) of Section 143 of the Act, on the internal financial controls with reference to financial statements in so far as applicable to two subsidiary companies and fifteen associate companies is based on the corresponding reports of the auditors of such companies incorporated in India and in respect of one subsidiary and one jointly controlled entity, we have relied on the explanation provided by the management of holding company in absence of IFC report of such entity. In our opinion, the same is not considered material for the consolidated financial statement of the Group, its associates and its jointly controlled entity.

FOR M.K. AGGARWAL & CO.	**FOR GANDHI MINOCHA& CO.**
Chartered Accountants	Chartered Accountants
Firm's Registration No.: 01411N	Firm's Registration No.: 000458N
by the hand of	by the hand of
Sd/-	**Sd/-**
CA M.K. AGGARWAL	**CA BHUPINDER SINGH**
Partner	Partner
Membership No.014956	Membership No.092867

Date : 29.05.2019
Place : Mumbai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2019 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 29 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Power Finance Corporation Limited for the year ended 31 March 2019 under Section 143 (6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial Statements of Power Finance Corporation Limited and REC Limited but did not conduct the supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities as listed in Annexure I. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place : New Delhi
Date : 26.07.2019

ANNEXURE I

List of Subsidiaries, Associate companies and Jointly controlled entities of Power Finance Corporation Limited whose financial statements were not audited by the Comptroller and Auditor General of India

A. Subsidiaries:

1. PFC Consulting Limited
2. Power Equity Capital Advisors Private Limited

B. Jointly controlled entities:

1. Energy Efficiency Services Limited

C. Associate Companies:

1. Coastal Maharashtra Mega Power Limited
2. Orissa Integrated Power Limited
3. Coastal Karnataka Power Limited
4. Coastal Tamil Nadu Power Limited
5. Chhattisgarh Surguja Power Limited
6. Sakhigopal Integrated Power Company Limited
7. Gogarpalli Integrated Power Company Limited
8. Tatiya Andhra Mega Power Limited
9. Deoghar Mega Power Limited
10. Cheyyur Infra Limited
11. Odisha Infrapower Limited
12. Deoghar Infra Limited
13. Bihar Infrapower Limited
14. Bihar Mega Power Limited
15. Jharkhand Infrapower Limited

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Balance Sheet as at March 31, 2019

(₹ in crore)

Sr. No.		Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
		ASSETS				
1.		**Financial Assets**				
	(a)	Cash and Cash Equivalents	6	725.03	825.04	4,544.99
	(b)	Bank Balance other than included in Cash and Cash Equivalents	7	15,606.41	2,024.27	3,684.05
	(c)	Derivative Financial Instruments	8	2,370.56	919.47	927.94
	(d)	Trade Receivables	9	172.13	145.77	135.71
	(e)	Loans	10	573,661.28	494,889.63	429,023.27
	(f)	Investments	11	4,603.77	5,492.51	6,903.19
	(g)	Other Financial Assets	12	23,761.47	9,662.57	5,466.63
		Total Financial Assets (1)		**620,900.65**	**513,959.26**	**450,685.78**
2.		**Non- Financial Assets**				
	(a)	Inventories	13	-	-	0.04
	(b)	Current Tax Assets (Net)	14	925.90	542.31	397.43
	(c)	Deferred Tax Assets (Net)	43	6,369.74	7,393.55	5,707.82
	(d)	Investment Property	15	0.01	0.01	0.01
	(e)	Property, Plant and Equipment	16	186.45	155.24	151.57
	(f)	Capital Work-in-Progess	16	196.94	127.23	61.41
	(g)	Intangible Assets under development	16	1.59	1.46	1.46
	(h)	Other Intangible Assets	16	9.18	6.19	1.38
	(i)	Other Non-Financial Assets	17	393.50	338.55	1,087.14
		Total Non- Financial Assets (2)		**8,083.31**	**8,564.54**	**7,408.26**
3.		**Assets Classified as held for sale**	18	**9.56**	**7.68**	**3.08**
		Total Assets (1+2+3)		**628,993.52**	**522,531.48**	**458,097.12**
		LIABILITIES AND EQUITY				
		LIABILITIES				
1		Financial Liabilities				
	(a)	Derivative Financial Instruments	8	664.99	558.43	422.87
	(b)	Trade Payables	19			
		(I) Total outstanding dues of Micro, Small and Medium Enterprises		2.65	1.83	0.30
		(II) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		72.26	64.87	45.89
	(c)	Debt Securities	20	398,352.00	385,879.65	343,095.30
	(d)	Borrowings (other than Debt Securities)	21	127,007.07	48,711.59	33,291.93
	(e)	Subordinated Liabilities	22	14,128.46	6,560.12	6,559.85
	(f)	Other Financial Liabilities	23	24,574.28	24,607.41	22,046.00
		Total Financial Liabilities (1)		**564,801.71**	**466,383.90**	**405,462.14**
2		**Non- Financial Liabilities**				
	(a)	Current Tax Liabilities (Net)	14	130.70	130.48	130.98
	(b)	Provisions	24	366.81	517.28	279.77
	(c)	Other Non-Financial Liabilities	25	209.95	230.07	208.73
		Total Non- Financial Liabilities (2)		**707.46**	**877.83**	**619.48**
3		**Liabilities directly associated with assests classified as held for sale**	18	0.08	-	-
		Total Liabilities (1+2+3)		**565,509.25**	**467,261.73**	**406,081.62**
4		**Equity**				
	(a)	Equity Share Capital	26	2,640.08	2,640.08	2,640.08
	(b)	Other Equity	27	44,481.17	37,194.45	34,782.49
		Equity attributables to owners of the Company (a+b)		**47,121.25**	**39,834.53**	**37,422.57**
	(c)	Non-Controlling interest	28	16,363.02	15,435.22	14,592.93
		Total Equity (4)		**63,484.27**	**55,269.75**	**52,015.50**
		Total Liabilities and Equity (1+2+3+4)		**628,993.52**	**522,531.48**	**458,097.12**

Accompanying notes to the Consolidated Financial Statements 1 – 72

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Statement of Profit and Loss for the Year ended March 31, 2019

(₹ in crore)

Sr. No.		Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
		Revenue from Operations			
	(i)	Interest Income	29	53,435.70	47,677.22
	(ii)	Dividend Income	44	76.63	92.13
	(iii)	Fees and Commission Income	30	374.11	566.98
	(iv)	Other Operating Income	32	227.50	287.50
I.		**Total Revenue from Operations**		**54,113.94**	**48,623.83**
II.		Other Income	33	**42.89**	**21.59**
III.		**Total Income (I+II)**		**54,156.83**	**48,645.42**
		Expenses			
	(i)	Finance Costs	34	34,620.96	30,288.83
	(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)		1,041.42	232.47
	(iii)	Fees and Commission Expense	35	44.47	33.16
	(iv)	Net Loss on Fair Value changes	31	263.54	766.56
	(v)	Impairment on Financial Instruments	36	(625.73)	4,693.23
	(vi)	Cost of services rendered		85.15	119.80
	(vii)	Cost of material consumed		-	7.95
	(viii)	Changes in inventries of finished goods and work-in-progress	37	-	0.04
	(ix)	Employee Benefit Expenses	38	362.66	374.16
	(x)	Depreciation and Amortisation	16	15.49	14.68
	(xi)	Corporate Social Responsibility Expenses	46	206.32	171.05
	(xii)	Other Expenses	39	324.77	185.40
IV.		**Total Expenses**		**36,339.05**	**36,887.33**
V.		**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**17,817.78**	**11,758.09**
VI.		Exceptional Items		–	–
VII.		Share of Profit / (Loss) in Joint Venture and Associates		44.25	21.35
VIII.		**Profit/(Loss) Before Tax (V-VI+VIII)**		**17,862.03**	**11,779.44**
		Tax Expense:			
		(1) Current Tax			
		Current Year		4,182.75	4,656.89
		Earlier Years		(12.75)	9.94
		(2) Deferred Tax		1,051.76	(1,684.08)
IX.		**Total Tax Expense**		**5,221.76**	**2,982.75**
X.		**Profit/(Loss) for the year from Continuing Operations (VIII-IX)**		**12,640.27**	**8,796.69**
XI.		Profit/(Loss) From Discontinued Operations (After Tax)		–	–
XII.		**Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)**		**12,640.27**	**8,796.69**
XIII.		**Other Comprehensive Income**			
	(i)	Items that will not be reclassified to Profit or Loss			
		- Re-measurement of Defined Benefit Plans		(23.00)	(0.62)
		- Net Gain / (Loss) on Fair Value of Equity Instruments		(202.25)	(322.22)
		- Share of other Comprehensive Income / (Loss) in Joint Venture accounted using equity method		(0.13)	(0.05)
	(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss			
		- Re-measurement of Defined Benefit Plans		8.46	3.98
		- Net Gain / (Loss) on Fair Value of Equity Instruments		(0.68)	(0.10)
	(iii)	Items that will be reclassified to Profit or Loss			
		- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		(77.08)	–
		- Share of other Comprehensive Income in Joint Venture accounted using equity method		–	2.92

(₹ in crore)

Sr. No.		Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
		(iv) Income Tax relating to items that will be reclassified to Profit or Loss		26.93	–
		Other Comprehensive Income (A+B)		**(267.75)**	**(316.09)**
XIV.		**Total Comprehensive Income for the year (XII+XIII)**		**12,372.52**	**8,480.60**
		Profit for the year attributable to:			
		- Owners of the Company		9,920.86	6,688.69
		- Non-Controling Interest		2,719.41	2,108.00
				12,640.27	**8,796.69**
		Other Comprehensive Income for the Year			
		- Owners of the Company		(239.05)	(318.77)
		- Non-Controling Interest		(28.70)	2.68
				(267.75)	**(316.09)**
		Total other comprehensive income for the year			
		- Owners of the Company		9,681.81	6,369.92
		- Non-Controling Interest		2,690.71	2,110.68
				12,372.52	**8,480.60**
XV.		**Earnings Per Equity Share (Face Value ₹10/- each)**			
		(for continuing and discontinued operations)			
		(1) Basic EPS (₹)		37.58	25.34
		(2) Diluted EPS (₹)		37.58	25.34

Accompanying notes to the Consolidated Financial Statements 1 – 72

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Manohar Balwani)	**(N. B. Gupta)**	**(Rajeev Sharma)**
Company Secretary	Director (Finance)	Chairman and Managing Director
	DIN - 00530741	DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.	For Gandhi Minocha & Co.
Chartered Accountants	Chartered Accountants
Firm Regn No - 01411N	Firm Regn No - 000458N
Sd/-	Sd/-
(CA M.K. Aggarwal)	**(CA Bhupinder Singh)**
Partner	Partner
Membership No: 014956	Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(₹ in crore)

Particulars	Amount
Balance as at 01.04.2017	**2,640.08**
Changes during the year	-
Balance as at 31.03.2018	**2,640.08**
Changes during the year	-
Balance as at 31.03.2019	**2,640.08**

B. Other Equity

(₹ in crore)

Particulars	Reserves and surplus											Other Comprehensive Income			Attributable to owners of the parent	Non-Controlling interest	Total
	Capital Reserve - Common Control	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viia) (c) of Income-Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	Debenture Redemption Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings	Equity Instruments through Other compehensive Income	Effective portion of Cash Flow hedges	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method			
Balance as at 01.04.2017	**–**	**16.99**	**3,014.69**	**599.85**	**14,325.30**	**1,434.18**	**2,776.54**	**(288.12)**	**56.41**	**5,438.69**	**5,467.43**	**224.53**	**–**	**–**	**33,066.49**	**–**	**33,066.49**
Changes in accounting policies / prior period errors																	
Pooling of interest acounting for common control Business Combination	(13,461.00)	–	1,276.55	–	6,437.61	486.85	1,177.20	107.26	–	2,489.91	3,105.90	95.72	–	–	**1,716.00**	**14,592.93**	**16,308.93**
Restated Balance as at 01.04.2017	**(13,461.00)**	**16.99**	**4,291.24**	**599.85**	**20,762.91**	**1,921.03**	**3,953.74**	**(180.86)**	**56.41**	**7,928.60**	**8,573.33**	**320.25**	**-**	**-**	**34,782.49**	**14,592.93**	**49,375.42**
Profit for the year											6,688.69				**6,688.69**	**2,108.00**	**8,796.69**
Re-measurement of Defined Benefit Plans	-										5.32	–	–	–	**5.32**	**(1.97)**	**3.35**
Other Comprehensive Income / (Expense)	-										(0.04)	(326.29)	–	2.22	**(324.11)**	**4.65**	**(319.46)**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,693.97**	**(326.29)**	**-**	**2.22**	**6,369.90**	**2,110.68**	**8,480.58**
Dividends	–	–		–	–	–	–		–	–	(3,103.90)	–	–	–	**(3,103.90)**	**(940.05)**	**(4,043.95)**
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	(633.07)	-	-	-	**(633.07)**	**(190.95)**	**(824.02)**
Transfer to / from retained earnings	-	6.37	548.85	-	2,428.00	396.13	-	-	-	1,263.17	(4,641.74)	(0.78)	-	-	**0.00**	**-**	**0.00**
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	(220.97)	1.49	-	(1.49)	-	-	-	**(220.97)**	**(137.39)**	**(358.36)**
Fair Value Gain / Loss During the period																	
Net Acturial Gain/(Loss) on defined Benefit Plans, Net off Taxes																	
Transaction cost arising on issue of equity shares																	

(₹ in crore)

Particulars	Reserves and surplus											Other Comprehensive Income			Attributable to owners of the parent	Non-Controlling interest	Total
	Capital Reserve - Common Control	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viia) (c) of Income-Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	Debenture Redemption Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings	Equity Instruments through Other compehensive Income	Effective portion of Cash Flow hedges	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method			
Balance as at 31.03.2018	**(13,461.00)**	**23.36**	**4,840.09**	**599.85**	**23,190.91**	**2,317.16**	**3,953.74**	**(401.83)**	**57.90**	**9,191.77**	**6,887.10**	**(6.82)**	**-**	**2.22**	**37,194.45**	**15,435.22**	**52,629.67**
Profit for the year	-	-	-	-	-	-	-	-	-	-	9,920.86	-	-	-	**9,920.86**	**2,719.41**	**12,640.27**
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	(8.57)	-	-	-	**(8.57)**	**(5.97)**	**(14.54)**
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	(0.11)	(180.22)	(50.14)	-	**(230.47)**	**(22.73)**	**(253.20)**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,912.18**	**(180.22)**	**(50.14)**	**-**	**9,681.82**	**2,690.71**	**12,372.53**
Dividends	-	-	-	-	-	-	-	-	-	-	(1,325.29)	-	-	-	**(1,325.29)**	**(1,192.61)**	**(2,517.90)**
Dividends Distribution Tax	-									-	(299.35)	-	-	-	**(299.35)**	**(248.91)**	**(548.26)**
Transfer to / from retained earnings	-	1,997.46	497.44	-	2,274.58	393.21	-	-	-	1,000.00	(6,148.13)	(14.56)	-	-	**(0.00)**	**-**	**(0.00)**
Additions / Deletion during the year (net)	-	-	-	-	-	(2.30)	-	(770.46)	2.10	-	0.20	-	-	-	**(770.46)**	**(321.39)**	**(1,091.85)**
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	2.85	(2.85)	-	-	**-**	**-**	**-**
Balance as at 31.03.2019	**(13,461.00)**	**2,020.82**	**5,337.53**	**599.85**	**25,465.49**	**2,708.07**	**3,953.74**	**(1,172.29)**	**60.00**	**10,191.77**	**9,029.56**	**(204.45)**	**(50.14)**	**2.22**	**44,481.17**	**16,363.02**	**60,844.18**

Accompanying notes to the Consolidated Financial Statements 1 – 72

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2019		Year ended 31.03.2018	
I.	**Cash Flow from Operating Activities :-**				
	Profit before Tax	**17,862.03**		**11,779.44**	
	Add / (Less): Adjustments for				
	Loss on derecognition of Property, Plant and Equipment (net)	1.23		0.98	
	Depreciation and Amortisation	15.49		14.68	
	Amortization of discount on Zero Coupon Bonds and Fiacial Charges on Commercial Papers	363.04		158.72	
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,077.58		145.36	
	Net Change in Fair Value	266.54		779.95	
	Effective Interest Rate on Loans	(9.14)		(21.88)	
	Impairment on Financial Instruments	(625.73)		4,693.24	
	Accrued Interest on investment	(505.59)		(493.78)	
	Interest Subsidy Fund	3.46		9.32	
	Provision for interest under Income Tax Act, 1961	9.56		5.68	
	Excess Liabilities written back	(1.68)		(3.70)	
	Provision for Retirement Benefits etc.	56.09		72.39	
	Dividend Income	(76.63)		(92.13)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(788.63)		1.28	
	Interest on Income Tax Refund	(8.29)		(4.78)	
	Share of Profit/Loss of Joint Venture accounted for using equity method	(44.25)		(21.35)	
	Operating profit before Working Capital Changes:	**17,595.09**		**17,023.42**	
	Increase / Decrease :				
	Loans (Net)	(78,082.12)		(70,627.66)	
	Other Assets (Financial and Non-Financial)	(27,653.86)		(2,160.85)	
	Derivative	(1,611.07)		(635.92)	
	Liabilities and provisions	14,044.08		4,101.58	
	Cash Flow before Exceptional Items	**(75,707.88)**		**(52,299.43)**	
	Exceptional Items	–		–	
	Cash Flow from Operations Before Tax	**(75,707.88)**		**(52,299.43)**	
	Income Tax paid	(4,626.89)		(4,852.53)	
	Income Tax Refund	81.34		4.40	
	Net Cash flow from Operating Activities		**(80,253.43)**		**(57,147.56)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.28		0.44	
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(99.46)		(89.77)	
	Investments in Subsidiaries	(14,500.00)		–	
	Interest on investment	411.15		509.65	
	Dividend on investment	76.63		92.13	
	Increase / Decrease in Other Investments	648.39		896.68	
	Net Cash Used in Investing Activities		**(13,463.02)**		**1,409.13**
III.	**Cash Flow From Financing Activities :**				
	Issue of Bonds (including premium) (Net of Redemptions)	(4,737.02)		23,604.86	
	Raising of Long Term Loans (Net of Repayments)	60,028.55		8,175.00	
	Raising of Foreign Currency Loans (Net of Repayments)	13,353.18		17,942.68	
	Raising of Subordinated Liabilities (Net of Redemptions)	7,562.70		(0.00)	
	Raising of Commercial paper (Net of Repayments)	7,113.04		10,044.84	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	13,357.17		(2,400.79)	
	Unclaimed Bonds (Net)	(2.78)		3.41	
	Unclaimed Dividend (Net)	0.53		1.20	
	Payment of Interim Dividend*	(2,511.50)		(4,464.15)	
	Payment of Corporate Dividend Tax	(547.44)		(888.57)	
	Net Cash in-flow from Financing Activities		**93,616.44**		**52,018.49**
	Net Increase / Decrease in Cash and Cash Equivalents		**(100.01)**		**(3719.95)**
	Add : Cash and Cash Equivalents at beginning of the financial year		825.04		4544.99

Sr. No.	Description	Year ended 31.03.2019		Year ended 31.03.2018	
	Cash and Cash Equivalents at the end of the financial year		**725.03**		**825.04**
	Details of Cash and Cash Equivalents at the end of the year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	369.41		211.31	
	In demand deposit accounts	355.61	725.02	613.72	825.03
	ii) Cheques, Drafts on hand including postage and Imprest		0.01		0.01
	Total Cash and Cash Equivalents at the end of the year		**725.03**		**825.04**

* Payment of interim dividend for FY 2017-18 of ₹4464.15 crore includes ₹446.04 crore pertaining to FY 2016-17.

Reconciliation of liabilities arising from financing activities

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	Commercial Paper	WCDL etc.	Subordinated Debts	Total
	Opening Balance as at 01.04.2017	**329,059.77**	**2,750.00**	**29,524.43**	**–**	**2,400.79**	**6,300.00**	**370,034.99**
	Cash Flow During the Year	23,604.86	8,175.00	17,942.68	10,044.84	(2,400.79)	(0.00)	57,366.60
	Non-Cash Changes due to:							
	Amortisation of discount / interest on Zero Coupon Bond / Financial Charges on Commercial Paper	128.36	–	–	129.90	–	–	258.25
	Variation in Exchange Rates	–	–	599.56	–	–	–	599.56
	Closing Balance as at 31.03.2018	**352,792.99**	**10,925.00**	**48,066.67**	**10,174.74**	**–**	**6,300.00**	**428,259.40**
	Cash Flow During the Year	(4,737.02)	60,028.55	13,353.18	7,113.04	13,357.17	7,562.70	96,677.63
	Non-Cash Changes due to:							
	Amortization of discount on Zero Coupon Bonds & Finacial Charges on Commercial Papers	139.01	–	–	403.14	–	–	542.14
	Variation in Exchange Rates	–	–	2,164.52	–	–	–	2,164.52
	Closing Balance as at 31.03.2019	**348,194.98**	**70,953.55**	**63,584.37**	**17,690.92**	**13,357.17**	**13,862.70**	**527,643.69**

*Foreign Currency Notes form part of Foreign Currency Loans in Cash Flow Statement

**Foreign Currency loans and syndicated foreign currency loans form part of foreign currency loan in cash flow statement.

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

1. Group Information

Power Finance Corporation Limited ("PFC" or the "Company") was incorporated in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110001.

The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

Equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

These consolidated financial statements comprise the financial statements of the Company & its subsidiaries (referred to collectively as the 'Group'), its associates and the Group's interest in its joint ventures, as listed at Note 2.4. The Group is primarily engaged in extending financial assistance to power sector. Other business includes providing consultancy services to power sector and facilitation of development of Independent Transmission Projects (ITPs).

Acquisition of REC Limited (RECL):

The Company on 28.03.2019 has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value ₹10/- per share) in REC Limited (RECL) (formerly Rural Electrification Corporation Limited) at ₹139.5036 per share for a total cash consideration of ₹14,500.00 crore. The difference between the consideration paid and the value of 52.63% stake in net identifiable assets of RECL (i.e. ₹18,181.74 crore) amounts to ₹3,681.74 crore.

RECL is also engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

The acquisition has been evaluated as a business combination under common control and has been accounted based on pooling of interest method as stated at Note 3.18. In compliance with Appendix C of Ind AS 103 'Business Combination' read with Ind AS 1 'Presentation of Financial Statements', the Consolidated financials have been prepared as if the business combination had occurred from the beginning of the preceding period i.e. 01.04.2017.

2. Statement of Compliance

2.1 The Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. 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. These are the Group's first Ind AS Consolidated Financial Statements and the date of transition is 01.04.2017.

The Group prepared its consolidated financial statements up to the year ended 31.03.2018, in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP), which included Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with rules made thereunder and applicable RBI directions. The Group has followed the provisions of Ind AS 101-'First Time adoption of Indian Accounting Standards' in preparing its opening Ind AS Consolidated Balance Sheet as of the date of transition and adjustments were made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 01.04.2017. The comparative figures have been presented in accordance with the same accounting principles that are used in preparation of the Group's first Ind AS consolidated financial statements.

The mandatory exceptions and optional exemptions availed by companies in the Group on First-time adoption have been detailed in Note 4. Further, in accordance with Ind AS 101, the Group has presented a reconciliation of total equity under previous GAAP & under Ind AS as at 31.03.2018 & 01.04.2017 and of the Profit after tax as per Previous GAAP & Total Comprehensive Income as per Ind AS for the year ended 31.03.2018 as detailed in Note 53.

2.2 These consolidated financial statements have been approved by Board of Directors (BoD) on 29.05.2019.

2.3 Standards issued but not yet effective

Ind AS 116 - Leases:

On 30.03.2019, Ministry of Corporate Affairs (MCA) has notified Ind AS 116, Leases. Ind AS 116 will replace Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:

On 30.03.2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, entities need to determine the probability of the relevant tax authority accepting each tax treatment, or Group of tax treatments, that they have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12 – Income taxes:

On 30.03.2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement:

On 30.03.2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for application of these amendments is annual period beginning on or after 01.04.2019. The Group is currently evaluating the effect of these amendments on the consolidated financial statements

2.4 The Consolidated financial statements represents consolidation of accounts of the Company, its subsidiaries, Joint venture entity and Associates as detailed below :

Sr. No.	Name of the Company		Country of incorporation	Proportion of ownership interest as at			Status of Audit as on 31.03.2019
				31.03.2019	31.03.2018	31.03.2017	
1	REC Limited* (Refer Note 1)		India	52.63%	52.63%	52.63%	Audited
2	PFC Consulting Ltd. (PFCCL)* (Refer Note 2.4.2)		India	100%	100%	100%	Unaudited
3	Power Equity Capital Advisors (Private) Ltd. (Refer Note 2.4.3)		India	100%	100%	100%	Audited
Joint Venture:							
1	Energy Efficiency Services Ltd (EESL)	Company's share	India	36.36% Refer Note2.4.5)	31.71%	31.71%	Unaudited
		through RECL		21.70%	31.71%	31.71%	
		Group's share		58.06%	63.42%	63.42%	
Associates:							
1	Coastal Maharashtra Mega Power Limited		India	100%	100%	100%	Audited
2	Orissa Integrated Power Limited		India	100%	100%	100%	Audited
3	Coastal Karnataka Power Limited		India	100%	100%	100%	Audited
4	Coastal Tamil Nadu Power Limited		India	100%	100%	100%	Audited
5	Chhattisgarh Surguja Power Limited		India	100%	100%	100%	Audited
6	Sakhigopal Integrated Power Company Limited		India	100%	100%	100%	Audited
7	Ghogarpalli Integrated Power Company Limited		India	100%	100%	100%	Audited
8	Tatiya Andhra Mega Power Limited		India	100%	100%	100%	Audited
9	Deoghar Mega Power Limited		India	100%	100%	100%	Audited
10	Cheyyur Infra Limited		India	100%	100%	100%	Audited
11	Odisha Infrapower Limited		India	100%	100%	100%	Audited
12	Deoghar Infra Limited		India	100%	100%	100%	Audited
13	Bihar Infrapower Limited		India	100%	100%	100%	Audited
14	Bihar Mega Power Limited		India	100%	100%	100%	Audited
15	Jharkhand Infrapower Limited		India	100%	100%	100%	Audited

* Consolidated Financial Statements of these Companies have been used for consolidation.

2.4.1 During the year, the Company has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value ₹10/- per share) in REC Limited (RECL) at ₹139.5036 per share for a total cash consideration of ₹14,500.00 crore on 28.03.2019. By virtue of this investment, the Company has become the holding company of RECL.

2.4.2 Pursuant to the order of Ministry of Corporate Affairs approving amalgamation on 05.02.2019; PFC Capital Advisory Services Limited (PFCCAS) has been amalgamated with PFC Consulting Limited, wholly owned subsidiary of the Company w.e.f. the appointed date i.e. 01.04.2018. As contained in the order, the scheme of amalgamation has been accounted for as per Appendix C to Ind AS 103 'Business Combinations'.

2.4.3 Ministry of Power (MoP), GoI vide its letter dated 19.03.2019 has approved the dissolution/ striking off the name of Power Equity Capital Advisors (Private) Ltd., a wholly owned subsidiary of the Company, from the records of Registrar of Companies. Necessary steps are being taken up to give effect to the same.

2.4.4 Pursuant to the order of Ministry of Corporate Affairs dated 07.02.2019 approving amalgamation; PFC Green Energy Limited (PFCGEL), wholly owned subsidiary of the Company, has been amalgamated with the Company from the appointed date i.e. 01.04.2017. As contained in the order, the scheme of amalgamation has been accounted for as per Appendix C to Ind AS 103 'Business Combinations'.

2.4.5 The Company acquired 9,90,00,000 equity shares of Energy Efficiency Services Limited (EESL) for a consideration of ₹99 crore on 02.07.2018. Subsequent to this, the shareholding of the Company in EESL has increased from 31.71% to 36.36% as on 31.03.2019. The Company's subsidiary RECL holds 21.70% shareholding in EESL. The Group's effective ownership interest in EESL as on 31.03.2019 stands at 58.06%.

2.4.6 In terms of RBI circular, borrower companies in which the Company holds 20% or more of the equity share capital, acquired in satisfaction of its advance, are not required to be consolidated

3. Significant Accounting Policies

The significant group accounting policies applied in preparation of the consolidated financial statements are as given below:

3.1 Basis of Preparation and Measurement

These consolidated financial statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as “the Group”). The Group has investment in joint venture and associates which are accounted using equity method in these consolidated financial statements.

The financial statements of Subsidiaries, Joint Venture and Associates are drawn up to the same reporting date as of the Company for the purpose of Consolidation.

i) Subsidiaries:

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the Company obtains the control (except for Business Combinations under Common Control).

The Company combines the financial statements of its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances, unrealised gains on transactions between the Company and subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests (NCI) represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non- controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements except as otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's Significant Accounting Policies.

If the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in Statement of Profit and Loss.

ii) Joint Venture and Associates:

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of Joint Venture or Associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in a Joint Venture or Associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the Joint Venture or Associate. Distributions received from a joint venture/ associate reduce the carrying amount of the investment.

Upon loss of joint control over the Joint Venture or significant influence over the Associate, the Company measures and recognises any retained investment at its fair value. Any difference between a) the carrying amount of the Joint Venture or Associate upon loss of joint control or significant influence respectively and b) the fair value of the retained investment and proceeds from disposal is recognised in Statement of Profit and Loss.

3.3 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. The Group considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4 Derivative financial instruments

3.4.1 The Group enters into a variety of derivative financial instruments such as Principal only swaps, Interest rate swaps, Options and forward contracts to manage its exposure to interest rate and foreign exchange rate risks.

3.4.2 The Group designates certain derivative contracts under hedge relationship either as cash flow hedges or fair value hedges.

<u>**Cash flow hedge**</u>

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income. The gain or loss relating to ineffective portion is recognised immediately in Statement of Profit and Loss. Amounts recognised in Other Comprehensive Income (being effective portion) are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.4.3 Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss.

3.5 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), it's transaction costs is recognised in Statement of Profit and Loss.

3.5.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification and Measurement of Financial assets (other than Equity instruments)

a) Financial assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Group while applying EIR method, generally amortises any fees, points paid or received, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

ii) Classification and measurement of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group transfers the same within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

iii) Impairment of financial assets

a) Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses. The Group presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments".

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Group measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Group measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Group considers reasonable and supportable information, that is available without undue cost or effort. If the Group measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Group again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

The Group measures impairment on commitments under LoC on similar basis as in case of Loan assets.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

d) In case of REC Ltd., financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

iv) De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

3.5.2 Financial liabilities

i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii) **Financial guarantee**

A financial guarantee issued by the Group is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Statement of Profit and Loss.

iii) **De-recognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Statement of Profit and Loss.

3.5.3 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.

3.6 Investment property

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. 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.

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. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

The Group only has land as an investment property, which is not depreciated.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognized.

3.7 Property, Plant and Equipment (PPE) and Depreciation

i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.

ii. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.

iii. In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.

iv. Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

v. Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.

vi. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method*, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except following:

Nature of PPE	Life of PPE
Cell phones[(1)]	2 years
Lease hold improvement[(2)]	Lease period or their useful lives whichever is shorter (in case of PFCCL)

* Depreciation is provided using Straight line method by REC Ltd.

[(1)] Useful life has been taken as 2 years by the Group

[(2)] Lease hold improvements are amortised on straight line basis

vii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

viii. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

ix. Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.

x. 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.'

3.8 Intangible assets and Amortisation

i. Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

ii. Expenditure incurred which are eligible for capitalisation under intangible assets is carried as intangible assets under development till they are ready for their intended use.

iii. Estimated useful life of intangible assets with finite useful lives has been estimated by the Group as 5 years. In case of PFCCL, life is estimated as 36 months.

iv. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

v. 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.

3.9 Assets/ Disposal Groups held for sale

Assets are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the Balance Sheet.

Where the Group is committed to a sale plan involving loss of control of a Subsidiary, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.

3.10 Provisions and Contingent Liabilities

i. Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

ii. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

iii. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

iv. Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

3.11 Recognition of Income and Expenditure

i. Interest income on financial assets subsequently measured at amortized cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii. Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

iii. 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.

iv. Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.

v. Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized on completed contract method basis i.e. when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing at agreed charge out rates decided by the management.

vi. The sale proceeds from Request for qualification (RfQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.

vii. Income from short /medium term bidding of power and Coal Flexibility Scheme is recognised when letter of award (LOA) is issued to the successful bidder.

viii. Dividend income from investments is recognized in Statement of Profit and Loss when the Group's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.

ix. Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

x. Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.

xi. A Prepaid expense up to ₹1,00,000/- is recognized as expense upon initial recognition.

3.12 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

3.13 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, 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.

3.14 Employee benefits

i. Defined Contribution Plan

Group's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

ii. Defined Benefit Plan

The Group's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

iii. Other long term employee benefits

The Group's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognised in the Statement of Profit and Loss.

iv. Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

v. Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the Loan on a prospective basis.

3.15 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

i. Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of Previous Years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

iii. Additional Income Tax that arises from distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.

3.16 Leasing

i. Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Group in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of lease at the reporting date.

ii. Payments and receipts under operating leases are recognised as expense and income respectively, on straight-line basis over the term of the lease.

iii. Land under non-perpetual lease is treated as an operating lease. Lease premium paid initially is amortised on a straight-line basis over the term of the lease.

3.17 Foreign Currency Transactions and Translations

The functional currency of the Group is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the financial statements before 1 April 2018, such exchange differences are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of such long term monetary item.

3.18 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the consolidated financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.19 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.

3.20 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

3.21 Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4. First-time adoption – mandatory exceptions and optional exemptions

The Consolidated Financial Statements have been prepared in accordance the Ind AS applicable as at 31.03.2019. These accounting and measurement principles have been applied retrospectively to the date of transition to Ind AS and for all periods presented.

However for certain cases, Ind AS 101 provides for mandatory exceptions and optional exemptions to the general principles of retrospective application of Ind AS. The Group has made use of the following exceptions and exemptions in preparing its Ind AS opening Consolidated Balance Sheet:

4.1 Mandatory Exceptions

(i) Classification & Measurement of Financial Assets

The Group has determined the classification of financial assets in terms of whether they meet the amortized cost criteria or fair value criteria based on the facts and circumstances that existed as on the transition date.

(ii) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109. As permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort, in order to determine the impairment loss allowance as at transition date.

(iii) De-recognition of financial assets and liabilities

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01.04.2017 (the transition date).

(iv) Estimates

Ind AS estimates as at 01.04.2017 are consistent with the estimates as at the same date made in conformity with Previous GAAP (after adjustments to reflect any difference in accounting policies. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

4.2 Optional exemptions

(i) Equity investments at FVTOCI

The Group has elected to apply the exemption of designating investment in equity shares (other than investment in subsidiaries, joint ventures and associates) and units of 'Small is Beautiful Fund' at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(ii) Amortisation of Exchange Differences on Existing Long Term Foreign Currency Monetary Items (LTFCMI)

The companies in the Group have availed the exemption to continue the policy as per the previous GAAP with respect to amortization of the exchange differences arising from translation of long-term foreign currency monetary items recognised in their consolidated financial statements up to 31.03.2018.

(iii) Past business combination

The Group has elected not to apply Ind AS 103 'Business Combinations' retrospectively on past business combinations that occurred before the transition date.

(iv) Investments in subsidiaries, joint ventures and associates

The Group has availed the exemption to continue with the carrying value of all its investments in joint ventures and associates as per previous GAAP as their deemed cost as at the transition date.

In respect of the Company's subsidiary companies, RECL and PFCCL:

(v) Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, RECL and PFCCL have elected to measure all of its property, plant and equipment at their Previous GAAP carrying value. RECL has also applied this exemption for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 'Investment Property'.

5. Use of Estimates and Management Judgement

In preparation of the consolidated financial statements, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities including contingent liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

In order to enhance understanding of the consolidated financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements, are as under:

(i) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial asset measured at amortised cost requires use of statistical models, significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of borrowers defaulting and resulting losses).

In estimating the cash flows expected to be recovered from credit impaired loans, the Group makes judgements about the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance.

Further, judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets as well as for homogeneous Grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

Refer Note 40.2.1 below for further details.

(ii) Non recognition of income on Credit Impaired Loans

As a matter of prudence, income on credit impaired loans is recognised as and when received and on accrual basis either on resolutions of stressed assets or when expected realization is higher than the loan amount outstanding.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/ liabilities. The information about the valuation techniques and inputs used in determination of fair value of various assets and liabilities is disclosed at Note 40.4 below.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.

(v) Deferred tax Liability on Special reserve

The Company and its subsidiary RECL have obtained resolution from their respective Board of Directors that there is no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and the same is not capable of being reversed. Accordingly, no deferred tax liability has been created on the said reserve.

(vi) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures

Judgement is required in accounting for deferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, investments in associates and joint ventures. In respect of undistributed profits/losses of subsidiaries, investments in joint ventures, the Company is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future. Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures.

(vii) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd, PowerGrid Corporation of India Ltd, RECL and the Company. Consequent upon acquisition of controlling stake in REC Limited (RECL) on 28.03.2019, the Company along with RECL is holding 58.06% stake in equity share capital of EESL (36.36% directly and 21.70% through its subsidiary RECL) and it has been classified as subsidiary for the purpose of Companies Act 2013.

In line with the JV agreement of EESL, all the joint venture partners have identical rights and privileges including without limitation, dividend, voting rights etc., thereby providing substantive participative rights through their right to affirmative vote on certain reserved matters. Hence, all the JV partners have joint control over EESL.

In view of above, EESL has been consolidated as per equity method. However, the matter has been referred to Expert Advisory Committee of The Institute of Chartered Accountants of India for their opinion on the treatment of consolidation either line by line or by equity method.

b) Ultra-Mega Power Projects (UMPPs), RECL's transmission projects (SPV) and PFCCL's ITPs are managed as per the mandate from Government of India (GoI) and the Group does not have the practical ability to direct their relevant activities unilaterally. The Group therefore, considers its investment in respective UMPPs, ITPs and SPVs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

(viii) Defined benefit obligation (DBO)

The Group's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(ix) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Management reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

6 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Balances with Banks (of the nature of cash and cash equivalents)			
	- In Current Accounts	369.41	211.31	917.78
	- In Term Deposit Accounts	355.61	613.72	2,467.21
(ii)	Cash, Cheques, Drafts on hand including postage & Imprest	0.01	0.01	–
(iii)	Investment in Debt Mutual Funds	–	–	1,160.00
	Total	**725.03**	**825.04**	**4,544.99**

6.1There are no repatriation restrictions with respect to Cash and Cash equivalents as at the end of the reporting periods presented above.

7 Bank Balance other than included in Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Earmarked Balances and Term Deposits with Banks			
	- Term Deposits (Refer Note 7.1)	13,833.64	–	3,071.88
	- Unpaid Dividend	7.31	6.12	450.22
	- Unpaid - Bonds / Interest on Bonds etc.	9.73	8.41	10.93
	- Amount received under IPDS / R-APDRP scheme	–	4.45	–
	- Grants	990.46	470.49	29.70
(ii)	Deposit in compliance of Court	2.47	2.31	1.98
(iii)	Balance with Bank not available for use pending allotment of securities	722.04	1,469.23	–
(iv)	Term Deposits with Banks- More than 3 months but less than 12 months	26.80	61.94	80.79
(v)	Other Term Deposits	13.96	1.32	38.55
	Total	**15,606.41**	**2,024.27**	**3,684.05**

7.1The Company has taken Loan against these Term Deposits shown under Note 21.

8 Derivative Financial Instruments

The Company and its Subsidiary REC Ltd., enters into derivatives for Currency and Interest Rate risk. Derivatives include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Derivative transactions include forwards, interest rate swaps, cross currency swaps, currency, cross currency options etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. However Group's Subsidiary REC Ltd. has elected not to apply hedge accounting.

Refer Note 40.2.3 for Risk Management Disclosures in respect of derivatives

Part - I

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives:**									
	- Spot and Forwards	15,808.90	295.95	345.72	7,448.60	2.42	225.85	2,107.63	–	68.41
	- Currency Swaps	5,701.69	419.05	0.41	6,584.19	173.50	71.50	13,100.71	202.64	163.19
	- Options	20,912.19	1,301.36	18.57	11,152.01	324.35	161.17	6,029.99	168.11	126.05
	Total Currency Derivatives:	**42,422.78**	**2,016.36**	**364.70**	**25,184.80**	**500.27**	**458.52**	**21,238.33**	**370.75**	**357.65**
(ii)	**Interest Rate Derivatives**									
	- Forward Rate Agreements and Interest Rate Swaps	39,864.98	354.20	300.29	41,287.68	419.20	99.91	29,902.95	557.19	65.22
	Total Interest Rate Derivatives	**39,864.98**	**354.20**	**300.29**	**41,287.68**	**419.20**	**99.91**	**29,902.95**	**557.19**	**65.22**
	Total Derivative Financial Instruments	**82,287.76**	**2,370.56**	**664.99**	**66,472.48**	**919.47**	**558.43**	**51,141.28**	**927.94**	**422.87**

Part - II

A	Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:									
(i)	Cash Flow Hedging :									
	- Currency Derivatives	1,728.88	–	100.03	–	–	–	–	–	–
	- Interest Rate Derivatives	1,728.88	–	64.84	–	–	–	–	–	–
	Total Hedged Derivative Financial Instruments	**3,457.76**	**–**	**164.87**	–	–	–	–	–	–
(B)	Undesignated Derivatives	78,830.00	2,370.56	500.12	66,472.48	919.47	558.43	51,141.28	927.94	422.87
	Total Derivative Financial Instruments	**82,287.76**	**2,370.56**	**664.99**	**66,472.48**	**919.47**	**558.43**	**51,141.28**	**927.94**	**422.87**

8.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

Sr. No.	Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Notional principal of swap agreements	39,864.98	41,287.68	29,902.95
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	354.20	419.20	557.19
(iii)	Collateral required by NBFC upon entering into swaps	–	–	–
(iv)	Concentration of credit risk arising from swaps	–	–	–
(v)	Fair value of swap book (obtained from counterparty banks)	53.90	319.29	491.97

The Group has entered into swap agreements with Category-I Authorized Dealer Banks only, in accordance with the RBI guidelines.

8.2 The Group does not hold any exchange traded derivatives as at 31.03.2019 (as at 31.03.2018 Nil, as at 01.04.2017 Nil).

8.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)						
	For hedging[1]	42,422.78	39,864.98	25,184.80	41,287.68	21,238.33	29,902.95
(ii)	Marked to Market Positions (MTM)						
	a) Asset (+MTM)	2,016.36	354.20	500.27	419.20	370.75	557.19
	b) Liability (-MTM)	364.70	300.29	458.52	99.91	357.65	65.22
(iii)	Credit Exposure	24,366.46	21,436.70	15,455.07	27,506.20	19,130.70	23,089.85
(iv)	Unhedged Exposures[2]	22,017.13	5,907.41	20,584.62	7,391.86	9,266.33	6,296.24

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore as at 31.03.2019 (As at 31.03.2018 ₹ 5,634.60 crore & as at 01.04.2017 ₹ 6,164.60 crore)

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 587.82 crore as at 31.03.2019 (As at 31.03.2018 covering USD / INR ₹ 293.29 crore & as at 01.04.2017 covering USD / JPY ₹ 291.83 crore).

8.4 Refer Note 40.2 for Currency and Interest Rate Risk Management.

9. Trade Receivables

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	**Trade Receivables**			
	- considered good - Unsecured (Gross)	182.96	157.94	146.85
	Less: Impairment loss allowance	(12.51)	(12.19)	(12.67)
	- which have Significant Increase in Credit Risk (Gross)	3.37	0.04	3.07
	Less: Impairment loss allowance	(1.69)	(0.02)	(1.54)
	- Credit Impaired (Gross)	28.16	29.23	28.21
	Less: Impairment loss allowance on Credit Impaired	(28.16)	(29.23)	(28.21)
	Total Trade Receivables	**172.13**	**145.77**	**135.71**

10. Loans

The Company and its Subsidiary REC Ltd., have categorised all loans at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A)	**Loans to Borrowers**			
	- Rupee Term Loans (RTLs)	578,485.27	499,347.33	435,811.34
	- Foreign Currency Loans	240.99	240.99	260.13
	- Buyer's Line of Credit	1,759.67	1,627.97	1,586.96
	- Working Capital Loans	14,770.27	16,680.48	9,346.47
	- Leasing (Refer Note No. 10.2)	223.77	223.77	223.77
	- Receivable for invoked Default Payment Gaurantee	396.64	345.47	290.58
	- Interest accrued but not due on Loans	4,971.81	4,362.37	4,532.43
	- Interest accrued & due on Loans	627.13	544.59	949.84
	- Unamortised Fee on Loans	(135.30)	(156.25)	(180.54)
	Gross Loans to Borrowers	**601,340.25**	**523,216.72**	**452,820.98**
	Less: Impairment loss allowance	(27,678.97)	(28,327.09)	(23,797.71)
	Net Loans to Borrowers	**573,661.28**	**494,889.63**	**429,023.27**
(B)	**Security-wise classification**			
(i)	Secured by Tangible Assets	408,335.85	389,842.33	346,694.93
(ii)	Secured by Intangible Assets	-	-	-
(iii)	Covered by Bank/Government Guarantees	112,226.15	51,340.44	46,312.34
(iv)	Unsecured	80,778.25	82,033.95	59,813.71
	Gross Security-wise classification	**601,340.25**	**523,216.72**	**452,820.98**
	Less: Impairment loss allowance	(27,678.97)	(28,327.09)	(23,797.71)
	Net Security-wise classification	**573,661.28**	**494,889.63**	**429,023.27**
(C) I	**Loans in India**			
(i)	Public Sector	513,929.13	438,598.41	376,492.75
(ii)	Private Sector	87,411.12	84,618.31	76,328.23
	Gross Loans in India	**601,340.25**	**523,216.72**	**452,820.98**
	Less: Impairment loss allowance	(27,678.97)	(28,327.09)	(23,797.71)
	Net Loans in India	**573,661.28**	**494,889.63**	**429,023.27**
(C) II	**Loans Outside India**	-	-	-
	Less: Impairment loss allowance	-	-	-
	Net Loans Outside India	-	-	-
	Net Loans in India and Outside India	**573,661.28**	**494,889.63**	**429,023.27**

10.1 **Balance Confirmation from Borrowers**

In respect of PFC

During the year, the Company has sent letters to borrowers, except where loans have been recalled or pending before court/NCLT, seeking confirmation of balances as at 31.12.2018 to the borrowers. Confirmations for 96.16% of the said balances have been received. Out of the remaining loan assets amounting to ₹10,734.19 crore for which balance confirmations have not been received, 38.91% loans are secured by tangible securities, 56.48% by way of Government Guarantee/ Loans to Government and 4.61% are unsecured loans.

In respect of the subsidiary company, RECL

Loan balance confirmations for 88.56% of total loan assets as at 31.03.2019 have been received from the borrowers. Out of the remaining 11.44% loan assets amounting to ₹ 32,163 crore for which balance confirmations have not been received, 72% loans are secured by way of hypothecation of assets, 25% by way of Government Guarantee/ Loans to Government and 3% are unsecured loans.

10.2 **Details related to Lease Assets in respect of the Company:**

(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)

Description[a]	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total of future minimum lease payments recoverable (Gross Investments)	305.75[b]	331.89	365.23
Present value of lease payments recoverable	223.77	223.77	223.77
Total Unearned finance income	**81.98**	**108.12**	**141.46**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-			
Not later than one year	25.70	26.14	33.78
Later than one year and not later than 5 years	128.51	128.51	128.51
Later than five years	151.54	177.24	202.94
Total gross investment	**305.75**	**331.89**	**365.23**
Break up of present value of lease payments recoverable:-			
Not later than one year	10.26	9.43	8.63
Later than one year and not later than 5 years	67.52	61.77	56.57
Later than five years	145.99	152.57	158.57
Total present value of lease payments recoverable	**223.77**	**223.77**	**223.77**

[a] Finance lease for financing wind turbine generators.

[b] Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

10.3 **Disclosures related to Securitization**

(i) The Group has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2019 (As at 31.03.2018 and 01.04.2017 Nil).

(ii) The Group has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2019 (Previous year Nil).

(iii) The Group has not undertaken any assignment transaction during the year ended 31.03.2019 (Previous year Nil).

(iv) The Group has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2019 (Previous year Nil).

10.4 In case of the subsidiary RECL, one of the borrowers, M/s RKM Powergen Pvt Ltd. has obtained an ad-interim order from Hon'ble High Court of Madras on 18.09.2015 not to classify the account as Non-Performing Asset. Accordingly, the loan outstanding of the borrower has not been classified as Stage III Asset, even though the over dues are more than 3 months old and the asset is credit impaired.

However, RECL has created an adequate provision of ₹ 942.67 crore (As at 31.03.2018 - ₹ 942.67 crore, as at 01.04.2017 - ₹ 942.67 crore) @ 40.95% of Loan outstanding of ₹ 2,302 crore (As at 31.03.2018 - ₹ 2,302 crore, as at 01.04.2017 - ₹ 2,302 crore) in the books of accounts as per Expected Credit Loss (ECL) as on 31.03.2019 after considering the financial and operational parameters of the project.

10.5 Refer Note 40.2.1 for Credit risk Management.

11 Investments

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019							
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through Profit or Loss	At Fair Value: Subtotal	Others*	Total
(A)	**Investments**								
	Government Securities								
	- Govt. of MP Power Bonds - II	1	471,600,000	47.16	–	–	–	–	**47.16**
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 40.4)	8,000	1,000,000	–	–	809.84	809.84	–	**809.84**
	- Bonds from State Power Corporations	–	–	–	–	–	–	–	**–**
	- 11.15 % perpetual bonds of Indian Bank	5,000	1,000,000	–	–	500.31	500.31	–	**500.31**
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	1,000,000	–	–	556.25	556.25	–	**556.25**
	- 11.15 % perpetual bonds of Syndicate Bank	5,000	1,000,000	–	–	500.31	500.31	–	**500.31**
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	86,800	1,000	8.81	–	–	–	–	**8.81**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	46,000	1,000	4.60	–	–	–	–	**4.60**
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	36,800	1,000	3.68	–	–	–	–	**3.68**
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	61,300	1,000	6.22	–	–	–	–	**6.22**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	22,300	1,000	2.31	–	–	–	–	**2.31**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	14,000	1,000	1.40	–	–	–	–	**1.40**
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation(HUDCO)	50,000	1,000	5.09	–	–	–	–	**5.09**
(ii)	**Equity instruments :**								
	Joint Venture								
	- Energy Efficiency Services Limited (Refer Note 11.4)	392,000,000	10	–	–	–	–	480.65	**480.65**
	Associates								
	- Ultramega Power Projects / Independent Transmission Projects (Refer Note 11.1)	750,000	10	–	–	–	–	0.74	**0.74**
	Others								
	- PTC India Limited.	12,000,000	10	–	88.14	–	88.14	–	**88.14**
	- Coal India Limited	13,964,530	10	–	331.24	–	331.24	–	**331.24**
	- NHPC Limited (Refer Note 40.4)	419,775,446	10	–	1,036.85	–	1,036.85	–	**1,036.85**
	- GMR Chattisgarh Energy Private Limited (Refer Note 40.4)	275,000,000	10	–	–	–	–	–	**–**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 40.4)	131,846,779	10	–	–	–	–	–	**–**
	- Housing and Urban Development Corporation. Ltd.	347,429	10	–	1.56	–	1.56	–	**1.56**
	- Indian Energy Exchange Ltd.	1,250,000	10	–	206.25	–	206.25	–	**206.25**
(iii)	**Others**								
	- Units of " Small is Beautiful " Fund (Refer Note 40.4)	12,304,400	10	–	12.36	–	12.36	–	**12.36**
	Total Investments			**79.27**	**1,676.40**	**2,366.71**	**4,043.11**	**481.39**	**4,603.77**
(B)	Geography wise investment								
(i)	Investments Outside India			–	–	–	–	–	**–**
(ii)	Investments in India			79.27	1,676.40	2,366.71	4,043.11	481.39	**4,603.77**
	Total Geography wise investment			**79.27**	**1,676.40**	**2,366.71**	**4,043.11**	**481.39**	**4,603.77**
(C)	Less: Impairment loss allowance								
	Net Geography wise investment			**79.27**	**1,676.40**	**2,366.71**	**4,043.11**	**481.39**	**4,603.77**

*Carrying value arrived at by using equity method as per Ind-AS 28.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2018							
					At Fair Value				
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	Through Other Comprehensive Income	Through Profit or Loss	Subtotal	Others*	Total
(A)	**Investments**								
	Government Securities								
	- Govt. of MP Power Bonds - II	3	471,600,000	141.48	–	–	–	–	**141.48**
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 40.4)	8,000	1,000,000	–	–	809.84	809.84	–	**809.84**
	- Bonds from State Power Corporations	61,545	100,000	643.04	–	–	–	–	**643.04**
	- 11.15 % perpetual bonds of Indian Bank	5,000	1,000,000	–	–	500.31	500.31	–	**500.31**
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	1,000,000	–	–	500.00	500.00	–	**500.00**
	- 11.15 % perpetual bonds of Syndicate Bank	5,000	1,000,000	–	–	500.31	500.31	–	**500.31**
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	86,800	1,000	8.82	–	–	–	–	**8.82**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	46,000	1,000	4.61	–	–	–	–	**4.61**
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	36,800	1,000	3.69	–	–	–	–	**3.69**
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	61,300	1,000	6.22	–	–	–	–	**6.22**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	22,300	1,000	2.23	–	–	–	–	**2.23**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	14,000	1,000	1.45	–	–	–	–	**1.45**
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation(HUDCO)	50,000	1,000	5.09	–	–	–	–	**5.09**
(ii)	**Equity instruments :**								
	Joint Venture								
	- Energy Efficiency Services Limited (Refer Note 11.4)	293,000,000	10	–	–	–	–	345.26	**345.26**
	Associates								
	- Ultramega Power Projects / Independent Transmission Projects	750,000	10	–	–	–	–	0.71	**0.71**
	Others								
	- PTC India Limited.	12,000,000	10	–	104.88	–	104.88	–	**104.88**
	- Power Grid Corporation of India Limited	389,349	10	–	7.52	–	7.52	–	**7.52**
	- Coal India Limited	13,964,530	10	–	395.62	–	395.62	–	**395.62**
	- NHPC Limited (Refer Note 40.4)	444,553,916	10	–	1,231.41	–	1,231.41	–	**1,231.41**
	- GMR Chattisgarh Energy Limited (Refer Note 40.4)	275,000,000	10	–	–	–	–	–	**–**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 40.4)	131,846,779	10	–	–	–	–	–	**–**
	- Housing and Urban Development Corporation. Ltd	347,429	10	–	2.30	–	2.30	–	**2.30**
	- Indian Energy Exchange Ltd	1,250,000	10	–	200.36	–	200.36	–	**200.36**
(iii)	**Others**								
	- Units of " Small is Beautiful " Fund (Refer Note 40.4)	12,304,400	10	–	12.52	–	12.52	–	**12.52**
	- Corporate Deposit of PNB Housing Finance Limited	–	–	64.84	–	–	–	–	**64.84**
	Total			**881.47**	**1,954.61**	**2,310.46**	**4,265.07**	**345.97**	**5,492.51**
(B)	Geography wise investment								
(i)	Investments Outside India			–	–	–	–	–	**–**
(ii)	Investments in India			881.47	1,954.61	2,310.46	4,265.07	345.97	**5,492.51**
	Total Geography wise investment			**881.47**	**1,954.61**	**2,310.46**	**4,265.07**	**345.97**	**5,492.51**
(C)	Less: Impairment loss allowance								
	Net Geography wise investment			**881.47**	**1,954.61**	**2,310.46**	**4,265.07**	**345.97**	**5,492.51**

*Carrying value arrived at by using equity method as per Ind-AS 28.

(₹ in crore)

Sr. No.	Particulars	As at 01.04.2017							
					At Fair Value				
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	Through Other Comprehensive Income	Through Profit or Loss	Subtotal	Others*	Total
(A)	**Investments**								
	Government Securities								
	- Govt. of MP Power Bonds - II	5	471,600,000	235.80	–	–	–	–	**235.80**
(i)	**Debt securities**								
	- Bonds of Dena Bank (Refer Note 40.4)	10,000	1,000,000	–	–	1,018.30	1,018.30	–	**1,018.30**
	- Bonds of Andhra Bank (Refer Note 40.4)	8,000	1,000,000	–	–	809.60	809.60	–	**809.60**
	- Bonds from State Power Corporations	61,545	100,000	643.04	–	–	–	–	**643.04**
	- 11.15 % perpetual bonds of Indian Bank	5,000	1,000,000	–	–	500.31	500.31	–	**500.31**
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	1,000,000	–	–	500.00	500.00	–	**500.00**
	- 11.15 % perpetual bonds of Syndicate Bank	5,000	1,000,000	–	–	500.31	500.31	–	**500.31**
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	86,800	1,000	8.82	–	–	–	–	**8.82**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	46,000	1,000	4.61	–	–	–	–	**4.61**
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	36,800	1,000	3.69	–	–	–	–	**3.69**
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	61,300	1,000	6.22	–	–	–	–	**6.22**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	22,300	1,000	2.23	–	–	–	–	**2.23**
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	14,000	1,000	1.45	–	–	–	–	**1.45**
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation(HUDCO)	50,000	1,000	5.10	–	–	–	–	**5.10**
(ii)	**Equity instruments :**								
	Joint Venture								
	- Energy Efficiency Services Limited (Refer Note 11.4)	293,000,000	10	–	–	–	–	352.14	**352.14**
	Associates								
	- Ultramega Power Projects / Independent Transmission Projects	750,000	10.00	–	–	–	–	0.78	**0.78**
	Others								
	- PTC India Limited.	12,000,000	10	–	112.08	–	112.08	–	**112.08**
	- Power Grid Corporation of India Limited	389,349	10	–	8.67	–	8.67	–	**8.67**
	- Coal India Limited	13,964,530	10	–	408.67	–	408.67	–	**408.67**
	- NHPC Limited (Refer Note 40.4)	444,553,916	10	–	1,431.47	–	1,431.47	–	**1,431.47**
	- Power Exchange India Limited	–	–	–	–	0.00	–	–	**–**
	- GMR Chattisgarh Energy Private Limited (Refer Note 40.4)	275,000,000	10	–	193.05	0.00	193.05	–	**193.05**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 40.4)	131,846,779	10	–	–	–	–	–	**–**
	- Housing and Urban Development Corporation. Ltd	347,429	10	–	–	–	–	–	**–**
	- Indian Energy Exchange Ltd	1,250,000	10	–	109.25	–	109.25	–	**109.25**
(iii)	**Others**								
	- Units of " Small is Beautiful " Fund (Refer Note 40.4)	12,304,400	10	–	12.60	–	12.60	–	**12.60**
	- Corporate Deposit of LIC Housing Finance Limited	–	–	17.50	–	–	–	–	**17.50**
	- Corporate Deposit of PNB Housing Finance Limited	–	–	17.50	–	–	–	–	**17.50**
	Total			**945.96**	**2,275.79**	**3,328.52**	**5,604.31**	**352.92**	**6,903.19**
(B)	Geography wise investment								
(i)	Investments Outside India			–	–	–	–	–	**–**
(ii)	Investments in India			945.96	2,275.79	3,328.52	5,604.31	352.92	**6,903.19**
	Total Geography wise investment			**945.96**	**2,275.79**	**3,328.52**	**5,604.31**	**352.92**	**6,903.19**
(C)	Less: Impairment loss allowance								
	Net Geography wise investment			**945.96**	**2,275.79**	**3,328.52**	**5,604.31**	**352.92**	**6,903.19**

*Carrying value arrived at by using equity method as per Ind-AS 28.

11.1 Carrying Value of Investment in Associates accounted for using equity method:

(₹ in crore)

Name of investee company	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Coastal Maharashtra Mega Power Ltd.	0.05	0.05	0.05
Orissa Integrated Power Ltd.	–	–	–
Coastal Karnataka Power Ltd.	0.05	0.05	0.05
Coastal Tamil Nadu Power Ltd.	0.07	0.07	0.07
Chhattisgarh Surguja Power Ltd.	0.05	0.05	0.05
Sakhigopal Integrated Power Co. Ltd.	0.05	0.05	0.05
Ghogarpalli Integrated Power Co. Ltd.	0.05	0.05	0.05
Tatiya Andhra Mega Power Ltd.	0.05	0.05	0.05
Deoghar Mega Power Ltd.	0.05	0.05	0.05
Cheyyur Infra Ltd.	0.05	0.05	0.05
Odisha InfraPower Ltd.	0.05	0.05	0.05
Bihar Infrapower Ltd	0.05	0.05	0.05
Deoghar Infra Ltd.	0.05	0.05	0.05
Bihar Megapower Ltd.	0.05	0.05	0.05
Jharkhand Infrapower Ltd.	0.05	0.05	0.05
Bijawar-Vidhrbha Transmission Ltd.	0.01	0.01	0.01
Vapi II-North Lakhimpur Transmission Ltd.	0.01	–	–
Bhuj-II Transmission Ltd.	0.01	–	–
Fatehgarh-II Transco Ltd.	0.01	–	–
Bikaner Khetri Transmission Ltd.	0.01	–	–
Shongtong Karcham-Wangtoo Transmission Ltd.	-	0.01	–
Goa- Tamnar Transmission Ltd.	–	–	0.01
Fatehgarh-Bhadla Transmission Ltd.	–	–	0.01
Tanda Transmission Company Ltd.	–	–	0.05
Shongtong Karcham-Wangtoo Transmission Ltd.	–	–	0.01
Total Carrying Value	**0.74**	**0.71**	**0.78**

Associate companies are companies (UMPPs) incorporated as SPVs under mandate from GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process and Special Purpose Vehicle in respect of Independent Transmission Project(ITPs) incorporated by PFCCL, being the bid process coordinator for transmission schemes.

11.2 The companies in the Group have elected an irrevocable option to designate some of the equity instruments at FVTOCI. The Group's main operation is to provide financial assistance to power sector. Thus, in order to insulate the Statement of Profit and Loss from price fluctuations of these instruments, the Management of the respective companies believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

In respect of PFC,

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares	Fair Value as on date of de-recognition	Cumulative gain on de-recognition
FY 2018-19			
Power Grid Corporation of India Limited	3,89,349	7.67	5.63
NHPC Limited*	1,60,68,811	44.02	8.93
FY 2017-18			
Power Grid Corporation of India Limited	50,000	1.04	0.78

*These equity shares were sold in tranches during the year. The fair value and gain has been computed based on the price as on the respective date of de-recognition and has been presented on aggregate basis.

In respect of the subsidiary, RECL

Details of FVOCI investments derecognised during the year

(₹ in crore)

Details of investment	No. of shares	Fair Value as on date of de-recognition	Cumulative gain/loss on de-recognition
FY 2018-19			
NHPC Limited	87,09,659	24.39	5.42

The shares of NHPC Ltd. were sold under buyback offer of the company, under which the shares were offered to be bought back at a price higher than the prevailing market price and the Company considered it as an opportunity to sell a large lot of equity shares through this mode, instead of selling the shares in open market at lower prices.

Subsequent to the de-recognition of the investments on account of actual sale of the equity shares, the Group has transferred the cumulative gain or loss on such shares within equity during the period.

11.3 Under the Buy Back Offer of Indian Energy Exchange Limited, RECL has sold and consequently derecognised 2,28,789 shares for a consideration of ₹4.23 crore on 10.04.2019. The shares had been offered to be bought back at a price higher than the prevailing market price and RECL considered it as an opportunity to sell a large lot of equity shares through this mode, instead of selling the shares in open market at lower prices.

11.4 Joint Venture of the Company accounted for using equity method:

11.4.1 Summarised financial position of EESL:

(₹ in crore)

Particulars	As at* 31.03.2019	As at 31.03.2018	As at 01.04.2017
Financial assets			
Cash and cash equivalents	424.96	558.78	264.67
Bank balances other than above	335.76	68.58	57.67
Other financial assets	1,998.71	1,470.97	985.02
Sub-Total	**2,759.43**	**2,098.33**	**1,307.36**
Non-Financial assets	4,104.94	3,370.81	1,269.11
Total assets	**6,864.37**	**5,469.14**	**2,576.47**
Financial Liabilities	5,686.62	4,686.89	1,859.04
Non-Financial Liabilities	348.67	92.18	162.18
Total liabilities	**6,035.29**	**4,779.07**	**2,021.22**
Net assets	**829.08**	**690.07**	**555.25**

* Based on unaudited standalone financial position of the joint venture

11.4.2 Summarised financial performance of EESL: (₹ in crore)

Particulars	FY 2018-19*	FY 2017-18
A. Income		
Revenue from operations	1,829.27	1,427.82
Other income	93.82	55.22
Total (A)	**1,923.09**	**1,483.04**
B. Expenses		
Finance costs	187.84	135.24
Depreciation, amortization and impairment	331.49	133.61
Purchase of stock-in-trade	939.48	1,065.38
Employee Benefit	25.41	(145.29)
Other expenses	296.03	230.15
Total (B)	**1,780.25**	**1,419.09**
C. Share of net profits/(losses) of joint ventures accounted for using equity method	**–**	**(1.68)**
D. Profit before tax (A-B+C)	**142.84**	**62.27**
E. Tax Expense	59.01	28.35
F. Profit for the period (C-D)	**83.83**	**33.92**
G. Other comprehensive income/ (Loss)	(0.22)	4.51
H. Total comprehensive income (F+G)	**83.61**	**38.43**
Dividends received from EESL	4.01	12.92

* Based on unaudited standalone financial performance of the joint venture

11.4.3 Movement in net assets of EESL: (₹ in crore)

Particulars	FY 2018-19*	FY 2017-18
Opening net assets	**690.07**	**555.25**
Share application money – adjusted	(99.00)	-
Increase in Share capital	213.20	-
Profit for the year	83.83	33.92
Other comprehensive income(net of taxes)*	(0.22)	4.51
Add: Share application pending allotment	0.00	99.00
Less: Transaction cost arising on issue of equity shares, net of tax	-	(0.25)
Less: Dividend distributed	(11.03)	(40.75)
Less: Dividend distribution tax	(2.27)	(8.29)
Add: Non-Controlling interest	0.00	46.68
Closing net assets	**874.58**	**690.07**

*Movement for the FY 2018-19 has been made considering the unaudited standalone financial statements.

11.4.4 Reconciliation to carrying amount of EESL: (₹ in crore)

Particulars	As at 31.03.2019*	As at 31.03.2018	As at 01.04.2017
Group share%	**58.06%**	**63.42%**	**63.42%**
Group's share in Net worth	507.78	437.64	352.14
Less: Reductions on account of Share application money pending allotment	–	(62.79)	–
Non-Controlling interest in the consolidated financial statements of EESL	(27.10)	(29.60)	–
Carrying amount of investment in financial statements	**480.68**	**345.26**	**352.14**

* Based on unaudited standalone financial performance of the joint venture

11.4.5 Contingent liabilities of EESL: (₹ in crore)

Particulars	As at 31.03.2018*	As at 31.03.2017
Claims against the Company not acknowledged as debts	59.49	71.83
Taxation Demands		
Others		
- Letters of Credit	54.07	48.00
- Bank Guarantees	166.35	0.19
Total Contingent Liabilities	**279.91**	**120.02**
Share of joint venture's contingent liabilities incurred jointly with other investors	**177.52**	**76.12**

*Note: Details of Contingent Liability of EESL as on 31.03.2019 not available and hence not presented in the table above

11.5 **In case of the subsidiary RECL,**

Under the Right Issue Offer of Energy Efficiency Services Limited (EESL), the Company has applied for 7,16,00,000 shares of Energy Efficiency Services Limited (EESL) for a consideration of ₹ 71.60 crore on 08.04.2019. The final allotment of shares is pending as on date and subsequent to this, the shareholding of the Company may increase in EESL.

12. Other Financial Assets

The Group has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Amount Recoverable on account of Bonds fully serviced by GOI	23,169.32	9,049.44	5,038.21
(ii)	Advances - to Associates*	196.22	169.95	115.04
(iii)	Advance to Employees	1.09	0.89	0.76
(iv)	Loans to Employees	78.87	68.95	77.84
(v)	Others - Financial Assets	356.42	390.87	257.88
	Impairment - Others Financial Assets	(40.45)	(17.53)	(23.10)
	Total Other Financial Assets	**23,761.47**	**9,662.57**	**5,466.63**

*Recoverable in cash.

12.1 Movement of Impairment on other Financial Assets

(₹ in crore)

Sr. No.	Particulars	FY 2018-19	FY 2017-18
(i)	Opening balance	17.53	23.10
(ii)	Movement during the year	22.92	(5.57)
(iii)	Closing balance	40.45	17.53

13. Inventories

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Work-in-progress	–	–	0.04
(ii)	Inventories	–	–	–
	Total Inventories	**–**	**–**	**0.04**

14. Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Advance income tax and TDS (Net of Income Tax provisions)	730.64	404.18	235.35
(ii)	Tax Deposited on income tax demands under contest	195.26	138.13	162.08
	Total Current Tax Assets (Net)	**925.90**	**542.31**	**397.43**
(i)	Provision for income tax net of Advance Tax	–	0.51	12.59
(ii)	Provision for income tax for demand under contest	130.70	129.97	118.39
	Total Current Tax Liabilities (Net)	**130.70**	**130.48**	**130.98**

15. Investment Property

(₹ in crore)

Particulars	Amount
Opening Balance as at 01.04.2017	0.01
Addition / Deletion During the Year	–
Balance as at 31.03.2018	0.01
Addition / Deletion During the Year	–
Balance as at 31.03.2019	**0.01**

15.1 The Group's Subsidiary REC Ltd. is holding the above investment property for capital appreciation purposes and does not earn any rental income on it.

15.2 Fair value of investment property:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Carrying Value	0.01	0.01	0.01
Fair value	0.61	0.51	0.41

The Group's Subsidiary REC Ltd. obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, information from variety of sources is considered which includes:

- current prices in an active market of similar properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

- current circle rates in the jurisdiction where the investment property is located.

In case of Group's Subsidiary REC Ltd., fair values of investment property has been determined by an independent valuer and the main inputs used are circle rates and current prices of similar properties. All resulting fair value estimates for investment property are included in Level 3.

16. Property, Plant and Equipment

(₹ in crore)

Net Carrying Amount (A-B)	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Freehold Land	113.77	86.30	86.30
Land (Leasehold)	1.28	1.30	1.34
Buildings	36.28	37.43	38.46
EDP Equipment	10.77	8.49	7.45
Office Equipment	13.40	12.22	10.47
Furniture and Fixtures	8.41	6.21	3.71
Vehicles	0.11	0.18	0.21
Leasehold Improvements	2.43	3.11	3.63
Total Property, Plant and Equipment	**186.45**	**155.24**	**151.57**
CWIP	196.94	127.23	61.41
Intangible assets under development	1.59	1.46	1.46
Intangible assets	9.18	6.19	1.38

(₹ in crore)

Cost (A)	Property, Plant and Equipment								Capital Work-in-Progress	Intangible assets under Development	Intangible assets
	Land (Freehold)	Land (Leasehold)	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property	Computer Software	Computer Software
Opening Balance as at 01.04.2017	**86.30**	**1.59**	**56.50**	**33.74**	**32.57**	**16.25**	**0.63**	**3.75**	**231.33**	**61.41**	**1.46**	**16.39**
Additions / Adjustments	-	-	0.16	6.72	6.75	3.76	-	0.27	17.66	59.50	-	5.86
Borrowing Cost Capitalised												
Deductions / Adjustments	-	-	-	3.68	4.55	0.28	0.03	-	8.54	(6.32)	-	-
Closing Balance as at 31.03.2018	**86.30**	**1.59**	**56.66**	**36.78**	**34.77**	**19.73**	**0.60**	**4.02**	**240.45**	**127.23**	**1.46**	**22.25**
Additions / Adjustments	27.47	-	-	7.39	7.16	3.92	-	0.12	46.06	54.57	0.13	4.88
Borrowing Cost Capitalised												
Deductions / Adjustments	-	-	-	3.98	3.67	0.36	0.11	-	8.12	(15.14)	-	(0.04)
Closing Balance as at 31.03.2019	**113.77**	**1.59**	**56.66**	**40.19**	**38.26**	**23.29**	**0.49**	**4.14**	**278.39**	**196.94**	**1.59**	**27.17**

(₹ in crore)

Accumulated Depreciation (B)	Property, Plant and Equipment								Capital Work-in-Progress	Intangible assets under Development	Intangible assets
	Land (Freehold)	Land (Leasehold)	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property	Computer Software	Computer Software
Opening Balance as at 01.04.2017	-	0.25	18.04	26.29	22.10	12.54	0.42	0.12	79.76	-	-	15.01
Depreciation for the year	-	0.04	1.18	5.84	4.61	1.15	0.04	0.87	13.73	-	-	0.95
Reversal on Assets Sold/Written off from books	-	-	(0.01)	3.84	4.16	0.17	0.04	0.08	8.28	-	-	(0.10)
Closing Balance as at 31.03.2018	**-**	**0.29**	**19.23**	**28.29**	**22.55**	**13.52**	**0.42**	**0.91**	**85.21**	**-**	**-**	**16.06**
Depreciation for the year	-	0.02	1.15	4.88	5.22	1.55	0.04	0.80	13.66	-	-	1.83
Reversal on Assets Sold/Written off from books	-	-	-	3.75	2.91	0.19	0.08	-	6.93	-	-	(0.10)
Closing Balance as at 31.03.2019	**-**	**0.31**	**20.38**	**29.42**	**24.86**	**14.88**	**0.38**	**1.71**	**91.94**	**-**	**-**	**17.99**

16.1 Details of useful life of Property Plant and Equipment and Intangible Assets are as under:

Category	Useful Life in Years	Residual value as a % of original Cost
Building	60	5%
EDP Equipment :		
- Servers and networks	6	5%
-End user devices i.e. desktops, laptops etc.	3	5%
Office Equipment	5	5%
Cell Phone	2	5%
Furniture and Fixture	10	5%
Vehicles	8	5%
Intangible Assets	5	–

16.2 Property Plant and Equipment includes EDP (Net Block- ₹ 0.007 crore); Office Equipment (Net Block- ₹ 0.0006 crore); Furniture & Fixtures (Net Block - ₹ 0.0019 crore) of erstwhile subsidiary PFCGEL merged with the Company w.e.f 01.04.2017.

16.3 Property Plant and Equipment includes Freehold Land (Net Block- ₹ 82.92 crore), Leasehold Land (Net Block - ₹ 1.34 crore), Buildings (Net Block - ₹ 23.96 crore), EDP (Net Block - ₹ 4.68 crore) ; Office Equipment (Net Block - ₹ 6.93 crore) ; Furniture & Fixtures (Net Block- ₹ 2.13 crore), Vehicles (Gross Block - ₹ 0.15 crore), Leasehold Improvements (Net Block - ₹ 2.12 crore) of subsidiary REC Ltd being consolidated under pooling of interest method w.e.f 01.04.2017.

16.4 The Company has estimated useful lives of the property, plant and equipment (PPE) in line with the life prescribed in Schedule II of Companies Act, 2013, except for cell phones where useful life has been estimated as 2 years by the Company. The Company reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.

Depreciation is recognised so as to write off the cost of property, plant and equipment less their residual values as per written down value method, over the estimated useful lives. The residual value is estimated as 5% of the original cost for items of property, plant and equipment.

In case of intangible assets, the life has been estimated as 5 years by the Company. The intangible assets are amortised using straight-line method over their useful life and their residual value has been estimated as nil. The Company reviews the estimated useful life, residual values and depreciation method of Intangible assets at the end of each financial year and changes in estimates, if any are accounted prospectively.

16.5 In the opinion of management of the Company and its Subsidiary REC Ltd., there is no impairment of the assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

16.6 While the Group's subsidiary REC Ltd., has not made any specific borrowings for construction of a qualifying asset, it has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings in terms of Ind AS 23 'Borrowing Costs'.

16.7 The Details of pledged as security are as under:

In case of the Company details of assets pledged as security refer note 20.8,20.9.

In case of Group's Subsidiary REC Ltd. details assets pledged as security are as under:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Gross Carrying Value	3.45	3.45	3.45
Net Carrying Value	2.46	2.50	2.55

16.8 In case of Group's Subsidiary REC Ltd., As on 31st March 2019, the formalities regarding registration of conveyance deed in respect of certain immovable properties acquired by the Company are yet to be executed. The details are as below:

(₹ in crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Land	Building	Land	Building	Land	Building
Gross Carrying Value	68.31	4.59	45.92	4.59	45.92	4.59
Net Carrying Value	68.31	2.2	45.92	2.26	45.92	2.32

16.9 Lease hold land was accounted as a part of fixed assets under previous GAAP. The same has been classified as operating lease under Ind-AS. For details Refer Note 53.3 (c).

17. Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Prepaid Expenses (Refer Note 39.1)	36.95	29.90	30.75
(ii)	Deferred Employee Costs	54.30	46.35	48.15
(iii)	Capital Advances	79.09	89.33	83.60
(iv)	Other assets	223.16	172.97	924.64
	Total Other Non-Financial Assets	**393.50**	**338.55**	**1,087.14**

18. Assets Classified as held for sale*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A)	**Assets classified as held for sale**			
(i)	Investment (Refer Note 18.1)	0.50	0.10	0.20
(ii)	Loans to associates (Refer Note 18.2)	9.06	7.58	2.88
	Total (A)	**9.56**	**7.68**	**3.08**
(B)	**Liabilities directly associated with assests classified as held for sale**			
(i)	Payable to associates (refer note 18.3)	0.08	–	–
	Total (B)	**0.08**	**–**	**–**
	Disposal Group - Net assets (A-B)	**9.48**	**7.68**	**3.08**

* Pertains to Group's Subsidiary REC Ltd.

18.1 In case of Group's Subsidiary REC Ltd. Investments in associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	Investments in Equity Instruments of associates (fully paid up) *equity shares of ₹ 10/- each*			
(i)	Dinchang Transmission Limited *	–	0.05	0.05
(ii)	Ghatampur Transmission Limited	–	0.05	0.05
(iii)	ERSS XXI Transmission Limited	–	–	0.05
(iv)	WR-NR Power Transmission Limited	–	–	0.05
(v)	Ajmer Phagi Transco Limited	0.05	–	–
(vi)	Bhindguna Transmission Limited	0.05	–	–
(vii)	Chandil Transmission Ltd	0.05	–	–
(viii)	Dumka Transmission Ltd.	0.05	–	–
(ix)	Jam Khambaliya Transco Limited	0.05	–	–
(x)	Khetri Transco Limited	0.05	–	–
(xi)	Koderma Transmission Ltd	0.05	–	–
(xii)	Lakadia Banaskantha Transco Limited	0.05	–	–
(xiii)	Mandar Transmission Ltd.	0.05	–	–
(xiv)	Udupi Kasargode Trans. Ltd.	0.05	–	–
	Total	**0.50**	**0.10**	**0.20**

* Dinchang Transmission Ltd was denotified vide MoP letter dated 25 March 2019 and subsquently investment was written off .

18.2 Loans to Associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Dinchang Transmission Limited*	–	1.06	0.82
(ii)	Ghatampur Transmission Limited**	–	3.12	1.24
(iii)	ERSS XXI Transmission Limited	–	–	0.42
(iv)	WR-NR Power Transmission Limited	–	–	0.40
(v)	Chandil Transmission Limited	1.99	0.85	–
(vi)	Dumka Transmission Limited	1.94	0.85	–
(vii)	Mandar Transmission Limited	1.71	0.85	–
(viii)	Koderma Transmission Limited	1.76	0.85	–
(ix)	Ajmer Phagi Transco Ltd	0.18	–	–
(x)	Bhindguna Transmission Limted	0.88	–	–
(xi)	UDUPI Kasargode Transmission Ltd	0.25	–	–
(xii)	WRSS XXI (A) Transco Ltd***	0.35	–	–
	Total	**9.06**	**7.58**	**2.88**

* Expenditure was incurred on the said project since FY 2015-16 and later on the project was put on hold by the Govt. of India in 10.08.2016. During FY 2018-19 the expenses of ₹ 1.07 crores were written off on the basis of the letter dated 25.03.2019 received from Ministry of Power.

**Ghatampur Transmission Limited was transferred to Adani Transmission Limited on 21.06.2018.

*** WRSS XXI(A) transco Ltd was incorporated on 27.03.2019 share capital was not introduce after 31.03.2019 however expenses have been allocated towards the SPV as per the expense allocation policy, since RFQ was issued in March 2019.

18.3 Liabilities directly associated with assests classified as held for sale

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Khetri Transco Limited (advance)	0.04	–	–
(ii)	Lakadia Banaskantha Transco Ltd	0.04	–	–
	Total	**0.08**	**–**	**–**

18.4 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'.

19. Trade Payables

(₹in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	Trade Payables			
(i)	-Total outstanding dues of Micro, Small and Medium Enterprises	2.65	1.83	0.30
(ii)	-Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	72.26	64.87	45.89
	Total Trade Payables	**74.91**	**66.70**	**46.19**

20. Debt Securities

The Company and its Subsidiary REC Ltd., have categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Bonds / Debenture			
	- Infrastructure Bonds (Refer Note 20.1)	370.06	394.80	396.40
	- Tax Free Bonds (Refer Note 20.2)	24,853.08	24,853.08	24,853.08
	- 54 EC Capital Gain Tax Exemption Bonds (Refer Note 20.3)	23,941.98	22,528.04	19,477.40
	- Taxable Bonds (Refer Note 20.4)	298,307.82	303,547.84	284,332.89
	- Foreign Currency Notes (Refer Note 20.5)	21,095.29	10,087.06	1,167.30
	- Commercial Paper (Refer Note 20.6)	17,690.92	10,174.74	–
(ii)	Interest accrued but not due on above	12,648.16	13,202.63	13,053.32
(iii)	Unamortised Transaction Cost on above	(1,277.35)	(377.77)	(185.09)
(iv)	Bond Application Money (Refer Note 20.7)	722.04	1,469.23	–
	Total Debt Securities	**398,352.00**	**385,879.65**	**343,095.30**
	Geography wise Debt Securities			
(i)	Debt Securities in India	377,818.26	375,802.36	341,922.20
(ii)	Debt Securities outside India	20,533.74	10,077.29	1,173.10
	Total Geography wise Debt Securities	**398,352.00**	**385,879.65**	**343,095.30**

20.1 Details of Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
In case of the Company							
1	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	2.75	30.03.2027	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	0.95	30.03.2027	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	3.23	3.23	21.11.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	8.83	8.83	21.11.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	6.13	6.13	31.03.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	22.75	22.75	31.03.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
7	INFRA BONDS PRIVATE PLACEMENT SERIES I	8.43%	7.39	7.39	7.39	30.03.2022	Redeemable at par on a date falling ten years from the date of allotment
8	INFRA BONDS PRIVATE PLACEMENT SERIES II	8.43%	15.47	15.47	15.48	30.03.2022	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
9	Infrastructure Bonds (2011-12) - Series I	8.50%	21.85	21.85	21.85	21.11.2021	Redeemable at par on a date falling ten years from the date of allotment
10	Infrastructure Bonds (2011-12) - Series II	8.50%	36.34	36.34	36.34	21.11.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
11	Infrastructure Bonds (2010-11) - Series I	8.30%	49.96	49.95	49.95	31.03.2021	Redeemable at par on a date falling ten years from the date of allotment
12	Infrastructure Bonds (2010-11) - Series II	8.30%	109.12	109.11	109.11	31.03.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
	Total (A)		**278.63**	**284.32**	**284.76**		
In case of Group's Subsidiary REC Ltd.							
1	Series-II (2011-12) Cumulative	9.15%	2.83	2.83	2.83	15.02.2027	Redeemable on the date falling 15 years from the date of allotment
2	Series-II (2011-12) Annual	9.15%	1.13	1.13	1.13	15.02.2027	
3	Series-II (2011-12) Cumulative	8.95%	5.73	5.72	5.72	15.02.2022	Redeemable on the date falling 10 years from the date of allotment
4	Series-II (2011-12) Annual	8.95%	1.38	1.38	1.38	15.02.2022	
5	Series-I (2010-11)	8.10%	1.61	1.61	1.61	31.03.2021	Redeemable on the date falling 10 years from the date of allotment
6	Series-I (2010-11)	8.20%	3.79	3.79	3.79	31.03.2021	
7	Series-I (2010-11)	8.00%	16.92	17.07	17.40	31.03.2020	Redeemable on the date falling 10 years from the date of allotment with buyback option by bondholders after 5/6/7/8/9 years
8	Series-I (2010-11)	8.20%	58.04	58.50	59.34	31.03.2020	
9	Series-II (2011-12) Cumulative	9.15%	–	13.45	13.44	15.02.2019	Redeemable on the date falling 15 years from the date of allotment with buyback option by bondholders after 7 years
10	Series-II (2011-12) Annual	9.15%	–	5.00	5.00	15.02.2019	
	Total (B)		**91.43**	**110.48**	**111.64**		
	Total (A+B)		**370.06**	**394.80**	**396.40**		

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20.2 Details of Tax Free Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	7.35 TAX FREE BONDS 3 A 2015 16	7.35%	213.57	213.57	213.57	17.10.2035	Redeemable at par on maturity
2	7.60 TAX FREE BONDS 3 B 2015 16	7.60%	155.48	155.48	155.48	17.10.2035	
3	7.27 TAX FREE BONDS 2 A 2015 16	7.27%	131.33	131.33	131.33	17.10.2030	
4	7.52 TAX FREE BONDS2 B 2015 16	7.52%	45.18	45.18	45.18	17.10.2030	
5	TAX FREE BONDS 8.54 BPS SERIES 2A	8.54%	932.70	932.70	932.70	16.11.2028	
6	TAX FREE BONDS 8.79 BPS SERIES 2B	8.79%	353.32	353.32	353.32	16.11.2028	
7	8. 46 TAX FREE BOND SERIES 107 B	8.46%	1,011.10	1,011.10	1,011.10	30.08.2028	
8	7.04% TR-2 TAX FREE BONDS 12-13	7.04%	8.89	7.78	6.06	28.03.2028	
9	7.54% TR 2 TAX FREE BONDS 12-13	7.54%	60.32	61.43	63.15	28.03.2028	
10	7.36% 15 YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2	7.36%	159.81	155.22	150.14	04.01.2028	
11	7.86% 15YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2	7.86%	197.19	201.77	206.86	04.01.2028	
12	TAX FREE BONDS SERIES 95 B	7.38%	100.00	100.00	100.00	29.11.2027	
13	TAX FEE BOND SERIES 94 B	7.38%	25.00	25.00	25.00	22.11.2027	
14	8.30% PUBLIC ISSUE OF TAX FREE BONDS FY 11-12	8.30%	2,752.55	1,280.58	1,280.58	01.02.2027	
15	8.16% TAX FREE BOND SERIES 80-B	8.16%	209.34	209.34	209.34	25.11.2026	
16	7.75% TAX FREE BOND SERIES 79-B	7.75%	217.99	217.99	217.99	15.10.2026	
17	7.11 TAX FREE BONDS 1 A 2015 16	7.11%	75.10	75.09	75.09	17.10.2025	
18	7.36 TAXFREE BONDS 1B 2015-16	7.36%	79.35	79.35	79.35	17.10.2025	
19	7.16 TF SEC BND SRS 136	7.16%	300.00	300.00	300.00	17.07.2025	
20	TAX FREE BONDS 8.18 BPS SERIES 1A	8.18%	325.07	325.07	325.07	16.11.2023	
21	TAX FREE BONDS 8 43 BPS SERIES IB	8.43%	335.47	335.47	335.47	16.11.2023	
22	TAX FREE BONDS 8 67 BPS SERIES 3A	8.67%	1,067.38	1,067.38	1,067.38	16.11.2023	
23	TAX FREE BONDS 8 92 BPS SERIES 3B	8.92%	861.96	861.96	861.96	16.11.2023	
24	8.01 TAX FREE BOND SERIES 107 A	8.01%	113.00	113.00	113.00	30.08.2023	
25	6.88% TR-2 TAX FREE BONDS 12-13	6.88%	52.38	50.93	50.14	28.03.2023	
26	7.38% tr-2 tax free bonds 12-13	7.38%	43.78	45.23	46.01	28.03.2023	
27	7.19% 10 YEARS TAX FREE BONDS 12-13 TR -I SERIES 1	7.19%	193.40	189.57	185.90	04.01.2023	
28	7.69% 10 YEARS TAX FREE BONDS 2012-13 TR-I SERIES-1	7.69%	149.35	153.18	156.85	04.01.2023	
29	TAX FREE BONDS SERIES 95 A	7.22%	30.00	30.00	30.00	29.11.2022	
30	TAX FREE BOND SERIES 94 A	7.21%	255.00	255.00	255.00	22.11.2022	
31	8.20% PUBLIC ISSUE OF TAX FREE BONDS FY 11-12	8.20%	1,280.56	2,752.55	2,752.55	01.02.2022	
32	8.09% TAX FREE BOND SERIES 80-A	8.09%	334.31	334.31	334.31	25.11.2021	
33	7.51% TAX FREE BONDS SERIES 79-A	7.51%	205.23	205.23	205.23	15.10.2021	
	Total(A)		12,275.11	12,275.11	12,275.11		
In case of Group's Subsidiary REC Ltd.							
1	Series 2015-16 Tranche-1	6.89% to 7.43%	417.73	417.73	417.73	05.11.2035	Redeemable at par on maturity
2	Series 2013-14 Tranche-2	8.19% to 8.88%	109.66	109.66	109.66	24.03.2034	
3	Series 2013-14 Tranche-1	8.01% to 8.71%	55.28	55.28	55.28	26.09.2033	
4	Series 2015-16 Tranche-1	6.89% to 7.43%	172.90	172.90	172.90	05.11.2030	
5	Series 2013-14 Tranche-2	8.19% to 8.88%	528.42	528.42	528.42	23.03.2029	
6	Series 2013-14 Series 4A & 4B	8.18% to 8.54%	45.00	45.00	45.00	11.10.2028	
7	Series 2013-14 Tranche-1	8.01% to 8.71%	2,780.26	2,780.26	2,780.26	25.09.2028	
8	Series 2013-14 Series 3A & 3B	8.01% to 8.46%	1,141.00	1,141.00	1,141.00	29.08.2028	
9	Series 2012-13 Tranche-2	6.88% to 7.54%	49.71	49.71	49.71	27.03.2028	
10	Series 2012-13 Tranche-1	7.22% to 7.88%	817.04	817.04	817.04	20.12.2027	
11	Series 2012-13 Series 2A & 2B	7.21% to 7.38%	245.00	245.00	245.00	22.11.2027	
12	Series 2011-12	7.93% to 8.32%	2,160.33	2,160.33	2,160.33	29.03.2027	
13	Series 2015-16 Tranche-1	6.89% to 7.43%	105.93	105.93	105.93	05.11.2025	
14	Series 2015-16 Series 5A	7.17%	300.00	300.00	300.00	23.07.2025	
15	Series 2013-14 Tranche-2	8.19% to 8.88%	419.32	419.32	419.32	22.03.2024	
16	Series 2013-14 Series 4A & 4B	8.18% to 8.54%	105.00	105.00	105.00	11.10.2023	
17	Series 2013-14 Tranche-1	8.01% to 8.71%	575.06	575.06	575.06	25.09.2023	
18	Series 2013-14 Series 3A & 3B	8.01% to 8.46%	209.00	209.00	209.00	29.08.2023	
19	Series 2012-13 Tranche-2	6.88% to 7.54%	81.35	81.35	81.35	27.03.2023	
20	Series 2012-13 Tranche-1	7.22% to 7.88%	1,165.31	1,165.31	1,165.31	19.12.2022	
21	Series 2012-13 Series 2A & 2B	7.21% to 7.38%	255.00	255.00	255.00	21.11.2022	
22	Series 2011-12	7.93% to 8.32%	839.67	839.67	839.67	28.03.2022	
	Total (B)		12,577.97	12,577.97	12,577.97		
	Total (A+B)		24,853.08	24,853.08	24,853.08		

20.3 Details of 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Redemption details
			31.03.2019	31.03.2018	01.04.2017	
In case of the Company						
1	Series II (FY 2018-19)	5.75%	491.95	-	-	Redeemable at par during FY 23-24
2	Series I (FY 2017-18)	5.25%	292.15	292.15	-	Redeemable at par during FY 20-21
	Total (A)		784.10	292.15	-	
In case of Group's Subsidiary REC Ltd.						
1	Series XII (FY 2018-19)	5.75%	5,929.73	-	-	Redeemable at par during FY 2023-24
2	Series XI (FY 2017-18)	5.25%	9,565.23	8,096.27	-	Redeemable at par during FY 2020-21
3	Series X (FY 2016-17)	5.25% to 6.00%	7,662.92	7,662.92	7,662.92	Redeemable at par during FY 2019-20
4	Series X (FY 2015-16)	6.00%	-	6,476.70	6,476.70	Redeemed at par during FY 2018-19
5	Series IX (FY 2014-15)	6.00%	-	-	5,337.78	Redeemed at par during FY 2017-18
	Total (B)		23,157.88	22,235.89	19,477.40	
	Total (A+B)		23,941.98	22,528.04	19,477.40	

20.4 The details of Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
	In case of the Company						
1	SERIES 180	8.75%	2,654.00	-	-	22.02.2034	Redeemable at par on maturity
2	SERIES 179-B	8.64%	528.40	-	-	19.11.2033	
3	Series 71	9.05%	192.70	192.70	192.70	15.12.2030	
4	Series 66-C	8.85%	633.00	633.00	633.00	15.06.2030	
5	SERIES 118 OPTION B III	9.39%	460.00	460.00	460.00	27.08.2029	
6	SERIES 179-A	8.67%	1,007.40	-	-	19.11.2028	
7	SERIES 178	8.95%	3,000.00	-	-	10.10.2028	
8	SERIES 177	7.85%	3,855.00	-	-	03.04.2028	
9	SERIES 103	8.94%	2,807.00	2,807.00	2,807.00	25.03.2028	
10	SERIES 102 A (III)	8.90%	403.00	403.00	403.00	18.03.2028	
11	SERIES 101 B	9.00%	1,370.00	1,370.00	1,370.00	11.03.2028	
12	SERIES 172	7.74%	850.00	850.00	-	29.01.2028	
13	SERIES 171	7.62%	5,000.00	5,000.00	-	15.12.2027	
14	SERIES 170-B	7.65%	2,001.00	2,001.00	-	22.11.2027	
15	SERIES 169-B	7.30%	1,500.00	1,500.00	-	07.08.2027	
16	SERIES 168-B	7.44%	1,540.00	1,540.00	-	12.06.2027	
17	SERIES 155	7.23%	2,635.00	2,635.00	2,635.00	05.01.2027	
18	SERIES 152	7.55%	4,000.00	4,000.00	4,000.00	25.09.2026	
19	SERIES 151-B	7.56%	210.00	210.00	210.00	14.09.2026	
20	Series - 77-B	9.45%	2,568.00	2,568.00	2,568.00	01.09.2026	
21	SERIES 150-B	7.63%	1,675.00	1,675.00	1,675.00	14.08.2026	
22	Series - 76-B	9.46%	1,105.00	1,105.00	1,105.00	01.08.2026	
23	SERIES 147	8.03%	1,000.00	1,000.00	1,000.00	02.05.2026	
24	Series 71	9.05%	192.70	192.70	192.70	15.12.2025	
25	SERIES 141-B	8.40%	1,000.00	1,000.00	1,000.00	18.09.2025	
26	Series 66-B	8.75%	1,532.00	1,532.00	1,532.00	15.06.2025	
27	Series 65	8.70%	2,675.00	1,337.50	1,337.50	14.05.2025	
28	SERIES 130-C	8.39%	925.00	925.00	925.00	19.04.2025	
29	Series 64	8.95%	492.00	492.00	492.00	30.03.2025	
30	SERIES 131-C	8.41%	5,000.00	5,000.00	5,000.00	27.03.2025	
31	Series 63-III	8.90%	184.00	184.00	184.00	15.03.2025	
32	SERIES 128	8.20%	1,600.00	1,600.00	1,600.00	10.03.2025	
33	Series 62-B	8.80%	1,172.60	1,172.60	1,172.60	15.01.2025	
34	SERIES 126	8.65%	5,000.00	5,000.00	5,000.00	04.01.2025	
35	SERIES 125	8.65%	2,826.00	2,826.00	2,826.00	28.12.2024	
36	Series 61	8.50%	351.00	351.00	351.00	15.12.2024	
37	SERIES 124 C	8.48%	1,000.00	1,000.00	1,000.00	09.12.2024	
38	SERIES 120 OPTION A	8.98%	961.00	961.00	961.00	08.10.2024	
39	SERIES OPTION 120 B	8.98%	950.00	950.00	950.00	08.10.2024	
40	SERIES 118 OPTION B II	9.39%	460.00	460.00	460.00	27.08.2024	
41	SERIES 117 OPTION B	9.37%	855.00	855.00	855.00	19.08.2024	
42	Series 57-C	8.60%	866.50	866.50	866.50	07.08.2024	
43	Series 85 D	9.26%	736.00	736.00	736.00	15.04.2023	
44	SERIES 102 A (II)	8.90%	403.00	403.00	403.00	18.03.2023	
45	SERIES 102 B	8.87%	70.00	70.00	70.00	18.03.2023	Redeemable at par on maturity
46	SERIES 100 B	8.84%	1,310.00	1,310.00	1,310.00	04.03.2023	
47	Zero Coupon unsecured Taxable Bonds 2022-XIX Series	-	560.45	518.45	479.60	30.12.2022	
48	SERIES 176-B	7.99%	1,295.00	1,295.00	-	20.12.2022	
49	SERIES 170-A	7.35%	800.00	800.00	-	22.11.2022	
50	SERIES 92 C	9.29%	640.00	640.00	640.00	21.08.2022	
51	SERIES 181	8.45%	2,155.00	-	-	11.08.2022	
52	SERIES 169-A	7.10%	3,395.00	3,395.00	-	08.08.2022	
53	SERIES 91 B	9.39%	2,695.20	2,695.20	2,695.20	29.06.2022	
54	SERIES 168-A	7.28%	1,950.00	1,950.00		12.06.2022	
55	SERIES 88 C	9.48%	184.70	184.70	184.70	15.04.2022	
56	SERIES 183	8.18%	3,751.20	-	-	19.03.2022	
57	SERIES 154	7.27%	1,101.00	1,101.00	1,101.00	22.12.2021	
58	SERIES 124 B	8.55%	1,200.00	1,200.00	1,200.00	09.12.2021	
59	SERIES 123 C	8.66%	200.00	200.00	200.00	27.11.2021	
60	SERIES 153	7.40%	1,830.00	1,830.00	1,830.00	30.09.2021	
61	SERIES 78-B	9.44%	-	1,180.00	1,180.00	23.09.2021	
62	SERIES 151-A	7.47%	2,260.00	2,260.00	2,260.00	16.09.2021	
63	SERIES 150-A	7.50%	2,660.00	2,660.00	2,660.00	16.08.2021	
64	Series - 76-A	9.36%	2,589.40	2,589.40	2,589.40	01.08.2021	
65	SERIES 115 III	9.20%	700.00	700.00	700.00	07.07.2021	
66	Series 75-C	9.61%	2,084.70	2,084.70	2,084.70	29.06.2021	
67	Series 74	9.70%	1,693.20	1,693.20	1,693.20	09.06.2021	
68	Series 28	8.85%	600.00	600.00	600.00	31.05.2021	
69	Series 73	9.18%	1,000.00	1,000.00	1,000.00	15.04.2021	
70	SERIES 175	7.75%	600.00	600.00	-	15.04.2021	
71	SERIES 173-B	7.73%	1,325.00	1,325.00	-	05.04.2021	
72	SERIES 146	8.05%	300.00	300.00	300.00	27.03.2021	
73	SERIES 173-A	7.73%	505.00	505.00	-	12.03.2021	
74	Series 112-C	9.70%	270.00	270.00	270.00	31.01.2021	
75	Series 72-B	8.99%	1,219.00	1,219.00	1,219.00	15.01.2021	
76	Series 71	9.05%	192.70	192.70	192.70	15.12.2020	
77	Series 70	8.78%	1,549.00	1,549.00	1,549.00	15.11.2020	
78	SERIES 141-A	8.46%	1,000.00	1,000.00	1,000.00	18.09.2020	
79	SERIES 163	7.50%	2,435.00	2,435.00	2,435.00	17.09.2020	
80	SERIES 182	8.20%	3,500.00	-	-	14.09.2020	
81	SERIES 140-B	8.36%	1,250.00	1,250.00	1,250.00	04.09.2020	
82	SERIES 138	8.45%	1,000.00	1,000.00	1,000.00	10.08.2020	
83	SERIES 137	8.53%	2,700.00	2,700.00	2,700.00	24.07.2020	
84	Series 68-B	8.70%	1,424.00	1,424.00	1,424.00	15.07.2020	
85	SERIES 167	7.30%	1,560.00	1,560.00	-	30.06.2020	
86	SERIES 165	7.42%	3,605.00	3,605.00	3,605.00	26.06.2020	
87	Series 66-A	8.65%	500.00	500.00	500.00	15.06.2020	
88	SERIES 166	7.46%	1,180.00	1,180.00	-	05.06.2020	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
89	SERIES 149	8.04%	100.00	100.00	100.00	30.05.2020	Redeemable at par on maturity
90	SERIES 159	7.05%	2,551.00	2,551.00	2,551.00	15.05.2020	
91	SERIES 65	8.70%	-	1,337.50	1,337.50	14.05.2020	
92	SERIES 131-B	8.38%	1,350.00	1,350.00	1,350.00	27.04.2020	
93	SERIES 130-B	8.42%	200.00	200.00	200.00	18.04.2020	
94	Series 85 C	9.30%	79.50	79.50	79.50	15.04.2020	
95	SERIES 157	6.83%	2,000.00	2,000.00	2,000.00	15.04.2020	
96	Series 64	8.95%	492.00	492.00	492.00	30.03.2020	
97	SERIES 87 D	9.42%	650.80	650.80	650.80	20.03.2020	
98	Series 63-II	8.90%	184.00	184.00	184.00	15.03.2020	
99	SERIES 100 A	8.86%	54.30	54.30	54.30	04.03.2020	
100	SERIES 127	8.36%	4,440.00	4,440.00	4,440.00	26.02.2020	
101	SERIES 99 B	8.82%	733.00	733.00	733.00	20.02.2020	
102	Series 112-B	9.70%	270.00	270.00	270.00	31.01.2020	
103	SERIES 176-A	7.53%	1,500.00	1,500.00	-	20.01.2020	
104	Series 62-A	8.70%	845.40	845.40	845.40	15.01.2020	
105	Series 61	8.50%	351.00	351.00	351.00	15.12.2019	
106	SERIES 124 A	8.52%	1,220.00	1,220.00	1,220.00	09.12.2019	
107	SERIES 123 B	8.65%	836.00	836.00	836.00	28.11.2019	
108	Series 60-B	FBIL G-Sec par yield +179 bps (floating rate)	925.00	925.00	925.00	20.11.2019	
109	SERIES 122	8.76%	1,000.00	1,000.00	1,000.00	07.11.2019	
110	SERIES 121 B	8.96%	1,100.00	1,100.00	1,100.00	21.10.2019	
111	Series 59-B	8.80%	1,216.60	1,216.60	1,216.60	15.10.2019	
112	SERIES 119 OPTION B	9.32%	1,591.00	1,591.00	1,591.00	17.09.2019	
113	SERIES 118 OPTION B I	9.39%	460.00	460.00	460.00	27.08.2019	
114	Series 57-B	8.60%	866.50	866.50	866.50	07.08.2019	
115	SERIES 115 II	9.15%	100.00	100.00	100.00	07.07.2019	
116	SERIES 135-B	8.50%	1,500.00	1,500.00	1,500.00	29.06.2019	
117	SERIES 174	7.80%	3,300.00	3,300.00	-	07.06.2019	
118	SERIES 90-B	9.41%	-	-	391.00	01.06.2019	
119	SERIES 148	7.95%	1,915.00	1,915.00	1,915.00	13.05.2019	
120	SERIES 145	7.85%	2,928.00	2,928.00	2,928.00	15.04.2019	
121	Taxable Bonds Series 113	9.69%	-	2,240.00	2,240.00	03.03.2019	
122	SERIES 143	8.12%	-	700.00	700.00	28.02.2019	
123	SERIES 98-III	8.72%	-	324.00	324.00	08.02.2019	
124	Taxable Bonds Series 112A	9.70%	-	270.00	270.00	31.01.2019	
125	SERIES 82-C	9.70%	-	2,060.00	2,060.00	15.12.2018	
126	SERIES 52-C	11.25%	-	1,950.60	1,950.60	28.11.2018	
127	SERIES 142-B	8.00%	-	1,000.00	1,000.00	22.10.2018	
128	Taxable Bonds Series 109	9.81%	-	4,500.00	4,500.00	07.10.2018	
129	SERIES 51-C	11.00%	-	3,024.40	3,024.40	15.09.2018	
130	SERIES 140-A	8.28%	-	1,930.00	1,930.00	04.09.2018	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
131	SERIES 139-C	8.17%	-	800.00	800.00	18.08.2018	Redeemable at par on maturity
132	SERIES 49-B	10.85%	-	428.60	428.60	11.08.2018	
133	SERIES 161	6.90%	-	1,850.00	1,850.00	16.07.2018	
134	SERIES 162	6.90%	-	1,060.00	1,060.00	16.07.2018	
135	SERIES 48-C	10.55%	-	259.70	259.70	15.07.2018	
136	SERIES 135-A	8.40%	-	1,210.00	1,210.00	29.06.2018	
137	SERIES 130-A	8.40%	-	1,175.00	1,175.00	19.06.2018	
138	SERIES 129-A	8.29%	-	980.00	980.00	19.06.2018	
139	SERIES 129-B	8.29%	-	100.00	100.00	13.06.2018	
140	SERIES 47-C	9.68%	-	780.70	780.70	09.06.2018	
141	SERIES 134-B	8.39%	-	1,500.00	1,500.00	28.05.2018	
142	SERIES 132-B	8.09%	-	200.00	200.00	16.05.2018	
143	SERIES 131-A	8.34%	-	100.00	100.00	27.04.2018	
144	SERIES 132-A	8.03%	-	272.00	272.00	09.04.2018	
145	Series 102-A(I)	8.90%	-	-	403.00	18.03.2018	
146	Series 101-A	8.95%	-	-	3,201.00	11.03.2018	
147	Series 99-A	8.77%	-	-	2.00	20.02.2018	
148	Series 98-II	8.72%	-	-	324.00	08.02.2018	
149	Series 72-A	8.97%	-	-	144.00	15.01.2018	
150	Series 40-C	9.28%	-	-	650.00	28.12.2017	
151	Series 123-A	8.50%	-	-	1,075.00	28.11.2017	
152	Series 18	7.87%	-	-	25.00	13.11.2017	
153	Series 121-A	8.90%	-	-	1,500.00	21.10.2017	
154	Series 142-A	7.88%	-	-	800.00	21.10.2017	
155	Series 93-B	8.91%	-	-	950.00	15.10.2017	
156	Series 17	8.21%	-	-	25.00	03.10.2017	
157	Series 118-A	9.30%	-	-	2,160.00	27.08.2017	
158	Series 92-A	9.01%	-	-	50.00	21.08.2017	
159	Series 92-B	9.27%	-	-	1,930.00	21.08.2017	
160	Series 117-A	9.32%	-	-	1,311.00	19.08.2017	
161	Series 115-I	9.11%	-	-	1,650.00	07.07.2017	
162	Series 91-A	9.40%	-	-	107.50	29.06.2017	
163	Series 90-A	9.61%	-	-	537.90	01.06.2017	
164	Series 134-A	8.35%	-	-	1,500.00	27.05.2017	
165	Series 13	9.60%	-	-	65.00	24.05.2017	
166	Series 139-B	8.12%	-	-	1,435.00	22.05.2017	
167	Series 35	9.96%	-	-	530.00	18.05.2017	
168	Series 13	9.60%	-	-	125.00	16.05.2017	
169	Series 89-A	9.52%	-	-	165.00	02.05.2017	
170	Series 133-B	8.00%	-	-	605.00	24.04.2017	
171	Series 144	7.98%	-	-	1,775.00	21.04.2017	
172	Series 139-A	8.12%	-	-	565.00	17.04.2017	
173	Series 133-A	8.00%	-	-	545.00	03.04.2017	
	Total (A)		**167,774.95**	**177,176.95**	**173,383.50**		

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of Group's Subsidiary REC Ltd.							
1	Series 169	8.37%	2,554.00	-	-	07.12.2028	Redeemable at par on maturity
2	Series 168	8.56%	2,552.40	-	-	29.11.2028	
3	Series 163	8.63%	2,500.00	-	-	25.08.2028	
4	Series 162	8.55%	2,500.00	-	-	09.08.2028	
5	Series 156	7.70%	3,533.00	3,533.00	-	10.12.2027	
6	Series 147	7.95%	2,745.00	2,745.00	2,745.00	12.03.2027	
7	Series 142	7.54%	3,000.00	3,000.00	3,000.00	30.12.2026	
8	Series 140	7.52%	2,100.00	2,100.00	2,100.00	07.11.2026	
9	Series 136	8.11%	2,585.00	2,585.00	2,585.00	07.10.2025	
10	Series 95-II	8.75%	1,800.00	1,800.00	1,800.00	14.07.2025	
11	Series 94	8.75%	1,250.00	1,250.00	1,250.00	09.06.2025	
12	Series 133	8.30%	2,396.00	2,396.00	2,396.00	10.04.2025	
13	Series 131	8.35%	2,285.00	2,285.00	2,285.00	21.02.2025	
14	Series 130	8.27%	2,325.00	2,325.00	2,325.00	06.02.2025	
15	Series 129	8.23%	1,925.00	1,925.00	1,925.00	23.01.2025	
16	Series 128	8.57%	2,250.00	2,250.00	2,250.00	21.12.2024	
17	Series 123-IIIB	9.34%	1,955.00	1,955.00	1,955.00	23.08.2024	
18	Series 114	8.82%	4,300.00	4,300.00	4,300.00	12.04.2023	
19	Series 159	7.99%	950.00	950.00	-	23.02.2023	
20	Series 155	7.45%	1,912.00	1,912.00	-	30.11.2022	
21	Series 111-II	9.02%	2,211.20	2,211.20	2,211.20	19.11.2022	
22	Series 152	7.09%	1,225.00	1,225.00	-	17.10.2022	
23	Series 150	7.03%	2,670.00	2,670.00	-	07.09.2022	
24	Series 107	9.35%	2,378.20	2,378.20	2,378.20	15.06.2022	
25	Series 167	8.45%	2,571.80	-	-	22.03.2022	
26	Series 173	8.35%	2,500.00	-	-	11.03.2022	
27	Series 132	8.27%	700.00	700.00	700.00	09.03.2022	
28	Series 145	7.46%	625.00	625.00	625.00	28.02.2022	
29	Series 165	8.83%	2,171.00	-	-	21.01.2022	
30	Series 141	7.14%	1,020.00	1,020.00	1,020.00	09.12.2021	
31	Series 127	8.44%	1,550.00	1,550.00	1,550.00	04.12.2021	
32	Series 105	9.75%	3,922.20	3,922.20	3,922.20	11.11.2021	
33	Series 139	7.24%	2,500.00	2,500.00	2,500.00	21.10.2021	
34	Series 101-III	9.48%	3,171.80	3,171.80	3,171.80	10.08.2021	
35	Series 123-I	9.40%	1,515.00	1,515.00	1,515.00	17.07.2021	
36	Series 100	9.63%	1,500.00	1,500.00	1,500.00	15.07.2021	
37	Series 174	8.15%	2,720.00	-	-	18.06.2021	
38	Series 161-B	7.73%	800.00	800.00	-	15.06.2021	
39	Series 154	7.18%	600.00	600.00	-	21.05.2021	
40	Series 157	7.60%	1,055.00	1,055.00	-	17.04.2021	
41	Series 158	7.70%	2,465.00	2,465.00	-	15.03.2021	
42	Series 98	9.18%	3,000.00	3,000.00	3,000.00	15.03.2021	
43	ZCB - Series II	-	230.11	211.59	194.57	03.02.2021	
44	Series 153	6.99%	2,850.00	2,850.00	-	31.12.2020	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
45	ZCB - Series I	-	1,029.46	951.00	878.52	15.12.2020	Redeemable at par on maturity
46	Series 97	8.80%	2,120.50	2,120.50	2,120.50	30.11.2020	
47	Series 96	8.80%	1,150.00	1,150.00	1,150.00	26.10.2020	
48	Series 149	6.87%	2,485.00	2,485.00	-	24.09.2020	
49	Series 135	8.36%	2,750.00	2,750.00	2,750.00	22.09.2020	
50	Series 144	7.13%	835.00	835.00	835.00	21.09.2020	
51	Series 172	8.57%	1,790.00	-	-	20.08.2020	
52	Series 134	8.37%	2,675.00	2,675.00	2,675.00	14.08.2020	
53	Series 143	6.83%	1,275.00	1,275.00	1,275.00	29.06.2020	
54	Series 148	7.42%	1,200.00	1,200.00	1,200.00	17.06.2020	
55	Series 161-A	7.59%	3,000.00	3,000.00	-	13.03.2020	
56	Series 113	8.87%	1,542.00	1,542.00	1,542.00	09.03.2020	
57	Series 92-II	8.65%	945.30	945.30	945.30	22.01.2020	
58	Series 111-I	9.02%	452.80	452.80	452.80	19.11.2019	
59	Series 91-II	8.80%	995.90	995.90	995.90	18.11.2019	
60	Series 126	8.56%	1,700.00	1,700.00	1,700.00	13.11.2019	
61	Series 125	9.04%	3,000.00	3,000.00	3,000.00	11.10.2019	
62	Series 90-C-II	8.80%	1,040.00	1,040.00	1,040.00	07.10.2019	
63	Series 160	7.77%	1,450.00	1,450.00	-	16.09.2019	
64	Series 90-B-II	8.72%	868.20	868.20	868.20	04.09.2019	
65	Series 90	8.80%	2,000.00	2,000.00	2,000.00	03.08.2019	
66	Series 108-II	9.39%	960.00	960.00	960.00	20.07.2019	
67	Series 95-I	8.70%	200.00	200.00	200.00	12.07.2019	
68	Series 122	9.02%	1,700.00	1,700.00	1,700.00	18.06.2019	
69	Series 151	6.75%	-	1,150.00	-	26.03.2019	
70	Series 119	9.63%	-	2,090.00	2,090.00	05.02.2019	
71	Series 88	8.65%	-	1,495.00	1,495.00	15.01.2019	
72	Series 118	9.61%	-	1,655.00	1,655.00	03.01.2019	
73	Series 137	8.05%	-	2,225.00	2,225.00	07.12.2018	
74	Series 117	9.38%	-	2,878.00	2,878.00	06.11.2018	
75	Series 87-A-III	11.15%	-	61.80	61.80	24.10.2018	
76	Series 116-II	9.24%	-	850.00	850.00	17.10.2018	
77	Series 87-II	10.85%	-	657.40	657.40	01.10.2018	
78	Series 146	6.88%	-	3,300.00	3,300.00	03.09.2018	
79	Series 86-B-III	10.85%	-	432.00	432.00	14.08.2018	
80	Series 86-A	10.70%	-	500.00	500.00	30.07.2018	
81	Series 85	9.68%	-	500.00	500.00	13.06.2018	
82	Series 83	9.07%	-	-	685.20	28.02.2018	
83	Series 112	8.70%	-	-	1,500.00	01.02.2018	
84	Series 82	9.85%	-	-	883.10	28.09.2017	
85	Series 124-I	9.06%	-	-	2,610.00	22.09.2017	
86	Series 109	9.25%	-	-	1,734.70	28.08.2017	
87	Series 123-IIIA	9.25%	-	-	1,275.00	25.08.2017	
88	Series 108-I	9.40%	-	-	2,125.00	20.07.2017	
	Total (B)		**130,532.87**	**126,370.89**	**110,949.39**		
	Total (A+B)		**298,307.82**	**303,547.84**	**284,332.89**		

20.5 The details of Foreign Currency Notes outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	6.15% USD bonds 2028	6.15%	3,457.75	-	-	06.12.2028	Redeemable at par on maturity
2	5.25% USD bonds 2028	5.25%	2,074.65	-	-	10.08.2028	
3	3.75% USD green bonds 2027	3.75%	2,766.20	2,607.00	-	06.12.2027	
4	6.61 % Senior Notes (USPP)	6.61%	-	-	1,167.30	05.09.2017	
	Total (A)		8,298.60	2,607.00	1,167.30		
	In case of Group's Subsidiary REC Ltd.						
1	4.63% US $300 Mn Bonds	4.63%	2,075.14	1,951.32	-	22.03.2028	Redeemable at par on maturity
2	3.88% US $450 Mn Green Bonds	3.88%	3,112.71	2,926.98	-	07.07.2027	
3	4.63% US $700 Mn Bonds	4.63%	4,841.99	-	-	13.11.2023	
4	3.07% US $400 Mn Bonds	3.07%	2,766.85	2,601.76	-	18.12.2020	
	Total (B)		12,796.69	7,480.06	-		
	Total (A+B)		21,095.29	10,087.06	1,167.30		

20.6 Details of Commercial Paper outstanding are as follows:

Sr. No.	CP Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	CP-108	7.85%	3,000.00	-	-	06.03.2020	Redeemable at par on maturity
2	CP-109	7.39%	1,500.00	-	-	16.09.2019	
3	CP-106	7.15%	3,000.00	-	-	13.05.2019	
4	CP-105	7.44%	2,500.00	-	-	15.04.2019	
5	CP-90	6.65%	-	1,925.00	-	10.08.2018	
6	CP-94	7.00%	-	2,000.00	-	25.06.2018	
7	CP-93B	7.40%	-	1,100.00	-	15.06.2018	
8	CP85	6.80%	-	1,105.00	-	15.05.2018	
9	CP-93A	7.30%	-	900.00	-	27.04.2018	
	Total		10,000.00	7,030.00	-		
	Less: Unamorized Financial Charges		284.08	105.26	-		
	Total (A)		9,715.92	6,924.74	-		
In case of Group's Subsidiary REC Ltd.							Redeemable at par on maturity
1	CP-60	7.90%	1,000.00	-	-	04.03.2020	
2	CP-59	7.72%	2,350.00	-	-	30.12.2019	
3	CP-58	7.60%	1,875.00	-	-	27.09.2019	
4	CP-57	8.04%	2,750.00	-	-	30.04.2019	
5	CP-51	7.43%	-	3,250.00	-		
	Total (B)		7,975.00	3,250.00	-		
	Total (A+B)		17,690.92	10,174.74	-		

20.7 Details of Bond Application Money outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of Group's Subsidiary REC Ltd.							Redeemable at par during FY 2023-24/ FY 2020-21
1	54EC Capital Gain Tax Exemption Bonds	5.75% / 5.25%	722.04	1,469.23	–		
	Total		722.04	1,469.23	–		

20.8 In case of the Company details of security are as under :

(i) The Bond Series 86D,86C,Series III, Series IV of Infrastructure Bonds are secured by First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.

(ii) The Bond Series I, II of Infrastructure Bonds are secured by charge on specfic book debt of ₹ 3,090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Janpura, New Delhi.

(iii) The Bond Series tranche-I-Series II, 95B,94B,80B,79B of Tax free Bonds are secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.

(iv) All other Tax free bond Series are secured by first pari-passu charge on total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Comapny to the Bondholders and / or other under / pursuant to the transaction documents.

(v) The Bond Series I, II of 54 EC Capital Gain Tax Exemption Bonds are secured by First pari-passu charge on total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, limited to the extent of payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondsholders and / or others under / pursuant to the transaction documents.

(vi) The Bond Series 109,112 A,112 B, 112 C ,113 of Taxable Bonds are secured by First pari-passu charge on total receivables of the Company, excluding the receiavbles on which specific charge has already been created by the Company, limited to the extent of payment / repayment of Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondsholders and / or other under / pursunt to the transaction documents.

20.9 In case of Group's Subsidiary REC Ltd. details of security are as under:

(i) For all the secured bonds issued by the Company and outstanding as at 31st March 2019, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

(ii) Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of receivables of ₹ 4,998.66 Crores of MSEDCL in favour of Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.).

(iii) 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 Ltd.

(iv) The Bond Series X, XI and XII of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

(v) The Bond Series 90, 90 B-II, 90 C-II, 91-II and 92-II of Institutional Bonds are secured by a charge on (a) mortgage of Flat no. 640, Asiad Games Village, New Delhi and (b) pari passu charge on the receivables of our Company, both present and future, save and except receivables hypothecated to Vistra ITCL (India)

Ltd. (formerly known as IL&FS Trust Company Ltd.) on the basis of joint hypothecation agreement dated 24th September, 2010 in favour of IDBI Trusteeship Services Ltd.

(vi) The Bond Series 122 of Institutional Bonds is secured by a charge on first pari passu charge on the book debts of the issuer both present & future which are charged to other lenders/ trustees and as may be agreed between the issuer and the trustee, pursuant to the terms of the Debenture /Bond Trust cum Hypothecation Deed with a minimum security cover of one time of the aggregate face value amount of the bonds outstanding at all times in favor of IDBI Trusteeship Services Ltd.

(vii) The Bond Series 123-I and 123-IIIB of Institutional Bonds are secured by way of first pari passu charge on the specified immovable property and the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.

20.10 The Company and its Subsidiary REC Ltd., raises funds through various instruments including series of non-convertible bond issues. During the year, the Company and its Subsidiary REC Ltd. have not defaulted in servicing of its borrowings and interest.

21. Borrowings (other than Debt Securities)

The Company and its Subsidiary REC Ltd., have categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A)	**Term Loans**			
(i)	From Banks and Financial Institutions			
	- Foreign Currency Loans (Refer Note 21.1 and 21.3)	9,701.51	8,053.23	1,475.91
	- Syndicated Foreign Currency Loans (Refer Note 21.2 and 21.3)	32,787.57	29,926.38	26,881.22
	- Rupee term Loan (Refer Note 21.4)	58,453.55	10,925.00	2,750.00
(ii)	From other Parties			
	- Rupee term Loan - GoI (Refer Note 21.5)	12,500.00	–	–
(B)	**Other Loans**			
(i)	- Loan against Term Deposits (Refer Note 21.6)	12,737.18	-	2,400.79
(ii)	- WCDL / OD / CC / Line of Credit (Refer Note 7.1 and 21.7)	620.00	-	-
(iii)	Finance Lease Obligation	0.11	0.11	0.13
(C)	**Interest accrued but not due on above**	609.87	150.99	127.98
(D)	**Unamortised Transaction Cost on above**	(402.72)	(344.12)	(344.10)
	Total Borrowings (other than Debt Securities)	**127,007.07**	**48,711.59**	**33,291.93**
(II)	Geography wise Borrowings			
(i)	Borrowings in India	89,111.58	14,768.40	5,178.02
(ii)	Borrowings outside India	37,895.49	33,943.19	28,113.91
	Total Geography wise Borrowings	**127,007.07**	**48,711.59**	**33,291.93**

21.1 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
In case of the Company						
1	KFW I	48.06	53.04	48.04	Semi Annual Installments Till 30.12.2035	
2	ADB	82.80	87.36	96.21	Semi Annual Installments Till 15.10.2028	Redeemable in semi annual instalments
3	Credit National	50.24	61.08	59.98	Semi Annual Installments Till 30.06.2028	
4	SBI FCNR(B)	1,728.88	1,629.38	-	20.03.2020	
5	ICICI Bank FCNR(B) - IV	691.55	-	-	28.06.2019	
6	ICICI Bank FCNR(B) - III	691.55	-	-	12.06.2019	
7	ICICI Bank FCNR(B) - II	691.55	-	-	03.06.2019	
8	ICICI Bank FCNR(B)	691.55	651.75	-	26.04.2019	Bullet Repayment at the end of the tenor
9	Bank of Baroda FCNR (B) - II	-	201.32	-	22.02.2019	
10	Bank of Baroda FCNR (B) - I	-	507.10	-	15.02.2019	
	Total (A)	**4676.17**	**3191.03**	**204.23**		
In case of Group's Subsidiary REC Ltd.						
1	JICA Loan	131.40	252.32	407.49	20.09.2019	Repayable in half-yearly instalments till 20-Mar-2021, next instalment falling due on 20-Sep-2019 and 0.65% JICA-II loan repayable in half-yearly instalments till 20-Mar-2023, next instalment falling due on 20-Sep-2019
2	KFW-II Loan	120.87	188.12	215.44	30.06.2019	Repayable in equal half-yearly instalments of €3.88 Mn, next instalment falling due on 30-Jun-2019
3	KFW-III Loan	449.87	551.63	546.70	30.06.2019	Repayable in equal half-yearly instalments of €5.26 Mn, next instalment falling due on 30-Jun-2019
4	KFW Loan	-	59.41	102.05	30.06.2018	Repayable in equal half-yearly instalments of €3.68 Mn, next instalment falling due on 30.06.2018
	FCNR (B) Loans					
6	US $135 Mn	933.81	-	-	04.09.2021	
7	US$100 Mn	968.40	-	-	11.01.2020	
8	US$100 Mn	691.71	-	-	19.12.2019	
9	US$100 Mn	691.71	-	-	09.12.2019	
10	US$150 Mn	1,037.57	-	-	31.08.2019	
11	US $235.87 Mn	-	1,534.18	-	12.02.2019	
12	US$100 Mn	-	650.44	-	-	
13	US$100 Mn	-	650.44	-	-	
14	US$150 Mn	-	975.66	-	-	
	Total (B)	**5,025.34**	**4,862.20**	**1,271.68**		
	Total (A+B)	**9,701.51**	**8,053.23**	**1,475.91**		

21.2 Details of Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
		31.03.2019	31.03.2018	01.04.2017		
In case of the Company						
1	SLN 27	1,024.32	-	-	01.02.2024	
2	SLN 26	1,728.88	-	-	26.09.2023	
3	SLN 22	1,728.88	1,629.37	-	28.02.2023	Bullet Repayment at the end of the tenor
4	SLN 23	1,728.88	1,629.38	-	22.03.2023	
5	SLN 21	2,074.65	1,955.25	-	12.12.2022	
6	SLN 17	3,111.98	2,932.86	2,918.25	3 Equal Installments (28.09.2020, 26.03.2021 and 24.09.2021)	Redeemable in three equal instalments
7	SLN 18	2,725.65	2,685.81	2,532.85	3 Equal Installments (06.11.2020, 08.11.2021 and 04.11.2022)	Redeemable in three equal instalments
8	SLN 16	1,728.88	1,629.38	1,621.25	04.12.2019	Bullet Repayment at the end of the tenor
	Total (A)	**15,852.09**	**12,462.05**	**7,072.35**		
In case of Group's Subsidiary REC Ltd.						
1	US $75 Mn	518.78	-	-	29.03.2024	
2	US $250 Mn	1,729.28	-	-	27.03.2024	
3	JPY ¥ 10,327.12	645.65	-	-	31.08.2023	
4	US $250 Mn	1,729.28	-	-	08.08.2023	
5	US $200 Mn	1,383.43	1,300.88	-	28.07.2022	
6	US $230 Mn	1,590.94	1,496.01	1,491.29	19.01.2022	
7	US $100 Mn	691.71	650.44	648.39	05.12.2021	
8	US $240 Mn	1,660.11	1,561.06	-	26.03.2021	
9	US $160 Mn	1,106.74	1,040.71	-	26.03.2021	
10	US $300 Mn	2,075.14	1,951.32	1,945.16	01.12.2020	
11	US $300 Mn	2,075.14	1,951.32	1,945.16	29.07.2020	
12	US $250 Mn	1,331.55	1,252.10	1,620.97	29.05.2019	
13	US $57.50 Mn	397.73	374.00	-	29.05.2019	
14	US $120 Mn	-	780.53	778.06	21.03.2019	
15	US $250 Mn	-	1,626.10	1,620.97	05.02.2019	
16	US $285 Mn	-	1,853.76	1,847.90	02.12.2018	
17	US $250 Mn	-	1,626.10	1,620.97	18.09.2018	
18	US $400 Mn	-	-	2,593.54	26.03.2018	
19	US $400 Mn	-	-	2,593.54	27.12.2017	
20	¥19.029 Bn	-	-	1,102.92	10.04.2017	
	Total (B)	**16,935.48**	**17,464.33**	**19,808.87**		
	Total(A+B)	**32,787.57**	**29,926.38**	**26,881.22**		

21.3 Foreign Currency Borrowings in above Note No. 21.1 and 21.2 have been raised at interest rate spread ranging from 62 bps to 195 bps over 3 months /6 Months USD/JPY LIBOR (London Inter Bank Offered Rate).

21.4 Details of Rupee Term Loan outstanding are as follows:

(i) Secured Rupee Term Loan

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	Oriental Bank of Commerce	8.75%	1,500.00	-	-	25.02.2025	There is a moratorium period of 2 years on principal repayment and after the completion of moratorium period of 02 years from date of disbursement, the loan is to be repaid in 04 annual installments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025
2	Corporation Bank	8.70%	1,000.00	-	-	15.03.2024	The loan is to be repaid in 5 annual installments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024
3	Bank of Maharashtra	8.75%	750.00	-	-	11.03.2024	Moratorium: 2 years (8 quarters) from the date of 1st disbursement. Principal shall be repaid in 12 structured quarterly installments, i.e. 4 installments of ₹ 18.75 crore each from 9th-12th quarter, 4 installments of ₹ 56.25 crore each from 13th-16th quarter and thereafter 4 installments of ₹ 112.50 crore each from 17th-20th quarter
4	Bank of India	8.70%	1,000.00	-	-	02.03.2024	Bullet Repayment at the end of the tenor
5	Canara Bank	8.70%	1,000.00	-	-	20.02.2024	Bullet Repayment at the end of the tenor
6	UCO Bank	8.70%	200.00	-	-	02.03.2022	Bullet Repayment at the end of the tenor
	Total (A)		**5450.00**	**0.00**	**0.00**		
	In case of Group's Subsidiary REC Ltd.						
1	Life Insurance Corporation of India (LIC)	7.35%	200.00	400.00	750.00	1-Oct-19	Loan repayable in equal annual installments of ₹ 200 crores, next instalment due on 01.10.2019
	Total (B)		**200.00**	**400.00**	**750.00**		
	Total Secured Rupee Term Loan(A+B)		**5650.00**	**400.00**	**750.00**		

(ii) Unsecured Rupee Term

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	Bank of India	8.70%	2,000.00	-	-	21.01.2024	
2	Canara Bank	8.70%	1,000.00	-	-	28.12.2023	
3	United Bank of India	8.65%	1,000.00	-	-	24.12.2023	
4	HDFC Bank Ltd.	8.45%	750.00	-	-	05.10.2023	
5	State Bank of India	8.45%	6,000.00	-	-	27.09.2023	Bullet Repayment at the end of the tenor
6	Vijaya Bank	7.90%	-	1,000.00	-	13.03.2023	
7	India Infrastructure Finance Company Limited	8.38%	800.00	-	-	14.09.2021	
8	UCO Bank	8.25%	1,000.00	-	-	23.08.2021	
9	Bank of Baroda	8.75%	700.00	-	-	04.03.2021	

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
10	HDFC Bank Ltd.	8.40%	750.00	750.00	-	30.09.2020	
11	Canara Bank	8.35%	1,500.00	-	-	13.09.2020	
12	Bank of India	8.30%	1,000.00	-	-	06.08.2020	
13	Andhra Bank	8.25%	1,979.00	-	-	29.06.2020	
14	Vijaya Bank	8.45%	2,000.00	-	-	19.06.2020	
15	Punjab National Bank	8.15%	2,000.00	-	-	05.06.2020	Bullet Repayment at the end of the tenor
16	Punjab National Bank	8.15%	2,000.00	-	-	24.05.2020	
17	India Infrastructure Finance Company Limited	7.99%	775.00	-	-	30.09.2019	
18	Andhra Bank	7.90%	-	277.07	-	30.09.2019	
19	India Infrastructure Finance Company Limited	7.70%	-	775.00	-	30.09.2019	
20	Andhra Bank	7.90%	-	1,722.93	-	29.09.2019	
21	Vijaya Bank	7.90%	-	1,000.00	-	05.09.2019	
22	Allahabad Bank	8.25%	2,000.00	-	-	08.08.2019	
23	Bank of Baroda	8.35%	2,000.00	-	-	30.07.2019	
24	Bank of Baroda	8.35%	999.55	-	-	22.07.2019	
25	Allahabad Bank	7.85%	-	2,000.00	-	28.05.2019	
26	State Bank of India	7.85%	-	2,000.00	-	30.04.2019	
27	State Bank of India	8.25%	3,000.00	-	-	19.04.2019	
28	State Bank of India	7.85%	-	1,000.00	-	19.04.2019	
29	ICICI Bank	7.90%	-	-	1,500.00	30.04.2018	
30	J&K	8.10%	-	-	500.00	30.04.2018	
	Total (A)		**33253.55**	**10525.00**	**2000.00**		
	In case of Group's Subsidiary REC Ltd.						
1	Canara Bank		500.00	-	-	5-Mar-24	Loan repayable on 05-Mar-2024
2	United Bank of India		1,000.00	-	-	13-Sep-22	Loan repayable in 4 semi annual instalments, first instalment due on 13-Sep-2022
3	Indian Infrastructure Finance Company Ltd. (IIFCL)		1,000.00	-	-	4-Jun-22	Repayable on 04-Jun-2022
4	Bank of India		2,000.00	-	-	5-May-22	Loan repayable in 8 quarterly instalments, first instalment due on 05-May-2022
5	State Bank of India		7,300.00	-	-	15-Oct-21	₹ 5,000 Crore repayable in 3 annual instalments and first instalment due on 15.10.2021, ₹ 2,300 Crore repayable in 5 annual instalments and first instalment due on 05.09.2020
6	Punjab National Bank	8.15% to 9.20%	3,500.00	-	-	14-Sep-21	₹ 2,000 Crore repayable in 3 annual instalments and first instalment due on 14.09.2021, ₹ 1,500 Crore repayable in 3 annual instalments and first instalment due on 20.02.2022
7	Corporation Bank		1,000.00	-	-	6-Sep-21	Loan repayable in 6 semi annual instalments, first instalment due on 06-Sep-2021.
8	Oriental Bank of Commerce		750.00	-	-	5-Sep-21	Loan repayable in 8 semi-annual instalments, first instalment due on 05-Sep-2021

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
9	Union Bank of India		500.00	-	-	31-Jul-21	Loan repayable in 6 semi-annual instalments, first instalment due on 31-Jul-2021
10	HDFC Bank		2,000.00	-	-	29-Apr-20	₹ 500 Crore repayable on 29.04.2020, ₹ 300 Crore repayable on 29.09.2023, ₹ 350 Crore repayable on 11.10.2023, ₹ 350 Crore repayable on 06.11.2023, ₹ 500 Crore repayable on 15.01.2024
	Total (B)		**19550.00**	**-**	**-**		
	Total Unsecured Rupee Term Loan(A+B)		**52803.55**	**10525.00**	**2000.00**		
	Total Rupee Term Loan (Unsecured & Secured)		**58453.55**	**10925.00**	**2750.00**		

21.5 Details of Unsecured Rupee term Loan - GoI outstanding are as follows:

Sr. No.	Particulars	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	National Small Savings Fund Scheme (NSSF)	8.11%	7,500.00	-	-	27-Dec-28	Bullet Repayment at the end of the tenor
	Total (A)		**7500.00**	**-**	**-**		
In case of Group's Subsidiary REC Ltd.							
1	National Small Savings Fund Scheme (NSSF)	8.15% to 9.20%	5,000.00	-	-	13-Dec-28	Bullet Repayment at the end of the tenor
	Total (B)		**5,000.00**	**-**	**-**		
	Total(A+B)		**12500.00**	**-**	**-**		

21.6 Details of Loan against Term Deposits are as follows:

Sr. No.	Name of Bank	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
		31.03.2019	31.03.2018	01.04.2017		
1	Tamilnad Mercantile Bank	382.00	-	-	03.04.2019	
2	J & K	-	-	100.00	03.04.2017	
3	Punjab National Bank	1,525.44	-	-	03.04.2019	
4	South Indian Bank	317.92	-	-	02.04.2019	
5	Oriental Bank of Commerce	1,805.00	-	-	03.04.2019	
6	Oriental Bank of Commerce	-	-	177.15	03.04.2017	
7	Indian Bank	1,995.00	-	-	02.04.2019	
8	Vijaya Bank	1,890.00	-	-	02.04.2019	
9	Vijaya Bank	-	-	1,800.00	03.04.2017	
10	Punjab National Bank	344.13	-	-	02.04.2019	Bullet Repayment at the end of the tenor
11	Punjab National Bank	26.43	-	-	02.04.2019	
12	Punjab National Bank	1,291.94	-	-	03.04.2019	
13	Canara Bank	1,704.13	-	-	02.04.2019	
14	UCO Bank	500.00	-	-	02.04.2019	
15	HDFC Bank	955.19	-	-	02.04.2019	
16	Allahabad Bank	-	-	323.64	03.04.2017	
	Total Loan against Term Deposits	**12,737.18**	**-**	**2,400.79**		

21.7 In case of the Company, details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Name of Bank	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	Bank of India	8.20 %	250.00	-	-	8-Apr-19	Bullet Repayment at the end of the tenor
2	Punjab National Bank	8.15 %	370.00	-	-	8-Apr-19	Bullet Repayment at the end of the tenor
	Total WCDL / OD / CC / Line of Credit		620.00	-	-		

21.8 None of the borrowings have been guaranted by Directors.

21.9 There has been no default in repayment of borrowings and interest during periods presented above.

21.10 The details of security are as under:

(i) In case of the Company, refer Note No. 10 for carrying values of the receivable pledged as security against secured rupee term loans. Secured Rupee Term Loans are secured by first pari-passu charge in favour of Lending Bank on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to Lending Bank and/or others under/pursuant to the this security document except for those receivables already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited)

(ii) The term loan of Group's subsidiary REC Ltd. from Life Insurance Corporation of India is secured by a charge on the receivables of our Company, both present and future, save and except certain specific receivables hypothecated to Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.) on the basis of joint hypothecation agreement dated 24th September, 2010 in favour of IDBI Trusteeship Services Ltd.

22. Subordinated Liabilities

The Company and its Subsidiary REC Ltd., have categorised Subordinated Liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
		Amortised Cost	Amortised Cost	Amortised Cost
(A)	**Subordinated Liabilities**			
	Subordinated Bonds	13,862.70	6,300.00	6,300.00
	Interest accrued but not due on above	272.26	261.97	261.97
	Unamortised Transaction Cost on above	(6.50)	(1.85)	(2.12)
	Total Subordinated Liabilities	**14,128.46**	**6,560.12**	**6,559.85**
(B)	**Geography wise Subordinated Liabilities**			
(i)	Subordinated Bonds in India	14,128.46	6,560.12	6,559.85
(ii)	Subordinated Bonds outside India	–	–	–
	Total Geography wise Subordinated Liabilities	**14,128.46**	**6,560.12**	**6,559.85**

22.1 Details of Subordinated Bonds are as under :

(₹ in crore)

Sr. No.	Bond Series	Coupon Rate	Amount outstanding as at		
			31.03.2019	31.03.2018	01.04.2017
1	Subordinated Tier II Debt Bond	9.70%	2,000.00	2,000.00	2,000.00
2	Subordinated Tier II Debt Bond	9.65%	1,000.00	1,000.00	1,000.00
3	Subordinated Tier II Debt Bond	8.19%	800.00	800.00	800.00
4	Subordinated Tier II Debt Bond	9.10%	2,411.50	-	-
5	Subordinated Tier II Debt Bond	8.98%	1,000.00	-	-
6	Subordinated Tier II Debt Bond	9.25%	2,000.00	-	-
7	Subordinated Tier II Debt Bond	8.97%	2,151.20	-	-
8	Subordinated Tier II Debt Bond	8.06%	2,500.00	2,500.00	2,500.00
	Total		**13,862.70**	**6,300.00**	**6,300.00**

23. Other Financial Liabilities

The Group has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Liability for acquisition of REC Ltd. (Refer Note 23.6)	–	14,500.00	14,500.00
(ii)	Payable for Government of India Serviced bonds (Refer Note 23.1)	23,034.27	9,045.38	5,038.21
(iii)	Advance received from Associates*	188.11	157.18	160.73
(iv)	Unpaid Dividends (Refer Note 23.2)			
	- Unclaimed Dividends	7.31	6.12	4.18
(v)	Unpaid - Bonds and Interest Accrued thereon (Refer Note 23.2)			
	- Unclaimed Bonds	40.67	50.96	52.06
	- Unclaimed Interest on Bonds	29.86	28.37	29.36
(vi)	Others			
	- Application Money Refundable on Bonds and interest accrued thereon	0.82	0.84	0.88
	- Interest Subsidy Fund and other GOI Funds for disbursement as subsidy / Grants (Refer Note 23.3)	872.99	579.06	129.03
	- Interim Dividend	–	–	1,320.04
	- Payable towards funded staff benefits	31.78	2.84	13.63
	- Other liabilities	368.47	236.66	797.88
	Total Other Financial Liabilities	**24,574.28**	**24,607.41**	**22,046.00**

*Payable in cash

23.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

Sr. No.	Bond Series	Coupon Rate	Date of Redemption	Amount outstanding as at 31.03.2019	31.03.2018	01.04.2017
1	GoI-VIII Series	8.30%	25.03.2029	4,000.00	-	-
2	GoI-VII Series	8.60%	08.03.2029	1,200.00	-	-
3	GoI-VI Series	8.80%	22.01.2029	2,027.00	-	-
4	GoI-V Series	8.54%	15.11.2028	3,600.00	-	-
5	GoI-IV Series	8.70%	28.09.2028	3,000.00	-	-
6	GoI-III Series	8.06%	27.03.2028	753.00	753.00	-
7	GoI-II Series	8.01%	24.03.2028	1,410.00	1,410.00	-
8	GoI-I Series	8.09%	21.03.2028	1,837.00	1,837.00	-
9	PFC Bond Series 156-GoI Fully Serviced Bond	7.10%	11.01.2027	200.00	200.00	200.00
10	PFC Bond Series 158-GoI Fully Serviced Bond	7.18%	20.01.2027	1,335.00	1,335.00	1,335.00
11	PFC Bond Series 160-GoI Fully Serviced Bond	7.60%	20.02.2027	1,465.00	1,465.00	1,465.00
12	PFC Bond Series 164-GoI Fully Serviced Bond	7.75%	22.03.2027	2,000.00	2,000.00	2,000.00
13	Interest accured on above			207.27	45.38	38.21
	Total GoI Serviced Bonds (Unsecured Taxable Bonds)			**23,034.27**	**9,045.38**	**5,038.21**

23.2 Unpaid dividends, unclaimed bonds and interest thereon include the amounts wihch have either not been claimed by the investors/holders of the instruments or are on hold pending legal formalities etc. Out of the above, the amount eligible to be transferred to Investor Education and Protection Fund has been transferred.

23.3 Interest Subsidy Fund under Accelerated Generation & Supply Programme (AG&SP):

In respect of PFC

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates 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 actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of Nil and ₹ 16.04 crore as at 31.03.2019 (As at 31.03.2018 ₹ 9.64 crore and ₹ 103.09 crore; As at 01.04.2017 ₹ 8.67 crore and ₹ 93.56 crore) for IX and X Plans, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

(ii) Balance under the head Interest Subsidy Fund shown as liability, representing amount of subsidy received from MoP, GoI, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2019	Year ended 31.03.2018
Opening Balance	**112.51**	**103.19**
Add : Received during the period	–	–
: Interest credited during the period	3.45	9.32
: Refund by the borrower due to non – commissioning of project in time -	–	–
Less : Refunded to MoP:-		
(a) Estimated net excess against IX & X Plan	100.00	–
(b) Due to non- commissioning of Project in time	–	–
Closing Balance	**15.96**	**112.51**

Interest subsidy passed on to borrowers during FY 2018-19 is ₹ 1.95 crore (previous year ₹ 3.01 crore).

In respect of the subsidiary RECL

The Company is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 0.63 Crore as at 31.03.2019 (₹ 0.53 Crore as at 31.03.2018, ₹ 0.86 Crore as at 01.04.2017) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

(₹ in crore)

Description	Year ended 31.03.2019	Year ended 31.03.2018
Opening Balance of Interest Subsidy Fund	**0.53**	**0.86**
Add: Interest earned during the year	0.11	0.02
Less: Interest subsidy passed on to the borrower	0.01	0.35
Closing Balance of Interest Subsidy Fund	**0.63**	**0.53**

23.4 Government of India has appointed REC Ltd. as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY). The funds received for disbursement to various agencies under the scheme are kept in a separate bank account. The undisbursed funds for the scheme (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under 'Undisbursed Subsidy/ grant' under the head 'Other Financial Liabilities'.

During the year, interest earned of ₹ 25.03 crore (Previous year ₹ 18.15 crore) has been taken to DDUGJY Subsidy account. Further, during the year, an amount of ₹ 23.51 crore (Previous year ₹ 10.33 crore) has been refunded back to MoP out of the total interest on subsidy.

The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in crore)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening Balance	**24.41**	**2.18**
Add: Interest earned during the year	93.70	33.77
Less: Amount refunded to Govt. during the year	75.53	11.32
Less: Disbursement out of Interest earned on account of AG&SP Grant	0.01	0.22
Closing Balance	**42.57**	**24.41**

23.5 For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the subsidiary RECL has raised an aggregate amount of ₹ 13,827 crore (Previous year ₹ 4,000 crore) through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹ 10 lacs at par on private placement basis. As per Ministry of Power (MoP) letter dated 16.07.2018 and 19.07.2018, the repayment of principal and interest of the above bonds shall be made by GoI by making suitable budget provisions in the demand of Ministry of Power. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable from Govt. of India.

23.6 In compliance with appendix C of Ind AS 103 'Business Combination', the Consolidated Balance Sheet as at 01.04.2017 and 31.03.2018 have been have been prepared as if the business combination w.r.t acquisition of controlling stake in RECL had occurred from the beginning of the preceding period i.e. 01.04.2017. Accordingly, total cash consideration for acquisition of RECL of ₹ 14,500 crore payable as on 28.03.2019 has been considered as financial liability as at 01.04.2017 and 31.03.2018

24. Provisions

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	For Employee Benefits			
	- Gratuity	0.75	1.50	1.22
	- Leave Encashment	60.78	51.17	81.20
	- Economic Rehabilitation of Employees	5.38	5.01	5.08
	- Provision for Bonus / Incentive	83.25	33.75	26.97
	- Provision for Staff Welfare Expenses	16.83	120.47	110.30
	- Proposed Wage Revision	13.11	109.83	25.42
(ii)	Impairment Loss Allowance - Letter of Comfort (Refer Note 24.2)	186.71	195.55	29.58
	Total Provisions	**366.81**	**517.28**	**279.77**

24.1 Movement of Impairment on Letter of Comfort

(₹ in crore)

Sr. No.	Particulars	FY 2018-19	FY 2017-18
(i)	Opening balance	195.55	29.58
(ii)	Movement during the year	(8.84)	165.97
(iii)	Closing balance	186.71	195.55

24.2 Letter of Comfort is in the nature of commitment to the borrowers, hence the impairment allowance on the same has been categorised as provisons.

25. Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Unamortised Fee - Undisbursed Loans Assets	122.12	102.55	77.66
(ii)	Sundry Liabilities (Interest Capitalisation)	21.99	45.99	-
(iii)	Statutory dues payable:			
	- Corporate Interim Dividend Tax Payable	-	-	67.18
	- Others	49.64	77.00	61.38
(iv)	Advance received from Govt. towards Govt. Schemes	16.20	4.53	2.51
	Total Other Non-Financial Liabilities	**209.95**	**230.07**	**208.73**

26. Equity Share Capital

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019 Number	As at 31.03.2019 Amount (₹ in crore)	As at 31.03.2018 Number	As at 31.03.2018 Amount (₹ in crore)	As at 01.04.2017 Number	As at 01.04.2017 Amount (₹ in crore)
(A)	**Authorised Capital** Equity Share Capital (Par Value per share ₹ 10)	110,000,000,000	11,000.00	110,000,000,000	11,000.00	110,000,000,000	11,000.00
	Preference Share Capital (Par Value per share ₹ 10)	2,000,000,000	200.00	2,000,000,000	200.00	2,000,000,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital** Equity Share Capital (Par Value per share ₹ 10)	2,640,081,408	2,640.08	2,640,081,408	2,640.08	2,640,081,408	2,640.08
(C)	**Reconciliation of Equity Share Capital**						
	Opening Equity Share outstanding	2,640,081,408	2,640.08	2,640,081,408	2,640.08	2,640,081,408	2,640.08
	Changes during the year	–	0.00	–	0.00	–	0.00
	Closing Equity Share capital	2,640,081,408	2,640.08	2,640,081,408	2,640.08	2,640,081,408	2,640.08

26.1 Pursuant to amalgamation of PFCGEL (Company's wholly owned subsidiary) with the Company, authorised equity share capital and authorised preference share capital of the company got enhanced by ₹ 1,000 crore and ₹ 200 crore respectively, from effective date of amalgamation i.e. 01.04.2017 as per the scheme of amalgamation.

26.2 Rights, preferences and restriction attached to equity shares

The Company had issued equity shares having par value of ₹ 10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders. Dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

26.3 Shares in the Company held by each shareholder holding more than 5% of the shares (₹ in crore)

Sr. No.	Particulars	As at 31.03.2019 Number of Shares	As at 31.03.2019 %	As at 31.03.2018 Number of Shares	As at 31.03.2018 %	As at 01.04.2017 Number of Shares	As at 01.04.2017 %
(i)	President of India	1,558,889,417	59.05%	1,740,216,107	65.92%	1,751,631,394	66.35%
(ii)	Life Insurance Corporation of India	156,320,146	5.92%	157,476,305	5.96%	228,252,101	8.65%
(iii)	USB Principal Capital Asia Ltd	142,238,384	5.39%	48,260,435	1.83%	-	0.00%
(iv)	HDFC Trustee	198,898,595	7.53%	85,121,960	3.22%	25,479,486	0.97%

26.4 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

26.5 During the period of last 5 years, the Company has issued bonus shares in the ratio of 1:1 during FY 2016-17 and has not bought back any shares.

26.6 Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

26.7 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

26.8 Forfeited shares (amount originally paid up) : Nil

26.9 Management of Capital : Refer Note 40.1.

26.10 During FY 2018-19 Government of India (GoI) has transferred 1,93,72,120 and 16,19,54,570 numbers of equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF and CPSE ETF respectively.

27. Other Equity*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i)	Capital Reserve - Common Control (Refer Note 27.1 (i))	(13,461.00)	(13,461.00)	(13,461.00)
(ii)	Debenture Redemption Reserve (Refer Note 27.1 (ii))	2,708.07	2,317.16	1,921.03
(iii)	Securities Premium (Refer Note 27.1 (iii))	3,953.74	3,953.74	3,953.74
(iv)	Foreign Currency Monetary Item Translation Difference Account (Refer Note 27.1 (iv))	(1,172.29)	(401.83)	(180.86)
(v)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 (Refer Note 27.1 (v))	2,020.82	23.36	16.99
(vi)	Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961 (Refer Note 27.1 (vi))	5,337.53	4,840.09	4,291.24
(vii)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	599.85	599.85	599.85
(viii)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 (Refer Note 27.1 (vii))	25,465.49	23,190.91	20,762.91
(ix)	Interest Differential Reserve - KFW Loan (Refer Note 27.1 (viii))	60.00	57.90	56.41
(x)	General Reserve (Refer Note 27.1 (ix))	10,191.77	9,191.77	7,928.60
(xi)	Retained Earnings (Refer Note 27.1 (x))	9,029.56	6,887.10	8,573.33
(xii)	Reserve for Equity Instruments through Other Compehensive Income (Refer Note 27.1 (xi))	(204.45)	(6.82)	320.25
(xiii)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through other Comprehensive Income (Refer Note 27.1 (xii))	(50.14)	–	–
(xiv)	Share of Other Comprehensive Income in Joint Venture and Associates	2.22	2.22	–
	Total Other Equity*	**44,481.17**	**37,194.45**	**34,782.49**

*For movements during the period refer Statement of Changes in Equity.

27.1 Nature and purpose of reserve

(i) Consequent to the acquisition of REC Limited, the difference between our share in equity share capital of REC Limited of ₹ 1039.50 and the consideration paid (including existing investment of ₹ 0.50 crore) of ₹ 14500.50 crore has been recognized as capital reserve-common control as at April 1, 2017.

(ii) **Debenture Redemption Reserve (DRR)**

In case of the Company, Debenture redemption reserve represents allocation from profits for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues. The Company transfers amount from this reserve to retained earnings when the bonds/ debentures got redeemed.

In case of Group's Subsidiary REC Ltd., in accordance with provisions of Section 71(4) of the Companies Act, 2013 as further clarified by the Companies (Share Capital and Debentures) Rules, 2014 issued by Ministry of Corporate Affairs, Govt. of India, the company creates Debenture Redemption Reserve (DRR) upto 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008 during the maturity period of such debentures, and no DRR is required in the case of privately placed debentures. The amounts credited to the DRR may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from DRR to retained earnings.

(iii) **Securities Premium**

Securities premium represents amount of premium received on issue of share capital net of expense incurred on issue of shares.This amount is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) **Foreign Currency Monetary Item Translation Difference Account**

Foreign Currency Monetary Item Translation Difference Account represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (existing as on 31.03.2018) that are amortized over the tenure of the respective borrowings.

(v) **Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934**

Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared.

(vi) **Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961**

Reserve for Bad & doubtful debts have been created to avail income tax deduction under section 36(1)(viia)(c) of Income-Tax Act,1961.

(vii) **Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961**

Special reserve have been created to avail income tax deduction under section 36(1)(viii) of Income-Tax Act,1961 @ 20% of the profit before tax arrived from the business of providing long term finance in a year.

(viii) **Interest Differential Reserve - KFW Loan**

The reserve represents difference between the interest due and interest paid on kfw loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the Foreign currency borrowing from KFW, is adjusted against this reserve. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan.

(ix) **General Reserve**

General Reserve is created by transfer from other component of equities and used for appropriation purposes.

(x) **Retained earnings**

Retained earnings represent profits and items of other comprehensive income recognised directly in retained earnings earned by the Company less dividend distributions and transfer to and from other reserves.

(xi) **Reserve for Equity Instruments through Other Comprehensive Income**

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. This reserves represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to statement of profit and loss. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(xii) **Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instrument entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve, will be reclassified to profit and loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

28 Non-Controlling Interest

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(i)	**Balance at the begining of the year**	**15,435.22**	**14,592.93**
(ii)	Share of Net Profit for the year	2,719.41	2,108.00
(iii)	Re-measurement of Defined Benefit Plans	(5.97)	(1.97)
(iv)	Share of Other Comprehensive Income / (Expense)	(22.73)	4.65
(v)	**Share of Total Comprehensive Income**	**2,690.71**	**2,110.68**
(vi)	Dividend (including dividend tax) paid to Non-Controlling Interest	(1,192.61)	(940.05)
(vii)	Dividend Distribution tax paid for Non-Controlling Interest	(248.91)	(190.95)
(viii)	Others	(321.39)	(137.39)
	Balance at the end of year of the year	**16,363.02**	**15,435.22**

29 Interest Income

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
		On financial assets measured at Amortised Cost	Interest income on securities classified at fair value through profit or loss	On financial assets measured at Amortised Cost	Interest income on securities classified at fair value through profit or loss
(i)	Interest on Loans	53,329.07		47,481.13	
	Less : Rebate for Timely Payment to Borrowers	(491.90)		(406.03)	
(ii)	Interest Income from Investment		255.85		365.05
(iii)	Interest on Deposits with Banks	263.52		147.66	
(iv)	Other Interest Income	79.16	–	89.41	–
	Total Interest Income	**53,179.85**	**255.85**	**47,312.17**	**365.05**

30 Fees and Commission Income

(₹ in crore)

Sr. No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i)	Prepayment Premium on Loans	246.56	285.51
(ii)	Fee Based Income on Loans	24.59	63.29
(iii)	Fee on account of GoI Schemes (Refer Note 30.1 and 30.2)	102.96	218.18
	Total Fees and Commission Income	**374.11**	**566.98**

30.1 Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) :

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lent but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

The amount recoverable from borrowers & payable to GoI under R – APDRP scheme stands at ₹16,507.55 crore as at 31.03.2019 (₹14,645.44 crore as at 31.03.2018 and ₹12,749.20 crore as at 01.04.2017).

(ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme for operationalization and associated service for implementation of R – APDRP from MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is 1.7% of likely project outlay under Part A & B of R-APDRP, subject to cap of ₹ 850 crore.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 329.82 crore as at 31.03.2019 (₹ 301.94 crore as at 31.03.2018 and ₹ 280.72 crore as at 01.04.2017).

30.2 Integrated Power Development Scheme (IPDS) :

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS scheme.

Amount of GOI grant administered to the eligible utilities till 31.03.2019 is ₹ 8,083.17 crore (₹ 5,329.82 crore as at 31.03.2018 and ₹ 2,561.01 crore as at 01.04.2017).

The Company is eligible for nodal agency fee totaling to 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

31 Net Loss on Fair Value changes

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Changes on fair value of Derivatives	(263.54)	(766.56)
	Total Net Loss on Fair Value changes	**(263.54)**	**(766.56)**
	Fair value changes:		
(i)	- Realised	(772.90)	(767.65)
(ii)	- Unrealised	509.36	1.09
	Total Net Loss on Fair Value changes	**(263.54)**	**(766.56)**

31.1 In case of the Company and it subsidiary REC Ltd., Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

32 Other Operating Income

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2019
(i)	Sale of Services	225.67	286.77
(ii)	Other	1.83	0.73
	Total Other Operating Income	**227.50**	**287.50**

33 Other Income

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2019
(i)	Excess Liabilities written back	12.05	3.70
(ii)	Miscellaneous Income	30.84	17.89
	Total Other Income	**42.89**	**21.59**

34 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
		On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss
(i)	**Interest on Debt Securities**				
	- Bonds	28,810.47		27,723.36	
	- Commercial Paper	894.69		623.22	
(Ii)	**Interest on Borrowings**				
	- Loans and others	4,298.75		1,368.62	
(iii)	**Interest on Subordinated Liabilities**	568.12		557.79	
(iv)	**Other Interest Expense**				
	- Interest on Interest Subsidy Fund	3.46		9.32	
	- Interest on Application Money-Bonds	0.08		0.03	
	- Interest paid on advances received from Subsidiaries	6.18		5.93	
	- Swap Premium (Net)		43.93		–
	- Other	6.65		6.88	
	Less: Finance Cost Capitalised	(11.37)		(6.32)	
	Total Finance Costs	**34,577.03**	**43.93**	**30,288.83**	**–**

35 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Agency Fees	1.52	2.04
(ii)	Guarantee, Listing and Trusteeship fees	15.45	17.52
(iii)	Credit Rating Fees	8.08	10.91
(iv)	Other Finance Charges	19.42	2.69
	Total Fees and Commission Expense	**44.47**	**33.16**

36 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Amortised Cost
(i)	Loans and Letter of Comfort	(656.95)	4,695.33
(ii)	Investment	0.01	0.04
(iii)	Others Financial Instruments	31.21	(2.14)
	Total Impairment on Financial Instruments	**(625.73)**	**4,693.23**

36.1 Refer Note 40.2.1 for details of impairment on financial assets.

37 Changes in inventries of finished goods and work-in-progress

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Opening stock		
(i)	Work-in-progress	–	0.04
(ii)	**Closing stock**	–	–
	Work-in-progress		
(iii)	**Change in stock**	-	0.04
	Total	**–**	**0.04**

38 Employee Benefit Expenses

(₹ in crore)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Salaries and Wages	273.58	281.20
(ii)	Contribution to Provident and other Funds	31.87	39.26
(iii)	Staff Welfare Expenses	52.47	46.61
(iv)	Rent for Residential Accommodation of Employees	4.74	7.09
	Total Employee Benefit Expenses	**362.66**	**374.16**

38.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 42.

38.2 Rent for Residential Accommodation of Employees is on account of rent (net of recoveries) on lease arrangements for premises which are taken for residential use of employees and are usually renewable on mutually agreed terms and are cancellable.

39 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Rent, Taxes and Energy Cost (Refer Note 39.1)	45.68	31.47
(ii)	Repairs and Maintenance	12.87	15.02
(iii)	Communication Costs	5.60	5.22
(iv)	Printing and Stationery	5.85	5.60
(v)	Advertisement and Publicity	95.56	18.00
(vi)	Directors Fees, Allowance & Expenses	0.36	0.24
(vii)	Auditor's fees and expenses (Refer Note 39.2)	2.84	2.20
(viii)	Legal & Professional charges	29.27	17.57
(ix)	Insurance	0.31	0.34
(x)	Travelling and Conveyance	34.11	32.10
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	1.22	0.98
(xii)	Other Expenditure	91.10	56.66
	Total Other Expenses	**324.77**	**185.40**

39.1 Pursuant to decapitalisation of Leasehold land, prepaid lease premium paid initially is being amortised over the remaining period of the lease term. Rent, Taxes & Energy Cost includes such amortisation of prepaid lease premium. Further, it includes rent for premises taken on lease for official use and are usually renewable on mutually agreed terms, and are cancellable. Refer Note 53.3(c)

39.2 Auditor's fees and expenses are as under :

(₹ in crore)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Audit Fee	1.06	0.85
(ii)	Taxation matters*	0.38	0.20
(iii)	Company Law Matters	0.45	0.26
(iv)	Other services	0.77	0.75
(v)	Reimbursement of expenses	0.08	0.04
(vi)	Non Recoverable Tax Credit in respect of fees paid to Auditors	0.10	0.10
	Total	**2.84**	**2.20**

* In case of Group's Subsidiary REC Ltd., includes ₹ 0.09 crores (Previous year ₹ 0.02 crores) of Tax Audit fees pertaining to earlier years.

40 Financial Instruments

40.1 Capital Management

The Group maintains a capital base that is adequate in quantity and quality to support the Group's risk profile, regulatory and business needs while avoiding excessive leverage. The Group sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 20, 21 & 22 and Consolidated Statement of Changes in Equity for details.

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company and its subsidiary RECL are registered with RBI as NDSI. Both the companies regularly monitor the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company and its subsidiary RECL is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital Risk Adjusted Ratio (CRAR) for the Company and its subsidiary RECL is as under:

Particulars	As at 31.03.2019
CRAR – Tier I Capital	12.40%
CRAR – Tier II Capital	4.38%
Total CRAR	16.78%

Details of Subordinated Debt / Perpetual Debt raised are as under:

Particulars	FY 2018-19	FY 2018-19
Amount of subordinated debt raised as Tier-II capital	7,562.70	–
Amount raised by issue of Perpetual Debt Instruments	–	–

Dividend Distribution Policy

The companies in the Group have a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to government guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, the Company is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher.

Nonetheless, the Company is expected to pay the maximum dividend permissible under the Act under which it has been set up, unless lower dividend is justified after considering parameters like Net-worth, CAPEX/Business Expansion needs; additional investments in subsidiaries / associates of the Company; etc.

40.2 Financial Risk Management

The Group is exposed to several risks which are inherent to the environment that it operates in. The Group is primarily into the business of extending financial assistance to power sector. The principal risks which are inherent with the Group's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk & interest rate risk).

The following table broadly explains the sources of risks which the Group is exposed to and how it manages the same and related impact in the financial statements:

Risk	Exposure arising from	Measurement	Risk Management
Credit Risk	Loans, financial assets, investments, trade receivables cash and cash equivalents	Ageing analysis	Detailed appraisal process, credit limits, diversification of asset base and collateral including government guarantee
Liquidity Risk	Borrowings, debt securities, subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk– Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis	Derivative contracts for hedging currency risk
Market Risk – Interest Rate Risk	Borrowings, debt securities subordinated liabilities and loans at variable rates	Interest rate gap analysis	Mix of loan arrangements with varied interest rate terms, Derivative contract like interest rate swaps etc.
Market Risk – Equity price Risk	Investments in quoted equity securities	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the Companies in the Group have put in place a mechanism to ensure that these risks are monitored carefully and managed efficiently. Further, in order to avoid concentrations of risk, the Companies in the Group follow policies and procedures for maintaining a diversified portfolio. The risk management approach i.e. objectives, polices and processes for measuring and managing each of above risk is set out in the subsequent subsections.

40.2.1 Credit Risk Management

Credit risk is the risk that a borrower or counterparty will default on its contractual obligations resulting in financial loss to a company. Details of financial assets that expose the Group to credit risk are:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Low Credit Risk			
Cash and cash equivalents	725.03	825.04	4,544.99
Bank balances other than included in cash and cash equivalents	15,606.41	2,024.27	3,684.05
Loans (Principal Outstanding)	5,32,107.25	4,41,118.81	3,75,558.45
Trade Receivables	182.96	157.94	146.85
Investments	4,603.77	5,492.51	6,903.19
Other financial assets	23,761.47	9,662.57	5,466.63
Moderate Credit Risk			
Loans (Principal Outstanding)	13,880.61	33,365.49	54,975.45
Trade receivables	3.37	0.04	3.07
High Credit Risk			
Loans (Principal Outstanding)	49,888.75	43,995.22	17,158.98
Other financial assets	40.45	17.53	23.1
Trade receivables	28.16	29.23	28.21

The Group is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalents is limited as these are held with scheduled commercial public sector banks and high rated private sector banks across the country. For its investments, the Group manages its exposure to credit risk by investing in securities issued by counterparties having a high credit rating, periodic monitoring and taking necessary actions when required. For the trade receivables and other financial assets, credit risk is mitigated by assessing the credit worthiness of debtors and is managed by monitoring the recoverability of such amounts continuously. The Group's credit risk management arising out of its lending operations is explained in detail below:

A. Credit risk management approach for lending operations

In respect of PFC

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., Project appraisal & Project monitoring. The Company selects the borrowers in accordance with the Company's approved Credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by the Company.

(a) Project Appraisal

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(i) Appraisal for Private Sector Power Projects

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted by the Competent Authority on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology for generation projects where weightages are assigned to project and entity rating.

Based on the appraisal process, the Company stipulates an ideal debt-equity ratio for the project and requires proportionate equity infusion from the promoters. Suitable quantum of upfront equity infusion serves as a useful mitigant of the credit risk.

(ii) Appraisal for State Sector Power Projects

State sector projects are taken up for detailed appraisal to determine if it is techno economically sound and compatible with integrated power development & expansion plans of the State etc.

The Company classifies state power generation and transmission utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to State Power Distribution utilities including integrated utilities, the Company's categorisation policy provides for adoption of MoP's Integrated Ratings by aligning such ratings/ grading with that of Company's rating structure.

These categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. The Company also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and the like are stipulated so as to ensure tying up of funds (debt and equity both) , all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements / contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of the Company as a lender for timely repayment of debt.

(b) Security and Covenants

The Company stipulates a package of security measures/covenants to mitigate different kinds of risks during the construction and post COD (commercial operation date) stage of the project. The Company adopts a combination of measures like charge on project assets, collateral over & above the charge on project assets, payment security mechanism by obtaining escrow cover or by lending under trust & retention agreement (TRA) mechanism, promoters' personal and corporate guarantee etc. keeping in view the risk appetite.

(c) Post-disbursement Project Monitoring

The Company has a comprehensive project monitoring system that monitors and tracks project implementation status and identifies risks where intervention is required to minimize the time & cost overruns and consequent slippages in disbursements.

For State sector projects, monitoring is carried out based on progress details about projects obtained from borrowers on time to time basis through progress monitoring reports, site visits, discussions with the borrowers, information/ reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where the Company is Lead Financial Institution, the Company engages lender's engineers (LEs) and lender's financial advisors (LFAs), which are independent agencies who act on behalf of various lenders and consortium members. The Lenders' Engineers conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. Lender's financial advisors submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead FI, the tasks related to LEs and LFAs services are being coordinated with the lead lender.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project implementation etc. and is reviewed by the Company on a regular basis.

The Company continuously monitors delays and/ or default of borrowers and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps 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. regularization of the account by recovering all over dues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, National Company Law Tribunal (NCLT) (IBC -2016) etc & other actions as specified under RBI framework.

In respect of the subsidiary, RECL

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, Govt. Guarantees, Corporate guarantees etc. and additionally Collaterals wherever required. The Company closely monitors the creditworthiness 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.

Credit risk is the single largest risk of the Company's business, and therefore the Company has developed several processes and controls to manage it. The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. To mitigate this 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 regular basis the projects risk are reviewed and categorised as High/Moderate/Low on the basis of different risk parameters and exposure of the project as per Project Risk Categorization Frameworks. The process for Credit Risk Management is as under:

(i) The Company has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy" 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 engineers, financial advisors and insurance advisors, which are independent agencies who act on behalf of various lenders and consortium members. The Lenders' Engineers conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. Lender's financial advisors submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead FI, the tasks related to LE and LFA services are being coordinated with the lead lender.

A separate Project Management Agency (PMA) is being appointed for each of new project being financed by REC which shall be stationed at project site to closely monitor various project execution activities including review of invoices and the fund utilization. PMA shall verify the bills of original equipment manufacturer/supplier, composite works contractor and give its recommendation for disbursement.

(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 is 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. regularization of the account by recovering all over dues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms.

B. Credit risk analysis

(i) Exposure to credit risk

For loans recognized in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 10 'Loans' for Group's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Company would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 47 for exposure of Guarantee and Outstanding Disbursement Commitments.

(ii) Credit concentration risk

Credit concentration risk is 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.

The following table sets out an analysis of risk concentration of overall loan portfolio of the Company and its subsidiary, RECL on the basis of similar risk characteristics:

(₹ in crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Principal outstanding	Impairment allowance	Principal outstanding	Impairment allowance	Principal outstanding	Impairment allowance
Concentration by ownership						
Loans to state sector (i.e. entities under the control of state and /or central government)	5,08,774.12	700.95	4,34,124.49	1,914.02	3,71,848.83	4,968.09
Loans to private sector	87,102.49	26,978.02	84,355.03	26,413.23	75,843.78	18,853.59
Total	**5,95,876.61**	**27,678.97**	**5,18,479.52**	**28,327.25**	**4,47,692.61**	**23,821.68**

The companies consider that loans to state sector have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Further, presence of Government interest in these projects lowers the risk of non-recoverability of dues.

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

C. Details regarding Concentration / Exposure of Loans

In respect of PFC:

1. Concentration of Advances:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total Advances to twenty largest borrowers	1,88,278.21	1,62,412.85	1,53,506.95
Percentage of Advances to twenty largest borrowers to Total Advances (Principal Outstanding) of the Company	59.83%	58.21%	62.51%

2. Concentration of Exposures:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total Exposure to twenty largest borrowers / customers	2,61,087.34	2,37,469.89	2,40,892.19
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	53.87%	53.90%	56.23%

Further, Company has a well-diversified lending portfolio comprising of loans to generation (renewable and non-renewable), transmission and distribution power projects spread across diverse geographical areas.

In respect of the subsidiary, RECL

3. Concentration of Advances:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total Advances to twenty largest borrowers	1,58,931.60	1,36,285.52	1,11,916.90
Percentage of Advances to twenty largest borrowers to Total Advances (Principal Outstanding) of the Company	56.52%	56.92%	55.42%

4. Concentration of Exposures :

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Total Exposure to twenty largest borrowers / customers	2,54,896.66	2,36,006.27	1,97,327.07
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	59.46%	59.25%	60.34%

D. Impairment Assessment

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not categorized at fair value through profit or loss. Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition.

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage I'.

- If a significant increase in credit risk (SICR) is identified, the financial instrument is moved to 'Stage II'.

- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage III' category.

In respect of PFC,

(i) Significant Increase in Credit Risk (Stage II)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In determining whether the risk of default has increased significantly since initial recognition, the Company considers more than 30 days overdue as a parameter. Additionally, the Company considers any other observable input indicating a significant increase in credit risk.

(ii) Credit impaired

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 overdue on its contractual payments.

(iii) Measurement of Expected Credit loss (ECL)

ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These parameters have derived from internally developed models using historical data and adjusted with current

▶ Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used.

For Stage III credit impaired accounts, 100% PD is taken.

▶ Loss Given Default (LGD): It is the loss factor which the Company may experience, if default occurs.

▶ Exposure at Default (EAD): It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

The Company has appointed an independent agency CRISIL Ltd. for assessment of ECL on credit impaired loans (Stage III). For all other loans, ECL is computed on a collective basis by grouping of the financial assets based on the similar risk characteristics like short term loans to state sector, other loans to state sector, thermal generation loans to private sector, solar generation loans to private sector and so on.

▶ Key assumptions used in measurement of ECL

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

In respect of the subsidiary, RECL

REC has appointed an independent agency, IRR Advisory Services Pvt. Ltd. for developing the methodology, evaluation and calculation of ECL as per Ind AS 109. A comprehensive model for measurement of Credit risk has been developed based on key financial and operational parameters to assess improvement/ deterioration in credit quality. The credit risk model also provides a rating and the expected loss in case of default. RECL has considered following parameters in the model:

- Quantitative factors
  - Debt/ EBITDA (20% weightage)
  - Return on Capital Employed (30% weightage)
  - Interest Coverage (20% weightage)
  - Cash Interest Coverage (30% weightage)
- Qualitative Factors
  - Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, and LAF
  - Actual Default dates, loan restructuring details
  - Cost run over and time delay in commissioning of the project for under construction projects
  - Parent support
  - Turnover caps
  - Conduct of account
- Significant Increase in Credit Risk (SICR)

  RECL considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria are met.

  Quantitative criteria

  The company has assumed that a 2 notch downgrade in credit rating since inception to be considered as significant increase in credit risk.

  Qualitative criteria

  In case of significant delay in commissioning in under construction projects, it is assumed that there is significant increase in risk and loan is moved to stage 2.

  Backstop

  A backstop is applied by RECL on any financial instrument if the payment is greater than or equal to ₹ 1 crore and the borrower is more than 30 days past due on its contractual payments. However, based on historical data, it has been noticed that such overdue amounts for more than 30 days do not signify significant increase in credit risk for state utilities. Therefore, RECL has applied this criterion only for private entities.
- Low credit risk exemption

  Ind-AS provides an optional simplification to assume that the credit risk on a financial asset has not increased significantly since initial recognition (and thus remain in stage 1) if the financial asset is considered to have a low credit risk at the reporting date.

  Credit risk is considered to be 'low' when the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

  RECL considers loan assets having External credit rating between AAA to A, to have low credit risk. Further, the Company has taken low credit risk exemption for all state utilities as it considers that loans to state sector have a low credit risk in comparison to lending to private sector mainly due to low default/ loss history in state sector and availability of government guarantee in certain loans. Further, presence of Government interest in these projects lowers the risk of non-recoverability of dues.
- Definition of default and credit-impaired assets

  RECL defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments.
- 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 is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.

  - LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of collateral or other credit support.
- Determination of Probability of Default (PD)

  RECL has analysed the transition matrix of various rating agencies (CRISIL, Care and India Ratings) and has taken average of transition matrix of these rating agencies to arrive at the annual average transition matrix. This average annual transition matrix was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD.
- Loss Given Default (LGD) computation model

  Based on the historical trend, research and industry benchmarking, RECL has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, current PLF, parent / state support, PPA status, FSA, fuel cost pass-through status, years of existing default etc. Based on internal research, for Thermal plants company has benchmarked project cost and PLF level to estimate viable scenario for operating profitably and recoverability is calculated accordingly. Similarly company assumes that although Renewable companies and Transmission companies faces collection issues from distribution companies leading to longer working capital cycle but they are sustainable on a longer term basis. For State Utilities, RECL has factored in the state support and assumed that the State governments would step in to repay debt obligations of the state utilities as witnessed in the past during the Uday scheme, thus state credit rating and corresponding PD is considered to compute LGD.

  Further, where RECL and PFC (Group Companies) are in Consortium for Stage-III Loan accounts, RECL considers LGD on the following basis:

  a) In cases where either REC or PFC is lead lender, LGD % calculated by the lead lender is adopted

  b) In cases where neither REC nor PFC is lead lender, higher of the LGD% worked out by REC and PFC is adopted.
- Key assumptions used in measurement of ECL

  (i) RECL considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

  (ii) Cost Overrun and time delay in commissioning is considered for computing credit rating for under construction projects.

  (iii) Turnover Cap and Parent support is considered for assigning final ratings.

  (iv) Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.
- Forward looking information incorporated in ECL models

  The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the Credit Rating Models also consider the forward looking information in the determination of the credit rating to be assigned to the borrower, by taking into consideration various financial ratios and extension of the project completion. As such, the Base Case Scenario reflects the most appropriate basis for the computation of ECL for RECL. After analysis of the forward looking information and the economic situation, no upturn/downturn scenario seems to be applicable or requiring any consideration in inputs used for ECL computation.

- **Credit Risk Exposure**

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under

As at 31.03.2019

(₹ in crore)

External rating range	Stage 1	Stage 2	Stage 3	Total
AAA	-	-	-	-
AA	3,239.02	-	-	3,239.02
A	56,158.84	-	-	56,158.84
BBB	40,834.51	-	-	40,834.51
BB	57,967.67	519.32	-	58,486.99
B	47,683.74	1,030.31	-	48,714.05
C	46,119.65	2,862.99	-	48,982.64
D	-	-	20,348.44	20,348.44
Government Loan	4,445.19	-	-	4,445.19
Gross carrying amount	**2,56,448.62**	**4,412.62**	**20,348.44**	**2,81,209.68**
Loss allowance	525.26	1,273.72	9,698.95	11,497.93
Carrying amount	**2,55,923.36**	**3,138.90**	**10,649.49**	**2,69,711.75**

As at 31.03.2018

(₹ in crore)

External rating range	Stage 1	Stage 2	Stage 3	Total
AAA	-	-	-	-
AA	3,198.11	-	-	3,198.11
A	51,693.57	-	-	51,693.57
BBB	17,974.14	-	-	17,974.14
BB	53,056.43	10,594.28	-	63,650.71
B	30,981.40	-	-	30,981.40
C	46,596.39	4,672.25	-	51,268.64
D	-	-	17,128.42	17,128.42
Government Loan	3,567.83	-	-	3,567.83
Gross carrying amount	**2,07,067.88**	**15,266.53**	**17,128.42**	**2,39,462.83**
Loss allowance	1,090.78	1,694.30	8,490.53	11,275.61
Carrying amount	**2,05,977.10**	**13,572.23**	**8,637.89**	**2,28,187.22**

As at 01.04.2017

(₹ in crore)

External rating range	Stage 1	Stage 2	Stage 3	Total
AAA	-	-	-	-
AA	3,371.83	-	-	3,371.83
A	32,324.46	-	-	32,324.46
BBB	21,635.16	-	-	21,635.16
BB	51,057.87	-	-	51,057.87
B	34,743.10	-	-	34,743.10
C	37,949.19	12,849.73	-	50,798.92
D	-	-	4,872.69	4,872.69
Government Loan	3,298.00	-	-	3,298.00
Gross carrying amount	**1,84,379.61**	**12,849.73**	**4,872.69**	**2,02,102.03**
Loss allowance	1,324.86	5,011.36	2,648.95	8,985.17
Carrying amount	**1,83,054.75**	**7,838.37**	**2,223.74**	**1,93,116.86**

- **Collateral and other credit enhancements**

RECL employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. 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

- **Write off policy**

RECL writes off financial assets, in whole or in part, 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.

E. Details of Stage wise Exposure and Impairment Loss Allowance in respect of the Company and its subsidiary, RECL is as under:

(₹ in crore)

Particulars (inclusive of loan commitments)	As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
	Principal Outstanding	Cumulative Impairment loss allowance	%	Principal Outstanding	Cumulative Impairment loss allowance	%	Principal Outstanding	Cumulative Impairment loss allowance	%
Credit impaired loans (Default event triggered) (Stage III)	49,888.75	24,719.96	49.55	43,995.22	22,731.75	51.67	17,158.98	7,541.54	43.95
Loans having significant increase in credit risk (Stage II)	13,880.61	1,576.79	11.36	33,365.49	2,364.59	7.09	54,975.18	10,411.42	18.94
Other loans (Stage I)	5,32,107.25	1,382.22	0.26	4,41,118.81	3,230.91	0.73	3,75,558.45	5,868.72	1.56
Total	**5,95,876.61**	**27,678.97**		**5,18,479.52**	**28,327.25**		**4,47,692.61**	**23,821.68**	
Outstanding Disbursement Commitments (Letter of Comforts) forming part of contingent liabilities	1,019.06	186.71		1,694.60	195.39		1,640.56	5.61	

F. The following tables explain the changes in the loan assets and the corresponding ECL allowance in respect of the Company and RECL between the beginning and the end of the annual period:

(₹ in crore)

FY 2018-19	Stage I		Stage II		Stage III		Total	
	Principal	Impairment allowance	Principal	Impairment allowance	Principal	Impairment allowance	Principal	Impairment allowance
Opening Balance	4,41,118.81	3,230.91	33,365.49	2,364.59	43,995.22	22,731.76	5,18,479.52	28,327.26
Transfer to Stage I	19,767.81	937.39	(18,950.91)	(297.35)	(816.90)	(640.04)	-	-
Transfer to Stage II	(8,077.82)	(15.21)	9,303.60	382.95	(1,225.78)	(367.73)	-	-
Transfer to Stage III	(2,763.00)	(625.75)	(5,821.75)	(776.24)	8,584.75	1,401.99	-	-
Change in Principal/ECL during the year	9,110.28	(2,211.67)	(991.23)	25.65	(448.09)	1,606.20	7,670.96	(579.82)
New financial assets originated	99,210.54	138.90	253.82	22.59	-	-	99,464.36	1,61.49
Derecognised financial assets	(26,259.36)	(72.36)	(3,278.41)	(145.40)	(200.47)	(12.21)	(29,738.24)	(229.97)
Closing Balance	**5,32,107.25**	**1,382.22**	**13,880.61**	**1,576.79**	**49,888.75**	**24,719.96**	**5,95,876.61**	**27,678.97**

(₹ in crore)

FY 2017-18	Stage I		Stage II		Stage III		Total	
	Principal	Impairment allowance	Principal	Impairment allowance	Principal	Impairment allowance	Principal	Impairment allowance
Opening Balance	3,75,558.45	5,868.72	54,975.18	10,411.42	17,158.98	7,541.54	4,47,692.61	23,821.68
Transfer to Stage I	15,409.01	1,021.77	(14,469.27)	(691.74)	(939.74)	(330.03)	-	-
Transfer to Stage II	(11,546.87)	(72.11)	11,546.87	72.11	-	-	-	-
Transfer to Stage III	(7,414.64)	(1,468.97)	(18,847.46)	(7,721.05)	26,262.09	9,190.03	-	-
Change in Principal/ECL during the year	1,233.29	(2,484.08)	1,991.59	314.59	812.03	6,219.31	4,036.91	4,049.82
New financial assets originated	90,228.39	542.69	381.39	53.75	1,038.92	305.99	91,648.70	902.43
Derecognised financial assets	(22,348.83)	(177.11)	(2,212.80)	(74.49)	(337.06)	(195.08)	(24,898.69)	(446.68)
Closing Balance	**4,41,118.81**	**3,230.91**	**33,365.49**	**2,364.59**	**43,995.22**	**22,731.75**	**5,18,479.52**	**28,327.25**

G. Table showing movement of loss allowance on Stage III Loans is as under:

In respect of the PFC:

(₹ in crore)

Sl. No.	Description	As at 31.03.2019	As at 31.03.2018
(i)	Gross Stage III Loans to Gross Loans (%)	9.39%	9.63%
(ii)	Net Stage III Loans to Net Loans (%)	4.85%	4.82%
		FY 2018-19	**FY 2017-18**
(iii)	Movement of Stage III Loans (Gross)		
	(a) Opening balance	26,866.80	12,286.29
	(b) Additions during the year	3,793.33	15,493.47
	(c) Reductions during the year	(1,119.82)	(912.96)
	(d) Closing balance	29,540.30	26,866.80
(iv)	Movement of Net Stage III Loans		
	(a) Opening balance	12,625.58	7,393.70
	(b) Additions during the year	2,851.39	7,571.59
	(c) Reductions during the year	(957.67)	(2,339.71)
	(d) Closing balance	14,687.10	12,625.58
(v)	Movement of impairment allowance for Stage III Loans		
	(a) Opening balance	14,241.22	4,892.59
	(b) Impairment allowance made during the year	1,823.55	9,811.42
	(c) Write-off / write-back of excess impairment allowance	(1,043.76)	(462.79)
	(d) Closing balance	15,021.01	14,241.22

In respect of the subsidiary, RECL :

Table showing movement of loss allowance on Stage III Loans:

(₹ in crore)

Sl. No.	Description	As at 31.03.2019	As at 31.03.2018
(i)	Gross Stage III Loans to Gross Loans (%)	7.24%	7.15%
(ii)	Net Stage III Loans to Net Loans (%)	3.95%	3.79%
		FY 2018-19	**FY 2017-18**
(iii)	Movement of Stage III Loans (Gross)		
	(a) Opening balance	17,128.43	4,872.69
	(b) Additions during the year	4,628.40	12,570.84
	(c) Reductions during the year	(1,408.39)	(315.10)
	(d) Closing balance	**20,348.44**	**17,128.43**
(iv)	Movement of Net Stage III Loans		
	(a) Opening balance	8,637.90	2,223.74
	(b) Additions during the year	3,051.83	6,685.70
	(c) Reductions during the year	(1,040.24)	(271.54)
	(d) Closing balance	**10,649.49**	**8,637.90**
(v)	Movement of impairment allowance for Stage III Loans		
	(a) Opening balance	8,490.53	2,648.95
	(b) Impairment allowance made during the year	1,576.57	5,885.14
	(c) Write-off / write-back of excess impairment allowance	(368.15)	(43.56)
	(d) Closing balance	**9,698.95**	**8,490.53**

H.Concentration of Stage III loans

In case of PFC,

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Principal outstanding of top four Stage III accounts	13,847.63	13,928.25	8,530.34

In case of the subsidiary RECL,

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Principal outstanding of top four Stage III accounts	8,502.74	8,558.91	3,444.72

40.2.2 Liquidity Risk Management

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

In case of PFC,

In order to effectively manage liquidity risk, the Company endeavours to maintain sufficient cash flows to cover maturing liabilities without incurring unacceptable losses or risking damage to the Company's reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Company's liquidity position is determined keeping in view the following factors:

- Current liquidity position;
- Anticipated future funding needs
- Present and future earning capacity; and
- Available sources of funds.

The Company manages its day to day liquidity to ensure that the company has sufficient liquidity to meet its financial obligation as & when due. The long term liquidity is managed keeping in view the long term fund position and the market factors. This is in line with the Board approved framework and breaches, if any, are to be reported to the Board of Directors. The Company has never defaulted in servicing of its borrowings.

Further, for overall liquidity monitoring and supervision, the Company has an Asset Liability Committee (ALCO) headed by Director (Finance). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mis-matches of its financial assets and liabilities. The mis-matches are analysed by way of liquidity statements prescribed by RBI, wherein the cumulative surplus or deficit of funds is arrived at by distributing the cash flows against outstanding financial assets and financial liabilities according to the maturity ladder.

The following table analyses the maturity pattern of items of financial liabilities by remaining maturity of contractual principal on an undiscounted basis.

(₹ in crore)

Particulars	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years
As at 31.03.2019								
Rupee Borrowings	21,785.18	4,915.00	7,495.20	10,292.05	19,088.10	76,608.05	32,730.60	87,160.38
Foreign Currency borrowings	696.50	-	2,080.35	-	3,468.40	4,971.67	9,235.95	8,373.99
As at 31.03.2018								
Rupee Borrowings	1,275.80	2,805.00	7,345.70	12,457.70	13,056.65	69,867.71	37,178.05	67,628.47
Foreign Currency borrowings	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55
As at 01.04.2017								
Rupee Borrowings	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73
Foreign Currency borrowings	4.64	-	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26

Maturity Analysis of Derivative financial liabilities:

(₹ in crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Forward			
Upto 1 year	97.02	0.04	0.00
1 - 5 years	148.70	198.04	68.41
Sub Total (A)	**245.72**	**198.08**	**68.41**
Option/ swaps			
Upto 1 year	27.31	59.67	85.86
1 - 5 years	388.85	225.98	198.75
More than 5 years	3.11	74.70	69.85
Sub Total (B)	**419.27**	**360.35**	**354.46**
Total (A+B)	**664.99**	**558.43**	**422.87**

The table above details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparties. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

The Company has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, the Company has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilize funds from the domestic market within a short span of time.

The Company has access to the following undrawn borrowing facilities:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
CC/ OD/ LoC / WCDL limits	6,950.00	13,200.00	11,060.00

In respect of its subsidiary, RECL

RECL 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.

RECL 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.

Maturity Pattern of Future Undiscounted Cash Flows

The cash flows towards items of financial assets and liabilities (representing future undiscounted cash flows towards principal and interest) are as under:

(₹ in crore)

As at 31.03.2019	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years
Rupee Borrowings								
Debt Securities								
- Principal	3,256.39	525.21	2,294.33	9,272.90	20,218.27	65,194.54	25,107.93	49,187.62
- Interest	484.75	912.75	1,840.88	2,754.00	6,877.86	19,633.29	11,001.43	13,288.00
Other Borrowings								
- Principal	-	350.00	500.00	850.00	200.01	4,257.52	13,405.02	5,187.59
- Interest	133.77	129.71	355.81	388.00	975.00	3,673.00	2,176.00	2,055.00
Subordinated Liabilities								
- Principal	-	-	-	-	-	-	2,500.00	2,151.20
- Interest	-	201.50	-	-	189.26	782.00	782.00	945.00
Foreign Currency Borrowings								
Debt Securities								
- Principal	-	-	-	-	-	2,766.85	4,841.99	5,187.85
- Interest	-	126.06	42.33	108.00	279.00	1,052.00	1,281.00	807.00
Other Borrowings								
- Principal	-	1,729.28	71.11	1,058.63	2,444.00	10,423.28	6,234.49	-
- Interest	43.40	54.77	42.07	229.00	290.00	734.00	278.00	-
Derivative Liabilities :								
Interest rate swaps	-	-	-	0.59	6.26	10.19	110.01	3.11
Currency swaps	-	-	-	-	-	0.40	-	-
Forward Contracts	10.27	-	-	-	-	-	-	-
Others -								
Seagull Option	-	-	-	0.37	18.20	-	-	-

(₹ in crore)

As at 31.03.2018	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years
Rupee Borrowings								
Debt Securities								
- Principal	312.36	427.89	940.89	9,610.60	16,323.17	61,056.11	32,653.85	44,689.59
- Interest	415.74	777.17	1,636.05	2,475.00	7,218.16	19,907.58	11,268.40	12,649.00
Other Borrowings								
- Principal	-	-	-	-	200.00	200.00	-	-
- Interest	-	-	-	-	29.00	15.00	-	-
Subordinated Liabilities								
- Principal	-	-	-	-	-	-	-	2,500.00
- Interest	-	201.50	-	-	-	403.00	403.00	201.00
Foreign Currency Borrowings								
Debt Securities								
- Principal	-	-	-	-	-	2,601.76	-	4,878.30
- Interest	-	-	39.80	102.00	142.00	568.00	407.00	962.00
Other Borrowings								
- Principal	-	-	103.49	1,698.16	8,225.52	8,508.57	3,663.49	127.44
- Interest	33.87	42.91	63.03	151.00	270.00	541.00	101.00	2.00
Derivative Liabilities :	-	-	-					
Interest rate swaps	-	-	-	2.18	9.70	0.11	-	73.08
Currency swaps	-	-	-	5.35	3.08	63.07	-	-
Forward Contracts	-	-	-	-	-	-	-	-
Others -	-	-	-	-	-	-	-	-
Call Spread	-	-	-	1.37	37.98	43.05	78.77	-
Seagull Option	-	-	-	-	-	-	-	-

(₹ in crore)

As at 01.04.2017	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years
Rupee Borrowings								
Debt Securities								
- Principal	402.64	365.98	326.16	9,853.96	5,278.77	46,206.46	33,434.77	47,247.66
- Interest	399.38	752.39	1,383.18	2,760.00	6,195.15	19,114.43	12,396.19	15,291.00
Other Borrowings								
- Principal	-	-	-	-	350.00	400.00	-	-
- Interest	-	-	-	-	53.46	45.00	-	-
Subordinated Liabilities								
- Principal	-	-	-	-	-	-	-	2,500.00
- Interest	-	201.50	-	-	-	403.00	403.00	403.00
Foreign Currency Borrowings								
Debt Securities								
- Principal	1,102.92	-	88.89	101.98	156.76	13,135.37	6,290.56	204.19
- Interest	13.21	33.35	45.40	136.00	196.00	579.00	129.00	5.00
Derivative Liabilities :								
Interest rate swaps	-	-	-	-	-	0.82	-	64.40
Currency swaps	79.25	-	2.11	4.51	-	29.66	42.22	5.45
Forward Contracts	-	-	-	-	-	-	-	-
Others -	-	-	-	-	-	-	-	-
Call Spread	-	-	-	-	-	55.46	70.59	-

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 cash flows required for financial liabilities shall be funded through the undiscounted cash flows (principal and interest) from loans as below:

(₹ in crore)

Particulars	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years
As at 31.03.2019								
- Principal	1,654.88	1,316.82	3,073.31	7,365.12	13,781.11	55,904.77	50,995.33	1,35,620.42
- Interest	866.67	684.94	5,324.18	6,853.48	12,557.11	43,097.02	31,940.32	53,720.12
As at 31.03.2018								
- Principal	1,230.83	1,492.35	3,293.35	8,191.72	12,150.11	48,496.92	41,862.39	1,11,456.20
- Interest	531.59	532.53	4,795.14	6,201.87	10,813.02	37,162.38	27,418.33	53,753.31
As at 01.04.2017								
- Principal	1,001.24	893.61	2,277.07	5,717.85	9,745.28	38,401.16	35,944.37	98,986.89
- Interest	329.97	372.01	4,903.23	6,344.17	10,568.49	37,093.49	28,347.84	48,660.08

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Expiring within one year (cash credit and other facilities)			
- Floating Rate	11,440.00	10,340.00	5,710.00
Expiring beyond one year (loans/ borrowings)			
- Floating Rate	1,577.11	-	-

In respect of PFCCL,

The approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2019 and March 31, 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits while ensuring sufficient liquidity to meet its liabilities.

40.2.3 Market Risk Management

A. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiary, RECL is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the foreign currency denominated borrowings of these companies is as follows:

Description	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Crore in respective currency	₹ in Crore	Crore in respective currency	₹ in Crore	Crore in respective currency	₹ in Crore
USD Loans*	844.20	58,388.34	679.30	44,215.31	377.98	24,508.95
- Hedged	577.00	39,907.94	411.00	26,751.84	281.00	18,219.96
- Unhedged	267.20	18,480.40	268.30	17,463.47	96.98	6,288.99
Euro Loans	8.62	669.04	11.32	913.33	14.04	972.23
- Hedged	4.80	373.00	7.37	594.02	9.94	687.97
- Unhedged	3.82	296.04	3.96	219.31	4.11	284.26
JPY Loans#	7,250.77	4,527.02	4,776.82	2,938.12	6,972.75	4,043.26
- Hedged	2,059.05	1,286.33	221.44	136.27	2398.52	1,390.18
- Unhedged	5,191.71	3,240.69	4,555.38	2,801.85	4,574.24	2,653.08
Total		**63,790.71**		**48,066.76**		**29,524.44**

*An amount of USD 25 Crore (₹ 1,728.88 crore) maturing in September 2023 and hedged through Principal only Swap (PoS) at an average rate of 4.12% has been designated as Cash-flow Hedge by the Company in FY 2018-19 (previous year Nil). The fair value of PoS as at 31.03.2019 is ₹ 100.01 crore. The Company has started applying Hedge Accounting as per Ind AS 109 w.e.f FY 2018-19.

#includes JPY loan of the Company partly hedged through forwards covering USD/ INR exposure for ₹ 587.82 crore as at 31.03.2019 (as at 31.03.2018 ₹ 293.29 crore and as at 01.04.2017 ₹ 291.83 crore).

The foreign currency monetary items of the Company are translated at FEDAI spot rate prevailing at the year-end as below:

Exchange Rates	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
USD / INR	69.1550	65.1750	64.8500
Euro / INR	77.6725	80.8075	69.2925
JPY / INR	0.624175	0.615050	0.580025

In case of the subsidiary, RECL, 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	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
USD / INR	69.1713	65.0441	64.8386
Euro / INR	77.7024	80.6222	69.2476
JPY / INR	0.6252	0.6154	0.5796

* Prior to introduction of FBIL reference rates, RBI reference rates were being used. RBI has handed over the responsibility of computing and disseminating reference rate for USD/INR and exchange rate of other major currencies to FBIL with effect from 10.07.2018.

Foreign currency risk monitoring and management

In respect of PFC

The Company has put in place a Board approved policy to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organization for management of associated risks.

The Company enters into various derivative transactions viz. principal only swaps, options and forward contracts for hedging the exchange rate risk. As per CRM policy, a system for reporting and monitoring of risks is in place wherein Risk Management Committee (RMC), consisting of senior executives of the Company, monitors the foreign currency exchange rate. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. The policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the Management. Parameters like hedging ratio, un-hedged exposure, mark-to market position, exposure limit with banks etc. are continuously monitored as a part of currency risk management.

In respect of the subsidiary, RECL

RECL has a board-approved Risk Management Policy which inter-alia aims to manage risks associated with foreign currency borrowings. Parameters like hedge ratio, un-hedged exposure, mark-to market position, exposure limit with banks etc. are monitored as a part of foreign exchange risk and interest rate risk management. This policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk and interest risk that it is exposed to on account of foreign currency loan, including debt securities. The purpose of the policy is to provide a framework to the Company for management of its foreign currency risk and interest rate risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of CMD, Director (Finance), Director (Technical), Executive Directors and 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. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Foreign Cuncy Sensitivity Analysis

The below table presents the impact on total equity (+ Gain / (-) Loss) for 5% change in foreign currency exchange rate against INR on outstanding foreign currency borrowings of the Company and its subsidiary, RECL:

(₹ in crore)

Foreign Currency Liabilities	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
	on account of change in foreign exchange rate					
USD	1,577.43	(1,577.43)	1,141.34	(1,141.34)	365.41	(365.41)
Euro	6.19	(6.19)	15.97	(15.97)	14.21	(14.21)
JPY	192.22	(192.22)	140.09	(140.09)	132.65	(132.65)

To the extent the foreign currency borrowings are hedged by a derivative instrument, the impact of change in exchange rate will be offset by corresponding impact of derivatives over its tenure.

B. 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.

In respect of PFC

Interest rate risk is managed with the objective to control market risk exposure while optimizing the return. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mis-matches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods etc. The liabilities are managed keeping in view factors like cost, market appetite, timing; market scenario, ALM gap position etc.

Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For Interest Rate Sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shock to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 70 crore

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

In respect of the subsidiary, RECL

RECL manages interest rate risk by entering into various derivative contracts like use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The table below shows the overall exposure of the Company to interest rate risk on the floating rate liabilities, along with the bifurcation under hedged/ un-hedged category as at 31st March 2019 is as under:

(₹ in crore)

Currency	As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
	Floating Interest Rate Exposure	Hedged through FVTPL Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through FVTPL Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through FVTPL Derivatives	Unhedged Exposure
INR Borrowings	19,550.00	-	19,550.00	-	-	-	-	-	-
USD $	298.00	200.50	97.50	327.09	233.50	93.59	288.50	208.50	80.00
INR Equivalent	**20,613.05**	**13,868.85**	**6,744.20**	**21,275.07**	**15,187.80**	**6,087.27**	**18,765.22**	**13,561.69**	**5,203.53**
JPY ¥	1,032.71	1,032.71	-	-	-	-	1,902.90	-	1,902.90
INR Equivalent	**645.65**	**645.65**	**-**	**-**	**-**	**-**	**1,102.92**	**-**	**1,102.92**
Total INR Equivalent	**40,808.70**	**14,514.50**	**26,294.20**	**21,275.07**	**15,187.80**	**6,087.27**	**19,868.14**	**13,561.69**	**6,306.45**

RECL's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 3/10 year 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 crore)

Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Rupee Loans	2,79,021.68	2,33,801.39	1,98,339.83

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 crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Floating Rate Loan Liabilities	(85.53)	85.53	(19.80)	19.80	(20.62)	20.62
Floating/ semi-fixed Rate Loan Assets	907.60	(907.60)	760.51	(760.51)	648.49	(648.49)

*Holding other variable 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.

C. Price risk

In respect of the subsidiary, RECL

The Company is exposed to equity price risks arising from investments in quoted equity shares and venture capital funds. The Company's equity 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 crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact on Other Comprehensive Income (OCI)	32.35	(32.35)	35.93	(35.93)	35.40	(35.40)

40.3 Hedge Accounting

In respect of PFC, derivatives are measured at FVTPL unless designated under Hedge Accounting relationship. The Company has designated certain derivative contracts (Principal Only Swap and Interest Rate Swap) under cash flow hedge.

Hedge Effectiveness

By critical terms matching method (where principal terms of the hedging instrument and the hedged item are same), the Company ensures that the hedges are highly effective i.e. hedge ratio is nearly 100% and the same is re-assessed at each reporting date.

Reconciliation of Cash flow Hedge Reserve

(₹ in crore)

Sl. No.	Particulars*	FY 2018-19	
		POS	IRS
1	Cash flow hedge reserve at the beginning	-	-
2	Hedging Gains / losses recognised in OCI	(98.97)	(64.73)
3	Hedge ineffectiveness recognised in P&L	-	-
4	Amount reclassified from OCI to P&L#	(86.63)	0.02
5	Cash flow hedge reserve at the end	(12.33)	(64.75)

*PFC has started applying Hedge Accounting as per Ind AS 109 w.e.f FY 2018-19.

reflected in the line item named 'Net Translation / Transaction exchange Gain / Loss'

40.4 Fair Value Measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability	Fair Value as at			Fair value hierarchy	Valuation technique(s) & Key input(s)
		31.03.2019	31.03.2018	01.04.2017		
1	Listed Equity Instruments	1,664.04	1,943.29	1,962.63	Level 1	Quoted market price
2	Unlisted Equity Instruments of Borrower Companies in books of the Company	0.00	0.00	193.05#	Level 3	The Company acquired these investments by invoking pledge on non-payment of dues by the borrower companies. Presently, these borrowers are credit-impaired. In absence of any visibility of recovering an amount against these investments, they have been valued at one rupee by the Company. #As at 01.04.2017, one of the borrowers was classified under Stage I and fair valuation of equity instrument was obtained from valuer.
3	Unlisted Equity Instruments of Borrower Companies in books of RECL	0.00	0.00	109.25	Level 3	RECL has made investment in unquoted equity instruments of Universal Commodity Exchange Ltd. (UCX) and Lanco Teesta Hydro Power Pvt. Ltd. are classified as Level 3 and have been carried at Nil value by the Company due to the

Sr. No.	Financial asset/ Financial Liability	Fair Value as at			Fair value hierarchy	Valuation technique(s) & Key input(s)
		31.03.2019	31.03.2018	01.04.2017		
						company specific reasons. UCX was shut down in 2014, thereby, ceasing to exist as a going concern. Further, the Company had acquired investment in Lanco Teesta Hydro Power Pvt. Ltd., on conversion of its credit-impaired loan. Since the Company has already recognised lifetime Expected Credit Loss on the loan, the equity value is considered to be Nil.
4	Units of Small Is Beautiful Fund of KSK	12.36	12.52	12.60	Level 2	Net asset value (NAV) specified by the SIB fund.
5	Investment in bonds	2,366.71	2,310.46	3,328.52	Level 3	The Group has made investment in bonds instruments. These bonds are listed on NSE/BSE. In absence of any trading activity in these bonds, quoted price for such bonds is not ascertainable. In absence of market interest rate for similar kind of bonds, the Group has considered the coupon rate as the present market rate and accordingly computed the fair value using the discounted cash flow method. Any increase in the discount rate will result in decrease in fair value and vice-versa.
6	Derivative Asset Derivative Liability	2,370.56 664.99	919.47 558.43	927.94 422.87	Level 2	In case of the Company, the fair value of these contracts is obtained from counter parties, who determine it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc. In case of subsidiary RECL, the fair value has been determined by an independent valuer using observable inputs including forward exchange rates, interest rates corresponding to the maturity of the contract, implied volatilities, etc.

40.4.1 There were no transfers between Level 1 and Level 2 in the period.

40.4.2 Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities of the group measured at fair value: (₹ in crore)

Particulars	Unlisted Equity investments of Borrower Companies	Investment in Bond Instruments
FY 2017-18		
Opening Balance	**302.30**	**3,328.52**
Net interest income	-	365.10
Settlement	-	(1,383.16)
Net loss recognised in OCI/ transfer from level 3	(302.30)	-
Closing Balance	**-**	**2,310.46**
Unrealised gains on balances held at the end of period	**-**	**10.46**
FY 2018-19		
Opening Balance	**-**	**2,310.46**
Net interest income	-	255.85
Settlement	-	(199.60)
Closing Balance	**-**	**2,366.71**
Unrealised gains on balances held at the end of period	**-**	**66.71**

40.4.3 Fair Value of financial assets/ liabilities measured at amortised cost:

(₹ in crore)

Asset/Liability	Fair Value hierarchy	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Loans	3	5,73,965.92	5,71,316.29	4,94,889.25	4,94,759.59	4,29,022.52	4,33,911.09
Other financial assets	2	23,801.92	23,809.59	9,680.10	9,684.92	5,489.73	5,491.28
Debt Securities*	1 / 2	3,98,351.51	3,96,343.93	3,85,879.85	3,89,999.24	3,43,094.96	3,52,371.45
Borrowings other than debt securities	2	1,14,269.54	1,14,708.46	48,711.42	48,833.10	30,891.17	30,942.66
Subordinated Liabilities	2	14,128.76	14,155.14	6,560.36	6,716.11	6,560.21	6,811.89

*includes listed instruments with Level 1 fair value hierarchy.

The fair value of the above financial assets and liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. However, in case of a subsidiary, RECL, 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. RECL 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.

Foreign currency loans linked to LIBOR and multilateral agencies loans are valued at par as it is believed that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Foreign currency loans consist of MTN issuances which are valued at closing prices as per Reuters.

The carrying amounts of other financial assets and financial liabilities are considered to be a reasonable approximation of their fair values.

41 Related Party Disclosures

41.1 Name of Related Parties and description of relationships:

Asset/Liability			
1	Coastal Maharashtra Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Coastal Karnataka Power Limited	6	Tatiya Andhra Mega Power Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Chhattisgarh Surguja Power Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited	12	Odisha Infrapower Limited
13	Bihar Infrapower Limited	14	Bihar Mega Power Limited
15	Tanda Transmission Company Limited (through PFCCL)	16	Jharkhand Infrapower Limited
17	Ballabhgarh-GN Transmission Company Limited (through PFCCL) (Under process of Striking off the name of Company from the records of Registrar of Companies.)	18	South-Central East Delhi Power Transmission Limited (through PFCCL) (Under process of Striking off the name of Company from the records of Registrar of Companies.)
19	Mohindergarh-Bhiwani Transmission Limited through PFCCL) (Under process of Striking off the name of Company from the records of Registrar of Companies.)	20	Bikaner-Khetri Transmission Limited (incorporated on 22.02.2019) (through PFCCL)
21	Shongtong Karcham-Wangtoo Transmission Limited (through PFCCL)	22	Bhuj-II Transmission Limited (incorporated on 25.02.2019)(through PFCCL)
23	Bijawar-Vidarbha Transmission Limited (through PFCCL)	24	Fatehgarh-II Transco Limited (incorporated on 26.02.2019)(through PFCCL)
25	Vapi II North Lakhimpur Transmission Limited (through PFCCL)	26	Lakadia-Vadodara Transmission Project Limited (incorporated on 15.03.2019) (through PFCCL)
27	WRSS XXI (A) Transco Limited (incorporated on 26.03.2019) (through RECL)	28	Dinchang Transmission Limited (through RECL)
29	Ghatampur Transmission Limited (through RECL) (Transferred to M/s Adani Transmission Limited (ATL) on 19.06.2018, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, GhatampurTransmission Limited and ATL.)	30	Chandil Transmission Limited (through RECL)

31	Koderma Transmission Limited (through RECL)	32	Dumka Transmission Limited (through RECL)
33	Mandar Transmission Limited (through RECL)	34	Jawaharpur-Firozabad Transmission Limited (incorporated on 20.08.2018 and transferred to Power Grid Corporation of India Limited (PGCIL) on 21.12.2018, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, Jawaharpur Firozabad Transmission Limited and PGCIL)(through RECL)
35	Bhind-Guna Transmission Limited (incorporated on 18.09.2018) (through RECL)	36	Udupi Kasagode Transmission Limited (incorporated on 29.11.2018)(through RECL)
37	Jam Khambaliya Transco Limited (incorporated on 11.03.2019) (through RECL)	38	Khetri Transco Limited - (incorporated on 12.03.2019)(through RECL)
39	Ajmer Phagi Transco Limited (incorporated on 19.03.2019) (through RECL)	40	Lakadia Banaskantha Transco Limited - (incorporated on 19.03.2019)(through RECL)
Joint Venture:			
1	Energy Efficiency Services Limited	2	Creighton Energy Limited (through EESL)
3	EESL Energy Pro Assets Limited (through EESL)	4	Edina Acquisition Limited (through EESL)
5	Anesco Energy Services South Limited (through EESL)	6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)

Key Managerial Personnel (KMP):		**Designation**
In respect of the Company,		
1	Shri Rajeev Sharma	Chairman & Managing Director
2	Shri N. B. Gupta	Director (Finance)
3	Shri Chinmoy Gangopadhyay (superannuated on 30.04.2019)	Director (Projects)
4	Shri D. Ravi (upto 31.05.2018)	Director (Commercial)
5	Shri P.K. Singh (w.e.f. 10.08.2018)	Director (Commercial)
6	Shri Arun Kumar Verma	Govt. Nominee Director
7	Shri Sitaram Pareek	Part Time Non-Official Independent Director
8	Smt. Gouri Chaudhury	Part Time Non-Official Independent Director
9	Shri Manohar Balwani	Company Secretary
In respect of the subsidiary RECL,		
1	Dr. P.V. Ramesh (upto 05.03.2019)	Chairman & Managing Director
2	Shri Ajeet Kumar Agarwal	Chairman & Managing Director (w.e.f 6th March 2019) and Director (Finance)
3	Shri Sanjeev Kumar Gupta	Director (Technical)
4	Dr. Arun Kumar Verma	Govt. Nominee Director
5	Shri Aravamudan Krishna Kumar	Part Time Non-Official Independent Director
6	Smt. Asha Swarup	Part Time Non-Official Independent Director
7	Dr. Bhagvat Kishanrao (w.e.f. 17.07.2018)	Part Time Non-Official Independent Director
8	Prof. T.T. Ram Mohan	Part Time Non-Official Independent Director
9	Shri J.S. Amitabh	GM & Company Secretary

In respect of the subsidiary PFCCL,		
1	Sh. Rajeev Sharma (Since 01.10.2016)	Chairman
2	Sh. D. Ravi (upto 31.05.2018)	Director
3	Sh. C. Gangopadhyay (Since 25.01.2015)	Director
4	Shri P.K. Singh (since 17.09.2018)	Director
5	Shri N.B. Gupta (since 24.08.2017)	Director
6	Shri Subir Mulchandani (upto09.10.2018)	Chief Executive Officer
7	Shri Yogesh Juneja (since 10.10.2018)	Chief Executive Officer
8	Shri Manish Kumar Agrawal	Company Secretary
In respect of the subsidiary PECAP,		
1	Shri Chinmoy Gangopadhyay (superannuated on 30.04.2019)	Director
2	Shri Alok Sud	Director
3	Shri Gaurisankar Patra	Director

Trusts / Funds under control of the Company			
1	PFC Employees Provident Fund Trust	2	PFC Employees Gratuity Trust
3	PFC Defined Contribution Pension Scheme 2007	4	PFC Ltd. Superannuation Medical Fund
Trusts / Funds/ society of RECL			
1	REC Retired Employees' Medical Trust	2	REC Employees' Superannuation Trust
3	REC Gratuity Fund	4	REC Limited Contributory Provident Fund Trust
5	REC Foundation		

41.2 Transactions with the Related Parties are as follows:

Inter Group related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group related party transactions.

(₹ in crore)

Particulars	During FY 2018-19	During FY 2017-18
Joint Venture		
Equity investment in EESL	99.00	-
Dividend received from EESL	4.01	12.92
Others	0.24	4.24
Associates		
Advances to associates	3.71	42.21
Interest income on advances to associates	26.68	17.87
Advances received from Associates	30.62	7.12
Interest expenses on advances from associates	6.14	5.93
Others	10.31	26.32
Trusts / Funds/ Foundations of the Group		
Contributions made during the year	107.61	18.89
Subscription of bonds of the Group	30.50	-
Finance Cost - Interest paid	0.27	0.27
CSR Expenses	98.83	-
Key managerial personnel		
Short term employee benefits	7.74	4.57
Post-employment benefits	0.67	0.46
Other long term benefits	0.24	0.61
Repayment/ Recovery of loans and advances	(0.09)	(0.02)
Directors' Sitting Fees	0.36	0.24
Others	0.02	0.01

41.3 Outstanding balances with Related Parties are as follows:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Amount recoverable towards loans & advances (including interest)			
Associates	209.07	179.93	120.34
Key managerial personnel	0.98	1.08	1.03
Joint Venture	0.23	-	-
Amount payable towards loans & advances (including interest)			
Associates	188.20	157.19	160.73
Others			
Key managerial personnel	1.23	0.38	0.39
Post-employment benefit plans	39.35	6.44	17.23

41.4 Disclosure in respect of entities under the control of the same government (Government related entities)

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions:

Coal India Ltd	Raichur Power Corporation Ltd
NHPC Ltd	Aravali Power Company Pvt. Ltd
Damodar Valley Corporation	Konkan LNG Pvt Ltd
Bhartiya Rail Bijlee Company Ltd	Bhilai Electric Supply Company Ltd
Tehri Hydro Development Corporation	Bihar Grid Company Ltd
Neyveli UP Power Ltd.	Neyveli Uttar Pradesh Power Ltd
Meja Urja Nigam Pvt Ltd	THDC India Ltd
Bihar Grid Company Ltd	Singareni Collieries Company Ltd
MSTC Limited	NTPC Tamil Nadu Energy Company Ltd
NTPC Vidyut Vyapar Nigam Ltd	Patratu Vidut Utpadan Nigam Ltd

Aggregate transactions with government related entities:

(₹ in crore)

Particulars	During FY 2018-19	During FY 2017-18
Dividend received	42.94	54.83
Disbursement of loans	8,011.46	11,924.28

The Group has also received interest of ₹ 6,217.62 crore (previous year ₹ 5,940.60 crore) and repayments of principal on the loans to government related entities.

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

41.5 Terms and conditions of transactions with related parties

(i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

(ii) The remuneration and the staff loans to Key Managerial Personnel are in line with the service rules of the respective companies.

(iii) The Company makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the Company's policy.

(iv) Outstanding balances of associate companies at the year-end are unsecured.

42 Employee Benefits

42.1 Defined contribution plans:

a) Pension

The Companies in the Group contributes to National Pension Scheme (NPS) for its pension obligation towards employees which invests the funds in the permitted securities.

b) Provident Fund

The Companies in the Group pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The trust has to ensure a minimum rate of return to the members, as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

The Group has recognised an expense of ₹ 25.69 Crore (Previous year ₹ 23.36 Crore) towards defined contribution plans.

42.2 Defined benefit plans:

a) Gratuity

The Companies in the Group have a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Present value of Defined benefit obligation	68.91	78.16	73.57
Fair Value of Plan Assets	69.90	72.73	57.43
Net Defined Benefit (Asset)/ Liability	(0.99)	5.43	16.14

Movement in net defined benefit (asset)/ liability

(₹ in crore)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Opening Balance	**78.16**	**73.57**	**72.73**	**57.43**	**5.43**	**16.14**
Included in profit or loss						
Current service Cost	4.41	3.73	-	-	4.41	3.73
Past service cost	-	10.87	-	-	-	10.87
Interest cost / income	6.03	5.54	5.60	4.60	0.43	0.94
Total amount recognised in profit or loss	**10.44**	**20.14**	**5.60**	**4.60**	**4.84**	**15.54**
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	(0.25)	(0.49)	-	-	(0.25)	(0.49)
Actuarial loss (gain) arising from experience adjustment	(3.50)	(9.66)	-	-	(3.50)	(9.66)
Effect of change in demographic assumptions	(2.70)	(0.77)	-	-	(2.70)	(0.77)
Return on plan assets excluding interest income	-	-	0.42	0.27	(0.42)	(0.27)
Total amount recognised in OCI	**(6.45)**	**(10.92)**	**0.42**	**0.27**	**(6.87)**	**(11.19)**
Contribution by participants	-	-	2.84	13.63	(2.84)	(13.63)
Contribution by employer	-	-	1.55	1.43	(1.55)	(1.43)
Benefits paid	(13.24)	(4.63)	(13.24)	(4.63)	-	-
Closing Balance	**68.91**	**78.16**	**69.90**	**72.73**	**(0.99)**	**5.43**

b) **Post-Retirement Medical Scheme (PRMS)**

The Companies in the Group have Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated employees and their dependent family members. This scheme is managed by separate trusts for the Companies and the liability for PRMS is recognised on the basis of actuarial valuation.

The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the retired employees of the Company. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Defined benefit obligation	164.91	133.00	118.97
Fair Value of Plan Assets	126.50	22.20	18.15
Net Defined Benefit (Asset)/ Liability	38.41	110.80	100.82

Movement in net defined benefit (asset)/ liability

(₹ in crore)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Opening Balance	**133.00**	**118.97**	**22.20**	**18.15**	**110.80**	**100.82**
Included in profit or loss						
Current service Cost	3.40	2.98	-	-	3.40	2.98
Interest cost / income	10.18	8.92	3.00	1.45	7.18	7.47
Total amount recognised in profit or loss	**13.58**	**11.90**	**3.00**	**1.45**	**10.58**	**10.45**
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	(5.87)	3.95	-	-	(5.87)	3.95
Actuarial loss (gain) arising from Experience adjustment	33.83	8.53	-	-	33.83	8.53
Effect of change in demographic assumptions	1.64	(0.33)	-	-	1.64	(0.33)
Return on plan assets excluding interest income	-	-	0.09	0.24	(0.09)	(0.24)
Total amount recognised in OCI	**29.60**	**12.15**	**0.09**	**0.24**	**29.51**	**11.91**
Contribution by participants	-	-	96.78	0.03	(96.78)	(0.03)
Contribution by employer	-	-	6.53	4.04	(6.53)	(4.04)
Benefits paid	(11.27)	(10.02)	(2.10)	(1.71)	(9.17)	(8.31)
Closing Balance	**164.91**	**133.00**	**126.50**	**22.20**	**38.41**	**110.80**

c) **Economic Rehabilitation Scheme**

The Companies in the Group have an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Present value of Defined benefit obligation	5.38	5.01	5.08

Movement in defined benefit (asset)/ liability

(₹ in crore)

Particulars	Defined Benefit Obligation for the year ended	
	31.03.2019	31.03.2018
Opening Balance	**5.01**	**5.08**
Included in profit or loss		
Current service Cost	0.52	0.53
Past service cost	-	-
Interest cost / income	0.39	0.40
Total amount recognised in profit or loss	**0.91**	**0.93**
Included in OCI		
Actuarial loss (gain) arising from changes in financial assumptions	(0.02)	(0.04)
Actuarial loss (gain) arising from Experience adjustment	0.37	(0.01)
Effect of change in demographic assumptions	-	(0.05)
Return on plan assets excluding interest income	-	-
Total amount recognised in OCI	**0.35**	**(0.10)**
Contribution by participants	-	-
Contribution by employers	-	-
Benefits paid	(0.89)	(0.90)
Closing Balance	**5.38**	**5.01**

d) **Risk exposure**

Through its defined benefit plans, the Companies in the Group are exposed to a number of risks, the most significant of which are detailed below:

i. **Asset volatility**

Most of the plan asset investments are in government securities, other fixed income securities with high grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors.

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 plan liabilities, 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.

e) **Plan Assets**

The value of plan assets at the end of reporting period for each category, are as follows:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash & Cash Equivalents	1.67	0.99	0.94
State/ Central Government Debt Securities	28.67	24.22	20.93
Corporate Bonds/ Debentures	119.95	19.12	16.68
Others	44.94	49.58	36.19
Total	**195.23**	**93.91**	**74.74**

- As at 31.03.2019, an amount of ₹ 4.80 crore (as at 31.03.2018 ₹ 3.60 crore and as at 01.04.2017 ₹ 3.60 crore) is included in the value of plan assets (in respect of the Group's own financial instruments (corporate bonds)).
- Actual return on plan assets is ₹ 9.02 crore (previous year ₹ 6.51 crore).

f) **Significant Actuarial Assumptions**

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2019 by 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.

The principal assumptions used for actuarial valuation in case of the Company are:-

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Discount Rate	7.81%	7.87%	7.50%
Salary Escalation Rate	6.00%	6.00%	6.00%
Mortality Rate	As per IALM (2012-14) Ultimate	As per IALM (2006-08) Ultimate	As per IALM (2006-08) Ultimate

The principal assumptions used for actuarial valuation in case of the subsidiary, RECL are:-

Particulars	Gratuity		PRMS		ERS	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Method used				PUCM		
Discount Rate & expected return on plan assets	7.71%	7.60%	7.71%	7.60%	7.71%	7.60%
Future Salary Escalation/ medical inflation	6.00%	6.50%	6.00%	6.50%	6.00%	6.50%
Expected average remaining working lives of employees (years)	13.12	12.82	13.12	12.82	13.12	12.82

g) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

For the Company

(₹ in crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)						
- Gratuity	(0.99)	1.05	(0.92)	0.98	(0.82)	0.92
- PRMS	(2.67)	3.00	(2.11)	2.38	(1.66)	1.86
- ERS	(0.06)	0.07	(0.06)	0.07	(0.06)	0.07
Salary Escalation Rate (0.50% movement)						
- Gratuity	0.25	(0.20)	0.21	(0.15)	0.16	(0.14)
- PRMS	2.87	(2.64)	2.27	(2.09)	1.78	(1.64)
- ERS	0.06	(0.05)	0.06	(0.05)	0.06	(0.05)

For the subsidiary, RECL

(₹ in crore)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)						
- Gratuity	(0.89)	1.10	(1.12)	1.19	(1.16)	1.23
- PRMS	(0.77)	0.84	(0.43)	0.46	(4.83)	5.07
- ERS	(0.13)	0.15	(0.12)	0.13	(0.12)	0.14
Salary Escalation Rate (0.50% movement)						
- Gratuity	0.15	(0.12)	0.46	(0.50)	0.62	(0.69)
- PRMS	-	-	-	-	-	-
- ERS	0.14	(0.12)	0.12	(0.11)	0.13	(0.11)
Medical Inflation Rate (0.50% movement)						
- PRMS	6.31	(5.92)	-	-	-	-
Medical Cost (0.50% movement)						
- PRMS	12.98	(12.98)	-	-	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Group actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Group to manage its risks from prior periods.

h) Expected maturity analysis of the defined benefit plans in future years

(₹ in crore)

	Up to 1 year	1 to 5 years	Over 5 years	Total
As at 31.03.2019				
Gratuity	13.61	31.09	57.13	101.83
PRMS	11.12	59.41	112.27	182.80
ERS	1.01	2.94	3.34	7.29
Total	**25.74**	**93.44**	**172.74**	**291.92**
As at 31.03.2018				
Gratuity	13.80	38.75	56.52	109.07
PRMS	6.62	33.98	108.67	149.27
ERS	0.19	2.51	4.07	6.77
Total	**20.61**	**75.24**	**169.26**	**265.11**
As at 01.04.2017				
Gratuity	8.81	32.17	41.59	82.57
PRMS	5.60	29.85	95.40	130.85
ERS	0.16	2.39	3.48	6.03
Total	**14.57**	**64.41**	**140.47**	**219.45**

The table above is drawn on the basis of expected cash flows.

i) Expected contributions to post-employment benefit plans for the year ending 31.03.2020 are ₹ 47.40 crore.

j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.98 years (as at 31.03.2018: 18.36 years, as at 01.04.2017: 19.01 years) for the Company and 12.76 years (as at 31.03.2018: 12.82 years, as at 01.04.2017: 13.08 years) for the subsidiary RECL.

42.3 Other long term employee benefits

a) Leave

The companies in the Group provide for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrue on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leaves plus half pay leaves together can be en-cashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. In case of RECPCDL, 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. Provision based on actuarial valuation amounting to ₹ 17.54 crore (previous year ₹ 18.11 crore) for the year has been made at the year end and debited to the consolidated statement of profit and loss.

b) Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 3.50 crore for the year (previous year ₹ 0.46 crore) has been made on the basis of actuarial valuation and debited to the consolidated statement of profit and loss.

42.4 Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in its wholly-owned subsidiaries on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

43 Disclosure as per Ind AS 12 "Income Taxes"

43.1 Income tax recognised in Consolidated Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Current Tax expense in relation to:		
Current Year	4,182.75	4,656.89
Adjustment of earlier years	(12.75)	9.94
Total Current Tax Expense	**4,170.00**	**4,666.83**
Deferred Tax Expense	**1,051.76**	**(1,684.08)**
Total Income Tax Expense	**5,221.76**	**2,982.75**

43.2 Reconciliation of tax expense and accounting profit

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Profit before Tax	**17862.03**	**11,779.44**
Tax using the Company's domestic tax rate of 34.944% (34.608 % for FY 2017-18)	**6,241.71**	**4,076.63**
Tax effect of:		
Non-deductible tax expenses	62.84	61.53
Tax exempt income	(66.94)	(61.06)
Deduction u/s 36(1)(viii)	(1,013.90)	(1,094.47)
Others	13.12	(7.76)
Previous year tax liability	(12.75)	33.84
Change in tax rate	(2.32)	(25.96)
Total tax expenses in the consolidated Statement of Profit and Loss	**5,221.76**	**2,982.75**

43.3 Applicable tax rate has increased from 34.608% to 34.944% in the current financial year due to increase in Education Cess rate from 3% to 4%.

43.4 Deductible temporary differences / unused tax losses / unused tax credits carried forward

(₹ in crore)

Particulars	As at 31.03.2019	Expiry date	As at 31.03.2018	Expiry date
Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised	1.25 2.54	31.03.2024 31.03.2025	1.25 2.54	31.03.2024 31.03.2025

43.5 The Company and its subsidiary, RECL have recognised Deferred Tax Asset on amount of accumulated Impairment loss allowance in excess of Reserve for Bad & Doubtful Debts (RBDD). Suitable adjustment has also been made on the transition date and in the comparative results.

43.6 Movement in Deferred Tax balances

FY 2018-19

(₹ in crore)

	Description	Net balance at 01.04.2018	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2019
(A)	**Deferred Tax Asset (+)**				
(i)	Provision for expenses deductible on payment basis under Income Tax Act	29.50	10.03	1.69	41.22
(ii)	Impairment allowance on Financial instruments in excess of RBDD	7,835.96	(442.00)	-	7393.96
(iii)	Depreciation and amortization	(2.25)	0.80	-	(1.45)
(iv)	Fair value of derivatives (Net)	10.91	(18.32)	26.93	19.52
(B)	**Deferred Tax Liabilities (-)**				
(i)	Lease income	(66.64)	-	-	(66.64)
(ii)	Unamortized Exchange Loss (Net)	(165.76)	(372.69)	-	(538.45)
(iii)	Financial assets and liabilities measured at amortised cost	(99.77)	(271.74)	-	(371.51)
(iv)	Others	(148.40)	42.17	(0.68)	(106.91)
	Net Deferred Tax liabilities (-) / Assets (+)	**7,393.55**	**(1,051.76)**	**27.94**	**6369.74**

FY 2017-18

(₹ in crore)

	Description	Net balance at 01.04.2017	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2018
(A)	**Deferred Tax Asset (+)**				
(i)	Provision for expenses deductible on payment basis under Income Tax Act	38.27	(10.55)	1.78	29.50
(ii)	Impairment allowance on Financial instruments in excess of RBDD	6,383.19	1,452.77	-	7,835.96
(iii)	Depreciation and amortization	(3.83)	1.58	-	(2.25)
(iv)	Fair value of derivatives (Net)	(168.56)	179.47	-	10.91
(B)	**Deferred Tax Liabilities (-)**				
(i)	Lease income	(66.00)	(0.64)	-	(66.64)
(ii)	Unamortized Exchange Loss (Net)	(30.24)	(135.52)	-	(165.76)
(iii)	Financial assets and liabilities measured at amortised cost	(96.76)	(3.01)	-	(99.77)
(iv)	Others	(348.26)	199.96	(0.10)	(148.40)
	Net Deferred Tax liabilities (-) / Assets (+)	**5,707.82**	**1,684.08**	**1.68**	**7,393.55**

44 Dividend income

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Dividend on equity investments designated at FVTOCI		
- On investments held at the end of the year	67.56	85.60
- On investments derecognized during the year	0.80	-
Sub-Total	68.36	85.60
Dividend on mutual funds	8.27	6.53
Total	**76.63**	**92.13**

45 Net Translation/Transaction Exchange Loss (+)/Gain (-)

(₹ in crore)

	FY 2018-19	FY 2017-18
Net Translation/Transaction Exchange Loss (+)/Gain (-) on account of Translation of LTFCMI	1,041.42	232.47

46 Corporate Social Responsibility

46.1 Details of gross amount required to be spent on CSR activities by the Group during the year:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Gross amount required to be spent	684.42	561.62
Amount spent during the year	206.32	170.21
Unspent amount	478.10	391.41

46.2 Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2018-19			FY 2017-18		
		Paid or Settled	Yet to be paid	Total	Paid or Settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	9.95	0.06	10.01	62.13	0.06	62.19
(iib)	Education / Vocational Skill development	17.07	-	17.07	27.35	-	27.35
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	116.72	-	116.72	73.02	0.81	73.83
(iid)	Sports	0.06	-	0.06	0.24	-	0.24
(iie)	Others	52.67	-	52.67	2.53	-	2.53
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	9.85	-	9.85	4.94	-	4.94
	Total	**206.32**	**0.06**	**206.38**	**170.21**	**0.87**	**171.08**

47 Contingent Liabilities and Commitments:

(₹ in crore)

S. No.	Description	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Contingent Liabilities				
(i)	Guarantees#	121.49	153.75	190.38
(ii)	Claims against the Company not acknowledged as debts	0.08	0.08	2.37
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,019.06	1,708.11	1,813.92
(iv)	(a) Additional demands raised by the Income Tax Department of earlier years which are being contested*.	153.26	146.03	83.51
	(b) Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company. The same are also being contested.	233.42	202.46	205.57
(v)	(a) Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	1.4	1.4	23.87
	(b) Further, the Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	21.53	1.11	1.11
(vi)	Bank Guarantees	29.86	32.58	35.32
Commitments				
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for@	795.45	879.45	274.93
(ii)	Other Commitments –CSR unspent amount	478.10	391.41	244.19
	Total	**2,853.65**	**3,516.38**	**2,875.17**

Default payment guarantee given by the Company in favour of a borrower company. The amount paid /payable against this guarantee is reimbursable by Government of Madhya Pradesh.

*Out of the said demands in respect of the Company, as at 31.03.2019 an amount of ₹59.90 crore (As at 31.03.2018 ₹5.01 crore and as at 01.04.2017 ₹40.53 crore) has already been deposited/ adjusted against refund of other assessment years.

@Includes contract remaining to be executed on capital account towards property, plant and equipment of ₹362.23 crore (as at 31.03.2018 ₹403.75 crore, as at 01.04.2017 ₹272.33 crore) and towards intangible assets of ₹2.82 crore (as at 31.03.2018 ₹1.93 crore, as at 01.04.2017 ₹2.60 crore) of RECL.

48 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Principal amount remaining unpaid as at year end	2.65	1.83	0.30
Interest due thereon remaining unpaid as at year end	0.39	0.14	0.06
Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006.	-	-	-
Interest accrued and remaining unpaid as at year end.	0.39	0.14	0.06
Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-	-

49 Disclosure as per Ind AS 33 "Earnings per Share"

Description	FY 2018-19	YF 2017-18
Profit after tax attributable to owners of the Company (₹ in crore)	9,920.86	6,688.69
Weighted average number of equity shares used as denominator (basic)	2,64,00,81,408	2,64,00,81,408
Weighted average number of equity shares used as denominator (diluted)	2,64,00,81,408	2,64,00,81,408
Earning per equity share, face value ₹ 10 each (basic) (₹)	37.58	25.34
Earning per equity share, face value ₹ 10 each(diluted) (₹)	37.58	25.34

50 The status of dividend on equity shares of the Company of face value of ₹10 each is as under:

Particular	FY 2018-19			FY 2017-18		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	–	–	–	60%	6.00	1,584.05
Second Interim dividend	–	–	–	18%	1.80	475.21
Final Dividend	–	–	–	–	–	–
Total Dividend	–	–	–	**78%**	**7.80**	**2,059.26**

51 Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

Name of Subsidiary	Proportion of ownership interests held			TCI allocated to non-controlling interests (₹ in crore)		Accumulated non-controlling interests (₹ in crore)		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	Year ended 31.03.2019	Year ended 31.03.2018	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
REC Ltd	47.37%	47.37%	47.37%	2,690.71	2,110.68	16,362.91	15,435.18	14,592.93

52 Summarised financial information for Group's subsidiaries that have material non-controlling interests (before intra Group eliminations) :

(₹ in crore)

RECL	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Financial Assets	1,39,799.84	1,13,181.07	95,737.81
Non-financial assets	1,563.25	1,617.72	1,241.85
Financial Liabilities	1,24,903.10	99,206.56	82,261.92
Non-financial Liabilities	97.06	157.05	124.81
Equity attributable to the owners of the Company	18,183.42	17,152.44	16,216.50
Non-controlling interests	16,362.92	15,435.17	14,592.93

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Total revenue	25,431.33	22,666.39
Total expenses	17,350.84	16,719.54
Profit for the year	5,741.38	4,450.52
Profit attributable to the owners of the Company	3,021.97	2,342.52
Profit attributable to the non-controlling interests	2,719.41	2,108.00
Other comprehensive income attributable to the owners of the Company	(31.89)	2.98
Other comprehensive income attributable to the non-controlling interests	(28.70)	2.69
Other comprehensive income for the year	(60.59)	5.67
Total comprehensive income attributable to the owners of the Company	2,990.08	2,345.51
Total comprehensive income attributable to the non-controlling interests	2,690.71	2,110.68
Total comprehensive income for the year	5,680.79	4,456.19
Dividends paid to non-controlling interests	1,192.66	940.10
Net cash inflow (outflow) from operating activities	(35,865.80)	(32,509.81)
Net cash inflow (outflow) from financing activities	456.77	45.88
Net cash inflow (outflow) from investing activities	35,542.59	28,243.85
Net cash inflow (outflow)	133.56	(4,220.08)

53 Reconciliations for First Time Adoption of Ind AS

53.1 Reconciliation of Total Equity as at 31.03.2018 and 01.04.2017

(₹ in crore)

Particulars	Note	As at 31.03.2018	As at 01.04.2017
Total equity (shareholder's funds) as reported under Previous GAAP as per consolidated financial statements		**40,201.74**	**36,844.91**
Adjustment due to business combination	1	34,832.80	32,631.06
Adjustments related to:			
Effective Interest Rate (EIR) / Income on loans classified at Amortised Cost	(a)	(157.09)	275.66
Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(b)	373.79	531.35
Derivatives (Forward contracts earlier governed through AS 11)	(g)	58.56	438.40
Impairment Loss Allowance	(e)	(14,835.42)	(12,102.55)
Equity instruments measured at fair value through Other Comprehensive Income	(d)	134.24	427.59
Impact of equity method accounting of joint ventures	(i)	0.86	(11.50)
Capital reserve on acquisition of subsidiary		(13,461.00)	(13,461.00)
Others		367.41	444.46
Deferred Tax Impact (DTA / DTL) on above	(f)	(69.66)	(373.99)
DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts	43.5	7,823.52	6,371.11
Total of adjustments		**15,068.01**	**15,170.55**
Total equity (shareholder's funds) as reported under Ind AS		**55,269.75**	**52,015.50**

53.2 Reconciliation of Total Comprehensive Income for the year ended 31.03.2018

(₹ in crore)

Particulars	Note	For the year ended 31.03.2018
Profit for the year as reported under Previous GAAP as per Consolidated financial statements		5,844.11
Adjustment due to business combination	1	4,689.46
Adjustments related to:		
Effective Interest Rate (EIR) / Income on loans classified at Amortised Cost	(a)	(432.75)
Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(b)	(157.55)
Derivatives (Forward contracts earlier governed through AS 11)	(g)	(123.33)
Impairment on Financial Instruments	(e)	(2,703.45)
Impact of equity method accounting of joint ventures	(i)	2.94
Others		(90.31)
Deferred Tax Impact (DTA / DTL) on above	(f)	315.17
DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts	43.5	1,452.41
Total of adjustments		**2,952.59**
Net Profit after tax as per Ind AS		**8,796.70**
Re-measurement of defined benefit plans	(h)	3.36
Net Gain / (Loss) on Fair Value of Equity Instruments	(d)	(322.32)
Others		2.87
Total comprehensive income (net of tax) as per Ind AS		**8,480.60**

53.3 Notes to first time adoption

Explanation of major impact of adoption on Ind AS on the reported consolidated financial statements of the Company as on the date of transition is as under:

(a) Loans and interest income

The Group's loans, satisfying the business model test of held to collect contractual cash flows and SPPI (Solely Payment of Principal and Interest) test as on transition date, have been measured at amortized cost using effective interest rate (EIR) method. These loans were measured at cost under previous GAAP.

This adjustment of retrospective application of EIR method, has resulted in the increase of Total Equity by ₹275.66 crore with a corresponding reduction in value of loans as on transition date. Subsequent to the transition date, the impact on Total Comprehensive Income (TCI) for the year ended 31.03.2018 is ₹(432.75) crore and on total equity as on 31.03.2018 is ₹(157.09) crore.

(b) Financial liabilities and interest expense

All financial liabilities except derivatives have been subsequently measured at Amortised Cost using the EIR method. The effect of the adjustments resulted in increase in Total Equity by ₹531.35 crore with corresponding reduction in the value of financial liabilities on transition date and by ₹373.79 crore as at 31.03.2018. Subsequent to the transition date, the impact on TCI for the year ended 31.03.2018 is ₹(157.55) crore.

(c) Reclassification of leasehold land

In case of PFC, under Previous GAAP, upfront premium paid for leasehold land was recognised in "Fixed Assets" (termed as Property Plant and Equipment (PPE) under Ind AS). Under Ind AS, a lease where the substantial risks and rewards incidental to ownership are not transferred to the Company is classified as operating lease and is amortised over the remaining lease term. Consequently, leasehold land is reclassified from "Fixed Assets / PPE" to Prepaid Expense in Non- Financial Assets and is being amortized over the leasehold period.

This has resulted in decrease in total equity as at 01.04.2017 by ₹9.79 crore and as at 31.03.2018 by ₹0.34 crore.

(d) Investments

Under Ind AS, the companies in the Group have designated equity investments other than investments in subsidiaries / JVs / associates at Fair Value through Other Comprehensive Income (FVTOCI). The difference between the carrying amount and fair value as on transition date has been recognized in OCI reserve as at the date of transition and subsequently in Other Comprehensive Income.

This has resulted in increase in Total Equity by ₹427.59 crore with corresponding increase in value of investments in equity instruments as at the date of transition and by ₹134.24 crore as at 31.03.2018

(e) Impairment Loss Allowance

Under previous GAAP, the provision on loan assets was maintained as per RBI prudential norms / directions. However, under Ind AS framework, impairment loss allowance on loans is made using Expected Credit Loss (ECL) approach. This has resulted in the reduction in Total Equity by ₹12,102.55 crore as at the date of transition and ₹14,835.42 crore as at 31.03.2018. The impact on TCI for the year ended 31.03.2018 is ₹(2,703.45) crore

(f) Deferred Taxes

Under previous GAAP, deferred tax accounting was done using the income statement approach. However, Ind AS requires the accounting of deferred taxes using the balance sheet approach, which includes identification of temporary differences based on the difference in carrying amount of an asset/ liability in the consolidated balance sheet and its tax base. These differences have been suitably recognized in the consolidated financial statements. These adjustments and the consequential impact due to the adoption of Ind AS have resulted in a reduction in the Total Equity by ₹373.99 crore as at 01.04.2017 and by ₹69.66 crore as at 31.03.2018.

(g) Derivative Financial Instruments

In case of PFC, under previous GAAP, the derivative financial instruments in the nature of forward contracts were accounted for in accordance with AS 11 'The Effects of Changes in Foreign Exchange Rates' wherein the premium or discount component was amortised during the tenure of the contract. However under Ind AS, all derivative contracts are required to be fair valued at each reporting date in accordance with Ind AS 109 'Financial Instruments'.

In case of the subsidiary, RECL, under Indian GAAP, the company measured interest rate swap derivatives at mark to market and cross currency swap were measured at exchange rate on the reporting date through FCMITD A/c with gain/loss on restatement amortised over the remaining life of the instrument. According to Ind AS 109, all derivatives are measured at fair value and any gains/losses, except gains/losses on derivatives used for hedge purposes, are recognized in profit or loss.

As a result, as on transition date, the Total Equity has increased by ₹438.40 crore and by ₹58.56 crore as on 31.03.2018. The impact on TCI for the year ended 31.03.2018 is ₹(123.33) crore.

(h) Re-measurement of defined benefit plans

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under Ind-AS, re-measurement gain/ loss are recognised in Other Comprehensive Income.

As a result, profit for the year ended 31.03.2018 increased by ₹3.36 crore (net of tax) with corresponding increase in other comprehensive income during the year.

(i) Joint Venture accounted for using equity method

Share of undistributed reserves of joint venture has been accounted for as per numbers finalised under previous GAAP, in the financial statements of EESL. However, as the EESL has also transitioned to Ind-AS, therefore, the impact of Ind-AS adjustments has been taken into account in the consolidated financial statements. Further, the method of consolidation of Joint Venture has also been changed from proportionate consolidation method to equity method of accounting as per Ind-AS 28.

53.4 Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31.03.2018: (₹ in crore)

Particulars	Previous GAAP	Adjustments due to business combination	Adjustments on transition to Ind AS	Ind AS
Net cash flow from operating activities	(27,296.12)	(31,283.32)	1,431.88	(57,147.56)
Net cash flow from investing activities	610.51	294.04	504.58	1,409.13
Net cash flow from financing activities	24,151.59	28,272.46	(405.56)	52,018.49
Net increase / (decrease) in cash and cash equivalents during the year	**(2,534.02)**	**(2,716.82)**	**1,530.89**	**(3,719.95)**
Cash and cash equivalents at the beginning of the year	3,224.34	4,488.04	(3,167.39)	4,544.99
Cash and cash equivalent at the end of the year	**690.32**	**1,771.22**	**(1,636.50)**	**825.04**

The impact of transition to Ind AS is mainly due to the classification of Earmarked bank balances as 'Other Bank Balances' instead of 'Cash & Cash Equivalents'.

54 In respect of the Company's subsidiary REC, the other Government schemes being implemented are as under :

54.1 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India has launched a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - Saubhagya to achieve universal household electrification in the country. The scheme envisages to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas by 31st March, 2019. The capital outlay of Saubhagya Scheme is ₹16,320 Crore including Gross Budgetary Support of ₹12,320 Crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme.

With the active support and cooperation of States/Power Utilities and other stakeholders, cumulatively 2.62 Crore households were electrified since launch of Saubhagya scheme upto 31st March, 2019. During FY 2018-19, 2.22 Crore households were electrified. Accordingly, all States (except Chhattisgarh with 18,734 un-electrified Households) have declared achievement of saturation of household electrification.

54.2 Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is the flagship scheme of Government of India covering all aspects of rural power distribution. Under the scheme 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant upto 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of '24x7 Power for All' in the country through the following project components:

(i) Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;

(ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;

(iii) Micro-grid and Off-grid distribution network;

(iv) Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

The components at (i) and (ii) of the above scheme will have an estimated outlay of ₹ 43,033 Crore including budgetary support of ₹ 33,453 Crore from Government of India during the entire implementation period. The scheme of RGGVY as approved by CCEA for continuation in 12th and 13th plan have been subsumed in this scheme as a separate Rural Electrification (RE) component. During FY 2018-19, grant of ₹ 20,593 Crore has been received from Ministry of Power for utilization of implementing Government programmes (DDUGJY & Saubhagya) by the State Power Utilities/ Discoms across the Country.

54.3 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. RECL has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

54.4 J&K Prime Minister's Development Plan (PMDP)

Government of Jammu & Kashmir, Power Development Department has appointed RECPDCL and RECTPCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of distribution work under PMDP in J&K state on nomination basis, as per actual cost to be discovered through competitive biddings.

54.5 Urja Mitra and 11 kV Feeder Monitoring

Ministry of Power has initiated two schemes namely Urja Mitra and 11 kV Feeder Monitoring. Urja Mitra is an initiative which aims to provide information about power outage/cuts /breakdown/shutdown (both planned and unplanned) to the consumers. Feeder Monitoring 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. RECTPCL has been appointed as nodal agency for the both schemes.

55 Company was creating impairment loss allowance, on Stage I and II loan assets at higher of Expected Credit Loss (ECL) as per Ind AS or as per RBI prudential norms. Now, the Company has aligned the impairment loss allowance on loan assets solely as per the requirement of Ind AS resulting in reduction of cumulative impairment loss allowance for the year ended 31.03.2019 and consequent increase in profit after tax by ₹ 268.61 crore.

56 Status of documentation subsequent to unbundling of SEBs

56.1 Subsequent to the reorganization of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However the assets and liabilities are yet to be transferred to the respective Power Utility through a formal gazette notification.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up by the Company and its subsidiary RECL in respect of all the outstanding loans respectively, 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.

56.2 Additionally in case of the subsidiary RECL,

56.2.1 Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).

56.2.2 Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.

56.2.3 Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.

56.2.4 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. However, transfer agreements in the case of Chhattisgarh State Electricity Board (CSEB) are yet to be executed amongst the Company, new entity and the State Government.

56.2.5 Agreements in case of erstwhile Tamil Nadu State Electricity Board (TNEB) have been executed based on the provisional provisions of the Tamil Nadu Electricity (Re-organisation and Reforms) Transfer Scheme, 2010. However further transfer agreements in this regard shall be executed, once finalized based on the discussion with the Tamil Nadu utilities.

57 The company's subsidiary PFCCL has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30th March 2016. As per the guidelines, every bidder is required to deposit with PFCCL the requisite fees of ₹ 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid. Only successful Bidder(s) will have to pay the fees to PFCCL for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder.

58 Disclosure No. 59 to 67 presented below are flowing from RBI master Directions applicable to the NBFCs. Since PFC and its subsidiary, RECL are NBFCs in the Group, the following disclosures contain information with respect to these two companies only.

59 Other Exposures

59.1 RBI has categorized the Company as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated 12th February 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single Group of borrowers and exposure for lending and investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI has exempted the Company from applicability of RBI's concentration of credit/investment norms till 31st March, 2022.

59.2 The Group does not have any exposure to real estate sector. (Previous year – Nil)

59.3 Exposure to Capital Market:

(₹ in crore)

Sr. No.	Description	Amount as at 31.03.2019	Amount as at 31.03.2018	Amount as at 01.04.2017
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	16,956.94	2,759.53	2,752.63
(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 (excluding loans where security creation is under process);	–	–	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–	–
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,629.16	2,651.65	2,395.88
(vii)	Bridge loans to companies against expected equity flows / issues;	–	–	–
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	12.33	12.41	12.45
	Total Exposure to Capital Market	**19,598.43**	**5,423.59**	**5,160.96**

59.4 Details of financing of parent company products:
The Company does not have a parent company.

59.5 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company:
The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2018-19 and FY 2017-18.

60 Asset Liability Management Maturity pattern of items of Assets and Liabilities as prescribed by RBI :

In respect of the PFC

(₹ in crore)

Bucket as at 31.03.2019	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	14,133.64	4,955.46	21,785.18	–	696.50
Over 1 Month upto 2 Months	1,833.07	1,928.13	4,915.00	–	–
Over 2 Months upto 3 Months	-	1,264.76	7,495.20	–	2,080.35
Over 3 Months upto 6 Months	-	9,225.21	10,292.05	–	–
Over 6 Months upto 1 Year	-	16,559.51	19,088.10	–	3,468.40
Over 1 Year & upto 3 Years	-	50,663.28	76,608.05	–	4,971.67
Over 3 Years & upto 5 Years	-	49,879.10	32,730.60	–	9,235.95
Over 5 Years	-	165,146.63	87,160.38	23.84	8,373.99

Note:- In the above table, the principal cash flows net of provision relating to Stage III assets have been considered in over 5 years bucket irrespective of the maturity date. Further, Bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero coupon bonds have been shown at the maturity value.

In respect of the subsidiary, RECL

(₹ in crore)

Bucket as at 31.03.2019	Investments	Loan Assets	Domestic Borrowings	Foreign Currency Items	
				Assets	Borrowings
Upto 30/31 Days	56.56	1,850.88	3,908.90	–	27.10
Over 1 Month upto 2 Months	-	1,316.82	1,140.25	–	1,848.36
Over 2 Months upto 3 Months	-	3,401.32	4,145.36	–	99.06
Over 3 Months upto 6 Months	-	7,627.17	11,942.27	–	1,110.68
Over 6 Months upto 1 Year	48.30	13,781.11	22,553.98	–	2,444.00
Over 1 Year & upto 3 Years	1,500.00	55,904.77	69,456.88	–	12,890.45
Over 3 Years & upto 5 Years	-	50,995.33	41,012.10	–	11,019.19
Over 5 Years	678.27	1,35,573.52	56,158.89	–	4,511.39

61 Penalty Imposed by the Regulator

In case of PFC,

NSE and BSE vide their letters dated 31.01.2019 have levied fine on the Company for non-compliance in regard to Regulation 17(1) i.e. Composition of Board of Directors and 19(1) i.e. Composition of Nomination & Remuneration Committee of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company in its reply to NSE & BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India. The Company has taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of the Company for compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In case of the subsidiary, RECL

No penalties have been levied by any regulator during the year ended 31st March 2019 (Previous year Nil).

62 Credit Ratings

In respect of PFC

62.1 Ratings assigned by credit rating agencies and migration of ratings during the year:

Sr. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

62.2 Long term foreign currency issuer rating assigned to the Company as at 31.03.2019:

Sr. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Negative#
3.	Moody's	Baa3	Stable

#As compared to previous year, only S&P has changed the outlook from Stable to Negative. But in April 2019, the outlook has been upgraded to Stable again.

In respect of the subsidiary, RECL

Ratings assigned by credit rating agencies and migration of ratings during the year

62.3 Domestic Credit Ratings

Sr. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+
4.	India Ratings and Research	IND AAA	IND A1+

62.4 International Credit Ratings

Sr. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Moody's	Baa3	Stable

There has been no migration of ratings during the year.

63 Provisions, Contingencies and Impairment loss allowances

(₹ in crore)

Description	FY 2018-19	FY 2017-18
Impairment loss allowance	(627.99)	4,691.54
Provision made towards current Income tax	4,160.95	4,649.04

64 Customer Complaints for FY 2018-19

No complaints have been received by the companies from their borrowers during the year ended 31st March 2019 (Previous year Nil).

65 Details of registrations obtained from regulators:

In respect of PFC

(₹ in crore)

Sr. No.	Regulator	Particulars	Registration Details
1.	Ministry of Corporate Affairs	Corporate Identification Number	L65910DL1986GOI024862
2.	Reserve Bank of India	Registration Number	B- 14.00004
3.	Legal Entity Identifier India Ltd	LEI Number	3358003Q6D9LIJJZ1614

In respect of the subsidiary, RECL

(₹ in crore)

Sr. No.	Regulator	Particulars	Registration Details
1.	Ministry of Corporate Affairs	Corporate Identification Number	L40101DL1969GOI005095
2.	Reserve Bank of India	Registration Number	14.000011
3.	Global Legal Entity Identifier Foundation (GLEIF)	LEI Code	335800B4YRYWAMIJZ374

66 (a) Overseas Assets for Joint Ventures / Subsidiaries abroad: Nil

(b) There are no Off-balance Sheet SPVs sponsored by the Company.

67 Additional Schedule to Balance Sheet

(₹ in crore)

		Particulars	Amount as on 31.03.2019		Amount as on 31.03.2018		Amount as on 01.04.2017	
		Liabilities Side	outstanding	overdue	outstanding	overdue	outstanding	overdue
(1)		Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:						
	(a)	Bonds : Secured	63,896.72	0.00	81,912.18	0.00	82,983.44	0.00
		: Unsecured	332,176.68	0.00	300,732.46	0.00	266,858.93	0.00
	(b)	(i) Rupee Term Loans	71,426.57	0.00	10,956.35	0.00	2,777.22	0.00
		(ii) Foreign Currency Loans	42,625.94	0.00	38,099.37	0.00	28,458.04	0.00
	(c)	Commercial Paper	17,690.92	0.00	10,174.74	0.00	–	0.00
	(d)	Short Term Borrowings	13,357.29	0.00	–	0.00	2,400.79	0.00
	(e)	Finance Lease Obligations	–	0.00	–	0.00	–	0.00

			Assets Side	Amount Outstanding as on 31.03.2019	Amount Outstanding as on 31.03.2018	Amount Outstanding as on 01.04.2017
(2)			Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :			
	(a)		Secured	404,072.84	376,746.27	335,008.18
	(b)		Unsecured	180,451.16	131,257.39	104,550.18
	(c)		Less: Impairment loss allowance	(16,057.16)	(16,939.76)	(14,835.73)
	(d)		Loans and advances (net of provision)	298,659.67	262,084.86	230,708.71
(3)			Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :			
	(i)		Lease assets including lease rentals under sundry debtors:			
		(a)	Financial lease	99.89	111.89	222.99
(4)			Break-up of Investments (Net of Provisions)			
			Current Investments			
	1.		Quoted			
		(i)	Shares			
			(a) Equity	935.09	1,126.04	1,258.03
	2.		Unquoted			
		(i)	Shares			
			(a) Equity	–	–	193.05
			Long Term Investments			
	1.		Quoted			
		(i)	Shares			
			(a) Equity	728.95	817.25	704.60
		(ii)	Debentures and Bonds	2,366.71	2,310.46	3,328.52
	2.		Unquoted			
		(i)	Shares			
			(a) Equity	425.88	319.88	432.57
		(ii)	Debentures and Bonds	32.11	739.99	710.16
		(ii)	Government Securities	47.16	141.48	235.80
		(iii)	Units of SIB Fund	12.36	12.52	12.60

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

		Category	Amount Net of Provisions (as on 31.03.2019)			Amount Net of Provisions (as on 31.03.2018)			Amount Net of Provisions (as on 01.04.2017)		
			Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1.		Related Parties									
	(a)	Subsidiaries and Associates	–	196.22	196.22	–	169.95	169.95	–	115.04	115.04
	(b)	Companies in the same group	–	–	–	–	–	–	–	–	–
	(b)	Other related parties	0.52	0.46	0.98	0.52	0.56	1.08	0.52	0.51	1.03
2.		Other than related parties	404,172.21	180,254.48	584,426.69	376,857.64	131,086.88	507,944.52	335,230.65	104,434.63	439,665.28
		Total	404,172.73	180,451.16	584,623.89	376,858.16	131,257.39	508,115.55	335,231.17	104,550.18	439,781.35

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

		Category	(as on 31.03.2019)		(as on 31.03.2018)		(as on 01.04.2017)	
			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)	Market value / Break up$ or fair value or NAV	Book Value (Net of Provisions)
1.		Related Parties						
	(a)	Subsidiaries	0.00	-	0.00	-	0.00	-
	(b)	Companies in the same group	295.99	246.25	200.05	147.25	176.57	147.25
2.		Other than related parties	2018.88	2,018.88	2545.22	2,545.22	3899.00	3,899.00
		Total	2,314.87	2,265.13	2,745.27	2,692.47	4,075.57	4,046.25

(7) Other Information

		Particulars	Amount (as on 31.03.2019)	Amount (as on 31.03.2018)	Amount (as on 01.04.2017)
(i)		Gross Non-performing Assets			
	(a)	Other than related parties	49,888.75	43,995.23	17,158.98
(ii)		Net Non-performing Assets			
	(a)	Other than related parties	25,168.79	21,263.48	9,617.45
(iii)		Assets acquired in satisfaction of debt (Gross value of investment)	–	–	–

$In case of negative break-up value, Nil value has been considered.

68 Amountsexpected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities (₹ in crore)

	Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS						
1	**Financial Assets**						
(a)	Cash and Cash Equivalents	725.03	0.00	825.04	0.00	4,544.99	0.00
(b)	Bank Balance other than included in Cash & Cash Equivalents	15,606.41	0.00	2,024.27	0.00	3,682.00	2.05
(c)	Derivative Financial Instruments	430.84	1,939.72	163.76	755.71	17.92	910.02
(d)	Trade Receivable	172.13	0.00	145.77	0.00	135.71	0.00
(e)	Loans	73,948.42	4,99,712.86	65,668.98	4,29,220.65	62,357.10	3,66,666.17
(f)	Investments	1,037.32	3,566.45	1,601.42	3,891.09	1,896.67	5,006.52
(g)	Other Financial Assets	683.27	23,078.20	354.38	9,308.19	158.77	5,307.86
	Total financial assets (1)	**92,603.42**	**5,28,297.23**	**70,783.62**	**4,43,175.64**	**72,793.16**	**3,77,892.62**
2	**Non- Financial Assets**						
(a)	Inventories	0.00	0.00	0.00	0.00	0.04	0.00
(b)	Current Tax Assets (Net)	5.59	920.31	1.97	540.34	2.76	394.67
(c)	Deferred Tax Assets (Net)	10.25	6,359.49	3.78	7,389.77	0.01	5,707.81
(d)	Investment Property	0.00	0.01	0.00	0.01	0.00	0.01
(e)	Property, Plant and Equipment	0.00	186.45	0.00	155.24	0.00	151.57
(f)	Capital Work-in-Progess	0.00	196.94	0.00	127.23	0.00	61.41
(g)	Intangible Assets under development	0.00	1.59	0.00	1.46	0.00	1.46
(h)	Other Intangible Assets	0.00	9.18	0.00	6.19	0.00	1.38
(i)	Other Non-Financial Assets	294.61	98.85	236.77	101.76	984.74	102.37
	Total non-financial assets (2)	**310.45**	**7,772.82**	**242.52**	**8,322.00**	**987.55**	**6,420.68**
3	**Assets Classified as held for sale**	**9.56**	**0.00**	**7.68**	**0.00**	**3.08**	**0.00**
	Total Assets (1+2+3)	**92,923.43**	**5,36,070.05**	**71,033.82**	**4,51,497.64**	**73,783.79**	**3,84,313.30**
	LIABILITIES						
1	**Financial Liabilities**						
(a)	Derivative Financial Instruments	124.33	540.66	59.71	498.72	85.86	337.01
(b)	Trade Payables	74.91	0.00	66.70	0.00	46.19	0.00
(c)	Debt Securities	85,954.05	3,12,397.95	76,252.99	3,09,626.66	54,335.17	2,88,760.13
(d)	Borrowings (other than Debt Securities)	36,201.52	90,805.55	12,698.06	36,013.53	4,347.83	28,944.10
(e)	Subordinated Liabilities	272.26	13,856.20	261.97	6,298.15	261.97	6,297.88
(f)	Other Financial Liabilities	1,693.64	22,880.64	15,449.78	9,157.63	2,395.45	19,650.55
	Total financial liabilities (1)	**1,24,320.71**	**4,40,481.00**	**1,04,789.21**	**3,61,594.69**	**61,472.47**	**3,43,989.66**
2	**Non- Financial Liabilities**						
(a)	Current Tax Liabilities (Net)	0.00	130.70	0.51	129.97	0.55	130.43
(b)	Provisions	259.59	107.22	153.39	363.89	88.87	190.90
(c)	Deferred Tax Liabilities (Net)	0.00	0.00	0.00	0.00	0.00	0.00
(d)	Other Non-Financial Liabilities	112.99	96.96	115.25	114.82	137.41	71.32
	Total non-financial liabilities (2)	**372.58**	**334.88**	**269.15**	**608.68**	**226.83**	**392.65**
3	Liabilities directly associated with assets classified as held for sale	0.08	0.00	0.00	0.00	0.00	0.00
	Total liabilities (1+2+3)	**1,24,693.37**	**4,40,815.88**	**1,05,058.36**	**3,62,203.37**	**61,699.30**	**3,44,382.32**

69 The Company's operations comprise of only one business segment - lending loans to power sector companies engaged in construction of power plants and in generation, supply, distribution and transmission of electricity: in the context of reporting business/geographical segment as required by Ind AS 108 - Operating Segments. Based on "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

(a) The Group does not have any geographical segments as operations of the Group are mainly carried out within the country.

(b) Revenue from major services

The following is an analysis of Group's revenue from operations from its major services:

(₹ in crore)

	FY 2018-19	FY 2017-18
Interest income		
- from loans	52,837.17	47,075.10
- Others	598.53	602.12
Fees and Commission income	374.11	566.98
Other operating income	227.50	287.50

(c) Information about major borrowers

No single borrower contributed 10% or more to Company's revenue for both FY 2018-19 and FY 2017-18.

70 Disclosures in consolidated financial statements have been made to the extent information is available in Subsidiaries' financial statements.

71 Disclosures in respect of Entities Consolidated as required under Schedule III to the Companies Act, 2013

71.1 Share in Net Assets i.e Total Assets minus Total Liabilities

(₹ in crore)

Name of Entity	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent						
PFC Ltd	68.19%	43,287.99	66.87%	36,956.15	68.10%	35,425.08
Subsidiaries-Indian						
REC Limited	54.42%	34,546.34	58.96%	32,587.61	59.23%	30,809.43
PFC Consulting Limited (PFCCL)	0.15%	95.11	0.36%	201.26	0.49%	253.34
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	0.05	0.00%	0.05	0.00%	0.05
Joint Venture-Indian						
Energy Efficiency Services Limited (EESL)	0.76%	480.65	0.62%	345.26	0.68%	352.14
Associates-Indian						
Chhattisgarh Surguja Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Coastal Karnataka Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Coastal Maharashtra Mega Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Orissa Integrated Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Coastal Tamil Nadu Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Sakhigopal Integrated Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Ghogarpalli Integrated Power Company Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05

(₹ in crore)

Name of Entity	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Tatiya Andhra Mega Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Deoghar Mega Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Cheyyur Infra Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Odisha Infrapower Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Deoghar Infra Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Bihar Infrapower Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Bihar Mega Power Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Jharkhand Infrapower Limited	0.00%	0.05	0.00%	0.05	0.00%	0.05
Adjustments or eliminations effect	(23.51)%	(14,926.66)	(26.82)%	(14,821.35)	(28.50)%	(14,825.32)
Total	**100.00%**	**63,484.23**	**100.00%**	**55,269.73**	**100.00%**	**52,015.47**

71.2 Share in Profit and loss

(₹ in crore)

Name of Entity	As at 31.03.2019		As at 31.03.2018	
	As a % of Consolidated Profit and loss	Amount	As a % of Consolidated Profit and loss	Amount
Parent				
PFC Ltd	55.01%	6,952.92	49.87%	4,386.77
Subsidiaries-Indian				
REC Ltd	45.60%	5763.72	50.24%	4419.89
PFC Consulting Limited (PFCCL)	0.18%	22.43	0.34%	29.67
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	0.00	0.00%	0.00
Joint Venture-Indian				
Energy Efficiency Services Limited (EESL)	0.39%	48.67	0.24%	21.51
Adjustments or eliminations effect	(1.17)%	(147.47)	(0.70)%	(61.15)
Total	**100.00%**	**12,640.27**	**100.00%**	**8,796.69**

71.3 Share in Other Comprehensive income

(₹ in crore)

Name of Entity	As at 31.03.2019		As at 31.03.2018	
	As a % of Consolidated Other Comprehensive income	Amount	As a % of Consolidated Other Comprehensive income	Amount
Parent				
PFC Ltd	77.30%	(206.97)	102.42%	(323.74)
Subsidiaries-Indian				
REC Ltd	22.63%	(60.59)	(1.79)%	5.67
PFC Consulting Limited (PFCCL)	0.00%	0.00	0.00%	0.00
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	0.00	0.00%	0.00
Joint Venture-Indian				
Energy Efficiency Services Limited (EESL)	0.00%	(0.01)	(0.90)%	2.86
Adjustments or eliminations effect	0.06%	(0.18)	0.28%	(0.88)
Total	**100.00%**	**(267.75)**	**100.00%**	**(316.09)**

71.3 Share in Total Comprehensive income

(₹ in crore)

Name of Entity	As at 31.03.2019		As at 31.03.2018	
	As a % of Consolidated Total Comprehensive income	Amount	As a % of Consolidated Total Comprehensive income	Amount
Parent				
PFC Ltd	54.52%	6,745.95	47.91%	4,063.03
Subsidiaries-Indian				
REC Ltd	45.91%	5680.79	52.55%	4456.19
PFC Consulting Limited (PFCCL)	0.18%	22.43	0.35%	29.67
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	0.00	0.00%	0.00
Joint Venture-Indian				
Energy Efficiency Services Limited (EESL)	0.39%	48.54	0.29%	24.37
Adjustments or eliminations effect	(1.01)%	(125.19)	(1.09)%	(92.66)
Total	**100.00%**	**12,372.52**	**100.00%**	**8,480.60**

72 Figures have been rounded off to the nearest crore of rupees with two decimals.

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

Form AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

Part "A" : Subsidiaries

(₹ in Crore)

A.	Subsidiaries	REC Ltd	PFC Consulting Limited (PFCCL)	Power Equity Capital Advisors Private Limited (PECAP)	REC Power Distribution Company Limited	REC Transmission Projects Company Limited
1	Information for the year ended as on[1]	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
2	Date of acquisition / incorporation	28.03.2019	25.03.2008	11.10.2011	28.03.2019	28.03.2019
3	Share Capital	1,974.92	0.05	0.00	0.05	0.05
4	Reserves & Surplus	32,328.02	95.06	0.00	155.68	118.39
5	Total Assets	2,97,717.30	130.18	0.05	555.03	286.30
6	Total Liabilities	2,63,414.36	35.07	0.05	399.30	167.86
7	Investments	2,397.62	0.04	0.00	15.81	89.08
8	Turnover [2]	25,309.72	57.57	0.00	159.78	40.45
9	Profit before Taxation	8,100.50	32.27	0.00	41.01	32.21
10	Provision for Taxation	2,336.78	9.84	0.00	14.67	7.61
11	Profit after taxation	5,763.72	22.43	0.00	26.34	24.60
12	Proposed Dividend	Nil	Nil	Nil	–	–
13	% of Shareholding	52.63%	100.00%	100.00%	100.00%	100.00%

Note:

1. Reporting period of all the subsidiaries is same as that of the holding company.
2. Turnover is considered as Income from Operations.
3. PECAP is under process of voluntary liquidation.
4. The Company does not have any foreign subsidiary.

Part "B": Associates and Joint Ventures

(₹ in Crore)

B.	Name of Joint Ventures/Associates	Shares of Joint Ventures/Associates held by the company on the year end				Description of how there is Significant Influence	Reason why the joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance sheet	Profit / Loss for the year	
		Latest audited Balance Sheet Date	No. of shares	Amount of Investments in Joint Venture/ Associates	Extent of Group's Holding %				Considered in Consolidation	Not considered in Consolidation
Joint Venture										
1	Energy Efficiency Services Limited (EESL)[5]	31.03.2018	39,20,00,000	392.00	58.06%	Being Promoter[1]/ By virtue of Shareholding agreement	NA	481.36		–
Associates										
1	Chhattisgarh Surguja Power Limited	31.03.2019	50,000	0.05	100%	SPVs are managed as per the mandate from Government of India (GoI).and the Company does not have the practical ability to direct the relevant activities of these SPVs unilaterally.Therefore, investment in these SPVs are considered as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.	NA	0.05	–	–
2	Coastal Karnataka Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
3	Coastal Maharashtra Mega Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
4	Orissa Integrated Power Limited	31.03.2019	50,000	0.05	100%		NA	(0.08)	–	–
5	Coastal Tamil Nadu Power Limited	31.03.2019	50,000	0.05	100%		NA	0.08	–	–
6	Sakhigopal Integrated Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
7	Ghogarpalli Integrated Power Company Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
8	Tatiya Andhra Mega Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
9	Deoghar Mega Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
10	Cheyyur Infra Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
11	Odisha Infrapower Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
12	Deoghar Infra Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
13	Bihar Infrapower Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
14	Bihar Mega Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
15	Jharkhand Infrapower Limited	31.03.2019	50,000	0.05	100%		NA	0.05	–	–
16	Dinchang Transmission Limited[4]	31.03.2019	50,000	0.05	100%	Holding 100% of shares and participation in management	Refer Note no 6	–	–	0.49
17	Udupi Kasargode Transmission Limited	31.03.2019	50,000	0.05	100%			(0.18)	–	(0.23)
18	Chandil Transmission Limited	31.03.2019	50,000	0.05	100%			(1.70)	–	(1.75)
19	Koderma Transmission Limited	31.03.2019	50,000	0.05	100%			(1.50)	–	(1.55)
20	Dumka Transmission Limited	31.03.2019	50,000	0.05	100%			(1.66)	–	(1.71)
21	Mandar Transmission Limited	31.03.2019	50,000	0.05	100%			(1.46)	–	(1.51)
22	Bhind-Guna Transmission Limited	31.03.2019	50,000	0.05	100%			(0.71)	–	(0.76)
23	Bijawar-Vidhrbha Transmission Limited	31.03.2019	10,000	0.01	100%	Holding 100% Control	NA	0.01	–	–
24	Vapi II-North Lakhimpur Transmission Limited	31.03.2019	10,000	0.01	100%		NA	0.01	–	–
25	Bhuj-II Transmission Limited	NA	10,000	0.01	100%		Refer Note no 6	0.01	–	–
26	Fatehgarh-II Transco Limited	NA	10,000	0.01	100%			0.01	–	–
27	Bikaner Khetri Transmission Limited	NA	10,000	0.01	100%			0.01	–	–
28	Ballabhgarh-GN Transmission Company Limited	31.03.2019	50,000	0.05	100%		NA	–	–	–
29	Mohindergarh-Bhiwani Transmission Limited	31.03.2019	50,000	0.05	100%		NA	–	–	–
30	South Central East Delhi Power Transmission Limited	31.03.2019	50,000	0.05	100%		NA	–	–	–
31	Tanda Transmission Company Limited	31.03.2019	50,000	0.05	100%		NA	–	–	–
32	Shongtong Karcham-Wangtoo Transmission Limited	31.03.2019	10,000	0.01	100%		NA	0.01	–	–

Note:

1. EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.
2. All the SPVs are under pre-operative stage and yet to commence operations.
3. Ghatampur Transmission Limited , Jawaharpur Firozabad Transmission Limited and Obra-C Badaun Transmission Limited have been transferred during the year.
4. Dinchang Transmission Limited are under process of winding-up.
5. Amount as per management approved financial statements as on 31.03.2019
6. Associates have been classified as 'held for sale' and valued at cost. Accordingly, the Profit/ (loss) has not been considered in Consolidated Financial Statements
7. Eight associate companies namely Ajmer Phagi Transco Limited, Jam Khambaliya Transco Limited, Khetri Transco Limited, WRSS XXI(A) Transco Limited, Lakadia Banaskantha Transco Limited, Bhuj-II Transmission Limited, Bikaner-Khetri Transmission Limited and Fatehgarh-II Transco Limited have been incorporated after 1st January 2019 and in line with the provisions of the Companies Act, 2013, the first financial statements of these companies will be prepared for the period ended 31st March 2020.

For and on Behalf of Board of Directors

Sd/-
(Manohar Balwani)
Company Secretary

Sd/-
(N. B. Gupta)
Director (Finance)
DIN - 00530741

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

Sd/-
(CA M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

Sd/-
(CA Bhupinder Singh)
Partner
Membership No.-092867

Place : Mumbai
Date : 29.05.2019

POWER FINANCE CORPORATION LIMITED

CIN: L65910DL1986GOI024862
Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi -110001
Tel: +91 11 23456000, **Fax:** +91 11 23412545, **Email id:** investorsgrievance@pfcindia.com
Website: www.pfcindia.com

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

I/We hereby record my/our presence at the 33rd **Annual General Meeting** of the Company being held on Tuesday, the August 27, 2019 at 11:00 AM at Talkatora Indoor Stadium, Talkatora Garden, Delhi 110004.

Serial No : ____________

Name and Registered Address of the Sole/first named Member :

Name(s) of the Joint Member(s), if any :

Regd Folio No. / DP ID /Client ID No. :

Number of shares held :

Name of the Proxy / Representative :

Signature of the Member / Proxy / Authorized Representative

NAME OF THE HOLDER	FOLIO/DPID/CLIENT ID NO.	NO. OF SHARES

FOR ATTENTION OF MEMBERS

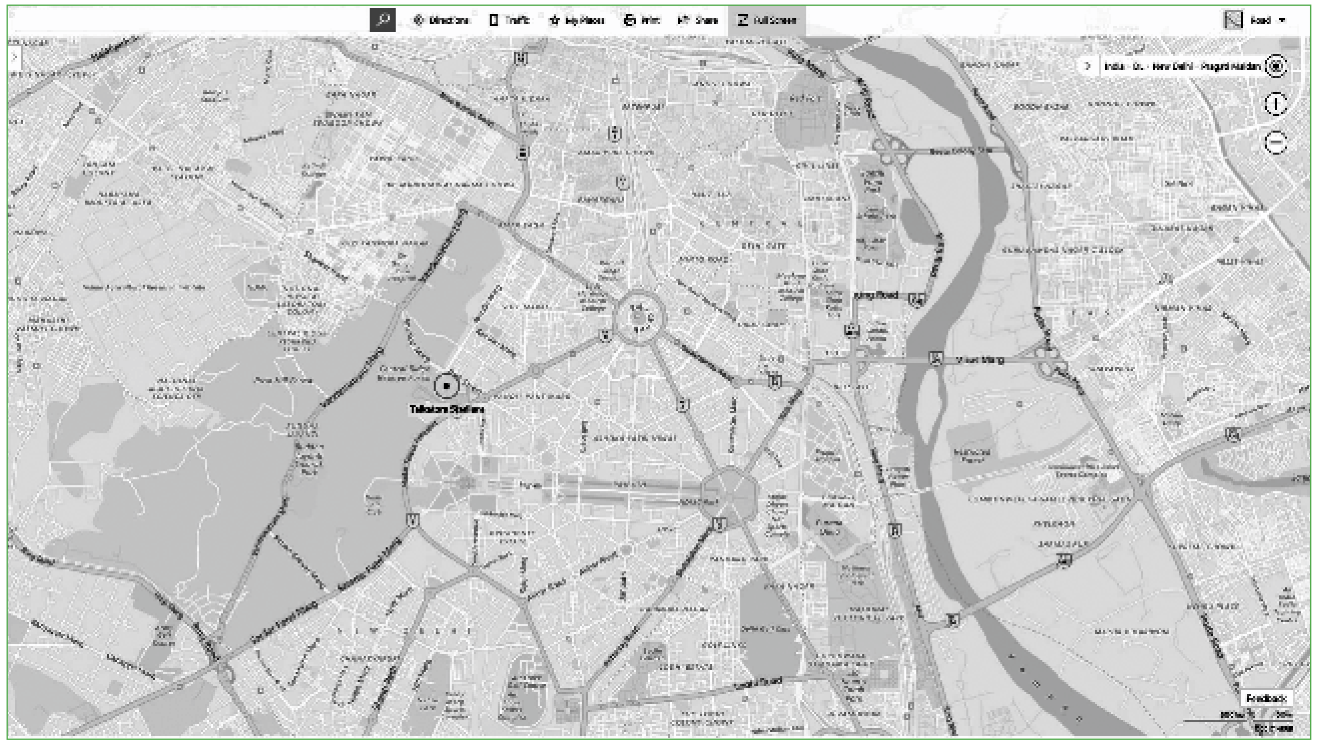
Members may please note the electronic voting particulars are set out below for the purpose of e-voting in terms of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the Annual General Meeting notice.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

Note: Please follow the e-voting instructions mentioned in the Notice.

The Route Map for Talkatora Stadium, New Delhi-110004



POWER FINANCE CORPORATION LIMITED

CIN: L65910DL1986GOI024862

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi -110001

Tel: +91 11 23456000, **Fax:** +91 11 23412545, **Email id:** investorsgrievance@pfcindia.com

Website: www.pfcindia.com

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s): ....

Registered Address: ....

E-mail ID: ....

Folio No./DP ID and Client ID: ....

I/We, being the member(s) of Power Finance Corporation Limited holding.. shares of the company, hereby appoint:

1. Name: .... Email ID: ....

   Address: .... Signature: ________________ , or failing him/her

2. Name: .... Email ID: ....

   Address: .... Signature: ________________ , or failing him/her

3. Name: .... Email ID: ....

   Address: .... Signature: ________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General meeting of the Company being held on Tuesday, the August 27, 2019 at 11.00 a.m. at Talkatora Indoor Stadium, Talkatora Garden, Delhi 110004 and at any adjournment thereof in respect of resolutions for following businesses :

S. No.	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt the audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2019, the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Shri Naveen Bhushan Gupta (DIN: 00530741), who retires by rotation and being eligible, offers himself for re-appointment.		
3	To fix the remuneration of the Statutory Auditors		
Special Business			
4.	To appoint Shri Ravinder Singh Dhillon (DIN: 00278074), as Director of the Company		
5.	To appoint Shri R.C. Mishra (DIN: 02469982), as Director of the Company		
6.	To raise funds upto ₹ 70,000 crore through issue of Bonds/Debentures/notes/ debt securities on Private Placement basis in India and/or outside India		

Signed this............ day of.......... 2019

Signature of shareholder ________________ Signature of Proxy holder(s) (Affix Revenue Stamp of appropriate value)

NOTES:

1. This form of Proxy in order to be effective should be duly completed and stamped and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.
2. In terms of Clause 6.4.1 of Secretarial Standard – 2 on General Meetings, the Proxy-holder shall prove his identity at the time of attending the Meeting.